

# JOHNSON & JOHNSON

## **FORM 8-K** (Current report filing)

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Address	ONE JOHNSON & JOHNSON PLZ NEW BRUNSWICK, NJ, 08933
Telephone	732-524-2455
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Industry	Pharmaceuticals
Sector	Healthcare
Fiscal Year	01/01

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of The  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported):

April 17, 2018



(Exact name of registrant as specified in its charter)

New Jersey  
(State or Other Jurisdiction of  
Incorporation)

I-3215  
(Commission File Number)

22-1024240  
(IRS Employer Identification No.)

One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933

(Address of Principal Executive Offices)  
(Zip Code)

Registrant's telephone number, including area code:  
732-524-0400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition**

On April 17, 2018, Johnson & Johnson issued the attached press release announcing its sales and earnings for the first quarter ended April 1, 2018.

**Item 2.05 Costs Associated with Exit or Disposal Activities**

On April 11, 2018, Johnson & Johnson approved plans to implement a series of actions across its Global Supply Chain that are intended to focus resources and increase investments in the critical capabilities, technologies and solutions necessary to manufacture and supply its product portfolio, enhance agility and drive growth. The Company expects the Global Supply Chain actions will include expanding the use of strategic collaborations and bolstering initiatives to reduce complexity, improve cost-competitiveness, enhance capabilities and optimize the Supply Chain network. Discussions regarding specific future actions are ongoing and are subject to all relevant consultation requirements before they are finalized.

In total, the Company expects these actions to generate approximately \$0.6 billion to \$0.8 billion in annual pre-tax cost savings that will be substantially delivered by 2022. The Company expects to record pre-tax restructuring charges of approximately \$1.9 billion to \$2.3 billion, over the 4 to 5 year period of this activity, which will be treated as a special item, and adjusted from GAAP earnings. The Company estimates that approximately 70% of the cumulative pre-tax costs will result in cash outlays. The costs are associated with network optimizations, exit costs and accelerated depreciation and amortization.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

Exhibit No.	Description of Exhibit
<a href="#">99.15</a>	Press Release dated April 17, 2018 for the period ended April 1, 2018.
<a href="#">99.20</a>	Unaudited Comparative Supplementary Sales Data and Condensed Consolidated Statement of Earnings for the first quarter.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Johnson & Johnson**  
(Registrant)

Date: April 17, 2018

By: /s/ Ronald A. Kapusta  
Ronald A. Kapusta  
Controller  
(Principal Accounting Officer)

**Johnson & Johnson Reports 2018 First-Quarter Results:**

**2018 First-Quarter Sales of \$20.0 Billion Increased 12.6% versus 2017**

**2018 First-Quarter EPS was \$1.60**

**2018 Adjusted First-Quarter EPS of \$2.06 increased 12.6%\***

*Sales Momentum Continued in the First Quarter  
Strong Adjusted EPS Growth of 12.6%\*  
Company Increased Sales and Reaffirms EPS Guidance*

New Brunswick, N.J. (April 17, 2018) - Johnson & Johnson (NYSE: JNJ) today announced sales of \$20.0 billion for the first quarter of 2018, an increase of 12.6% as compared to the first quarter of 2017. Operational sales results increased 8.4% and the positive impact of currency was 4.2%. Domestic sales increased 6.1%. International sales increased 19.9%, reflecting operational growth of 10.9% and a positive currency impact of 9.0%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 4.3%, domestic sales increased 1.3% and international sales increased 7.6%. \*

Net earnings and diluted earnings per share for the first quarter of 2018 were \$4.4 billion and \$1.60, respectively. First-quarter 2018 net earnings included after-tax intangible amortization expense of approximately \$1.0 billion and a charge for after-tax special items of approximately \$0.3 billion. First-quarter 2017 net earnings included after-tax intangible amortization expense of approximately \$0.2 billion and a charge for after-tax special items of approximately \$0.4 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were \$5.6 billion and adjusted diluted earnings per share were \$2.06, representing increases of 11.8% and 12.6%, respectively, as compared to the same period in 2017. \* On an operational basis, adjusted diluted earnings per share also increased 5.5%. \* A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

“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.” said Alex Gorsky, Chairman and Chief Executive Officer. “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.”

Mr. Gorsky continued, “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%.”

The Company increased its sales guidance for the full-year 2018 to a range of \$81.0 to \$81.8 billion, reflecting expected operational growth in the range of 4.0% to 5.0%. Additionally, the Company reaffirmed its adjusted earnings guidance for full-year 2018 to a range of \$8.00 to \$8.20 per share, reflecting expected operational growth in the range of 6.8% to 9.6%.

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## Segment Sales Performance

Worldwide Consumer sales of \$3.4 billion for the first quarter 2018 represented an increase of 5.3% versus the prior year, consisting of an operational increase of 1.3% and a positive impact from currency of 4.0%. Domestic sales increased 1.6%, international sales increased 8.2%, which reflected an operational increase of 1.2% and a positive currency impact of 7.0%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 2.0%, domestic sales increased 1.6% and international sales increased 2.3% \*.

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by beauty products primarily NEUTROGENA, AVEENO, and Dr. Ci Labo, and international analgesics in over-the-counter products, partially offset by the negative impact of domestic baby care products.

Worldwide Pharmaceutical sales of \$9.8 billion for the first quarter 2018 represented an increase of 19.4% versus the prior year with an operational increase of 15.1% and a positive impact from currency of 4.3%. Domestic sales increased 9.9%; international sales increased 33.1%, which reflected an operational increase of 22.5% and a positive currency impact of 10.6%. Sales included the impact of Actelion Ltd which contributed 7.6%, to worldwide operational sales growth. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 7.5%, domestic sales increased 2.2% and international sales increased 15.3%.\*

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by new products and the strength of core products. Strong growth in new products include DARZALEX (daratumumab), for the treatment of patients with multiple myeloma, IMBRUVICA (ibrutinib), an oral, once-daily therapy approved for use in treating certain B-cell malignancies, a type of blood or lymph node cancer and TREMFYA (guselkumab), for the treatment of adults living with moderate to severe plaque psoriasis. Additional contributors to operational sales growth included ZYTIGA (abiraterone acetate), an oral, once-daily medication for use in combination with prednisone for the treatment of metastatic, castration-resistant prostate cancer, STELARA (ustekinumab) and international SIMPONI/SIMPONI ARIA (golimumab), biologics for the treatment of a number of immune-mediated inflammatory diseases, XARELTO (rivaroxaban), an oral anticoagulant, and INVEGA SUSTENNA/XEPLION/TRINZA/TREVICTA (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults.

During the quarter, the 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 and ERLEADA (apalutamide) an oral androgen receptor inhibitor for the treatment of patients with non-metastatic castration-resistant prostate cancer. In addition, the Committee for Medicinal Products for Human Use issued a positive opinion recommending marketing authorization for JULUCA (rilpivirine and dolutegravir), the first, single-pill, two-drug regimen for the treatment of human immunodeficiency virus type 1 infection.

Also in the quarter, a marketing authorization application was submitted to the European Medicines Agency for apalutamide, an oral androgen receptor inhibitor for the treatment of patients with high-risk non-metastatic castration-resistant prostate cancer.

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Worldwide Medical Devices sales of \$6.8 billion for the first quarter 2018 represented an increase of 7.5% versus the prior year consisting of an operational increase of 3.2% and a positive currency impact of 4.3%. Domestic sales increased 2.2%; international sales increased 12.7%, which reflected an operational increase of 4.2% and a positive currency impact of 8.5%. Sales included the partial quarter impact of the recently acquired surgical vision business which contributed 3.1%, to worldwide operational sales growth. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 1.1%, domestic sales decreased 0.2% and international sales increased 2.4%. \*

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by ACUVUE contact lenses in the Vision Care business; electrophysiology products in the Interventional Solutions business; endcutters in the Advanced Surgery business; and trauma products in the Orthopaedics business, partially offset by declines in the Diabetes Care business and spine products in the Orthopaedics business.

During the quarter, the acquisition of Orthotaxy S.A.S., a privately-held developer of software-enabled surgery technologies, including a differentiated robotic-assisted surgery was completed. In addition, the Company announced a binding offer from Platinum Equity, a private investment firm, to acquire its LifeScan business for approximately \$2.1 billion, subject to customary adjustments.

Subsequent to the quarter, ACUVUE OASYS with Transitions received 510(k) clearance from the FDA and is indicated for vision correction and the attenuation of bright light.

Additionally, Johnson & Johnson plans to implement actions across its global supply chain that are intended to enable the company to focus resources and increase investments in critical capabilities, technologies and solutions necessary to manufacture and supply its product portfolio of the future, enhance agility and drive growth. The Company expects these supply chain actions will include expanding our use of strategic collaborations, and bolstering our initiatives to reduce complexity, improving cost-competitiveness, enhancing capabilities and optimizing our network. Discussions regarding specific future actions are ongoing and are subject to all relevant consultation requirements before they are finalized.

In total, the Company expects these actions to generate approximately \$0.6 to \$0.8 billion in annual pre-tax cost savings that will be substantially delivered by 2022. The Company expects to record pre-tax restructuring charges of approximately \$1.9 to \$2.3 billion, which will be treated as a special item.

### About Johnson & Johnson

At Johnson & Johnson, we believe good health is the foundation of vibrant lives, thriving communities and forward progress. That's why for more than 130 years, we have aimed to keep people well at every age and every stage of life. Today, as the world's largest and most broadly-based health care company, we are committed to using our reach and size for good. We strive to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere. We are blending our heart, science and ingenuity to profoundly change the trajectory of health for humanity.

\* Operational sales growth excluding the net impact of acquisitions and divestitures, as well as adjusted net earnings, adjusted diluted earnings per share and operational adjusted diluted earnings per share excluding after-tax

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intangible amortization expense and special items, are non-GAAP financial measures and should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. Except for guidance measures, reconciliations 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). Johnson & Johnson does not provide GAAP financial measures on a forward-looking basis because the company is unable to predict with reasonable certainty the ultimate outcome of legal proceedings, unusual gains and losses, acquisition-related expenses and purchase accounting fair value adjustments without unreasonable effort. These items are uncertain, depend on various factors, and could be material to Johnson & Johnson's results computed in accordance with GAAP.

Johnson & Johnson will conduct a conference call with investors to discuss this news release today at 8:30 a.m., Eastern Time. A simultaneous webcast of the call for investors and other interested parties may be accessed by visiting the Johnson & Johnson website at [www.investor.jnj.com](http://www.investor.jnj.com). A replay and podcast will be available approximately two hours after the live webcast by visiting [www.investor.jnj.com](http://www.investor.jnj.com).

Copies of the financial schedules accompanying this press release are available at [www.investor.jnj.com/historical-sales.cfm](http://www.investor.jnj.com/historical-sales.cfm). These schedules include supplementary sales data, a condensed consolidated statement of earnings, reconciliations of non-GAAP financial measures, and sales of key products/franchises. Additional information on Johnson & Johnson, including adjusted income before tax by segment, a pharmaceutical pipeline of selected compounds in late stage development and a copy of today's earnings call presentation can be found on the company's website at [www.investor.jnj.com](http://www.investor.jnj.com).

#### NOTE TO INVESTORS CONCERNING FORWARD-LOOKING STATEMENTS

This press release 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: 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 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 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 this release speaks only as of the date of this release. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.



## Johnson &amp; Johnson and Subsidiaries

## Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

FIRST QUARTER

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

Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup> <sup>(A)</sup>					
Earnings before provision for taxes on income	\$ 6,858	34.3	\$ 6,103	34.4	12.4
Net earnings	\$ 5,635	28.2	\$ 5,038	28.4	11.8
Net earnings per share (Diluted)	\$ 2.06		\$ 1.83		12.6
Effective tax rate	17.8 %		17.5 %		

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

<sup>(A)</sup> NON-GAAP FINANCIAL MEASURES "Adjusted earnings before provision for taxes on income," "adjusted net earnings," "adjusted net earnings per share (diluted)," and "adjusted effective tax rate" are non-GAAP financial measures and should not be considered replacements for GAAP results. The Company provides earnings before provision for taxes on income, net earnings, net earnings per share (diluted), and effective tax rate on an adjusted basis because management believes that these measures provide useful information to investors. Among other things, these measures may assist investors in evaluating the Company's results of operations period over period. In various periods, these measures may exclude such items as intangible asset amortization expense, significant costs associated with acquisitions, restructuring, litigation, and changes in applicable laws and regulations (including significant accounting or tax matters). Special items may be highly variable, difficult to predict, and of a size that sometimes has substantial impact on the Company's reported results of operations for a period. Management uses these measures internally for planning, forecasting and evaluating the performances of the Company's businesses, including allocating resources and evaluating results relative to employee performance compensation targets. Unlike earnings before provision for taxes on income, net earnings, net earnings per share (diluted), and effective tax rate prepared in accordance with GAAP, adjusted earnings before provision for taxes on income, adjusted net earnings, adjusted net earnings per share (diluted), and adjusted effective tax rate may not be comparable with the calculation of similar measures for other companies. The limitations of using these non-GAAP financial measures as performance measures are that they provide a view of the Company's results of operations without including all events during a period, such as intangible asset amortization expense, the effects of an acquisition, restructuring, litigation, and changes in applicable laws and regulations (including significant accounting or tax matters) and do not provide a comparable view of the Company's performance to other companies in the health care industry. Investors should consider non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP.

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

**Johnson & Johnson and Subsidiaries****Supplementary Sales Data**

(Unaudited; Dollars in Millions)

**FIRST QUARTER**

	2018	2017	Total	Percent Change	
				Operations	Currency
<b>Sales to customers by segment of business</b>					
Consumer					
U.S.	\$ 1,436	1,414	1.6 %	1.6	—
International	1,962	1,814	8.2	1.2	7.0
	<b>3,398</b>	<b>3,228</b>	5.3	1.3	4.0
Pharmaceutical					
U.S.	5,354	4,872	9.9	9.9	—
International	4,490	3,373	33.1	22.5	10.6
	<b>9,844</b>	<b>8,245</b>	19.4	15.1	4.3
Medical Devices					
U.S.	3,161	3,092	2.2	2.2	—
International	3,606	3,201	12.7	4.2	8.5
	<b>6,767</b>	<b>6,293</b>	7.5	3.2	4.3
U.S.	9,951	9,378	6.1	6.1	—
International	10,058	8,388	19.9	10.9	9.0
Worldwide	<b>\$ 20,009</b>	<b>17,766</b>	12.6 %	8.4	4.2

**Johnson & Johnson and Subsidiaries****Supplementary Sales Data**

(Unaudited; Dollars in Millions)

**FIRST QUARTER**

			Percent Change		
	2018	2017	Total	Operations	Currency
<b>Sales to customers by geographic area</b>					
U.S.	\$ 9,951	9,378	6.1 %	6.1	—
Europe	4,797	3,858	24.3	10.0	14.3
Western Hemisphere excluding U.S.	1,567	1,454	7.8	7.2	0.6
Asia-Pacific, Africa	3,694	3,076	20.1	13.7	6.4
International	10,058	8,388	19.9	10.9	9.0
Worldwide	\$ 20,009	17,766	12.6 %	8.4	4.2

**Johnson & Johnson and Subsidiaries**  
**Reconciliation of Non-GAAP Financial Measures**

<i>(Dollars in Millions Except Per Share Data)</i>	First Quarter		% Incr. /
	2018	2017	(Decr.)
Earnings before provision for taxes on income - as reported	\$ 5,481	5,575	(1.7) %
Intangible asset amortization expense	1,115	329	
Restructuring/Other <sup>(1)</sup>	107	161	
Actelion acquisition related cost	96	—	
Unrealized loss/(gain) on securities	27	—	
AMO acquisition related cost	21	38	
Other	11	—	
Earnings before provision for taxes on income - as adjusted	\$ 6,858	6,103	12.4 %
Net Earnings - as reported	\$ 4,367	4,422	(1.2) %
Intangible asset amortization expense	996	244	
Restructuring/Other	81	121	
Actelion acquisition related cost	92	—	
Unrealized loss/(gain) on securities	21	—	
AMO acquisition related cost	17	251	
Impact of tax legislation <sup>(2)</sup>	52	—	
Other	9	—	
Net Earnings - as adjusted	\$ 5,635	5,038	11.8 %
Diluted Net Earnings per share - as reported	\$ 1.60	1.61	(0.6) %
Intangible asset amortization expense	0.36	0.09	
Restructuring/Other	0.03	0.04	
Actelion acquisition related cost	0.03	—	
Unrealized loss/(gain) on securities	0.01	—	
AMO acquisition related cost	0.01	0.09	
Impact of tax legislation	0.02	—	
Other	—	—	
Diluted Net Earnings per share - as adjusted	\$ 2.06	1.83	12.6 %
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates		1.86	
Impact of currency at 2017 foreign currency exchange rates	(0.13)	(0.03)	
Operational Diluted Net Earnings per share - as adjusted at 2017 foreign currency exchange rates	\$ 1.93	1.83	5.5 %

<sup>(1)</sup> Includes \$6M recorded in cost of products sold and \$59M recorded in other (income) expense in the first quarter 2018, and \$4M recorded in cost of products sold and \$72M recorded in other (income) expense in the first quarter 2017

<sup>(2)</sup> Includes foreign currency translation



Johnson & Johnson and Subsidiaries  
Reconciliation of Non-GAAP Financial Measure

Operational Sales Growth Excluding Acquisitions and Divestitures <sup>(A)</sup>  
FIRST QUARTER 2018 ACTUAL vs. 2017 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % <sup>(1)</sup>			
<b>WW As Reported:</b>	<b>1.3%</b>	<b>15.1%</b>	<b>3.2%</b>	<b>8.4%</b>
U.S.	1.6%	9.9%	2.2%	6.1%
International	1.2%	22.5%	4.2%	10.9%
<b>Vision Care</b>				
<i>Vision Surgical &amp; Eye Health Business</i> <sup>(2)</sup>			<b>(3.1)</b>	<b>(1.1)</b>
U.S.			(2.8)	(0.9)
International			(3.4)	(1.3)
<b>Pulmonary Hypertension</b>				
<i>Actelion</i>		<b>(7.1)</b>		<b>(3.3)</b>
U.S.		(7.4)		(3.8)
International		(6.6)		(2.7)
<b>Cardiovascular / Metabolism / Other</b>				
<i>Actelion</i>		<b>(0.5)</b>		<b>(0.2)</b>
U.S.		(0.3)		(0.2)
International		(0.6)		(0.3)
<b>Spine &amp; Other</b>				
<i>Codman Neuroscience</i>			<b>1.0</b>	<b>0.4</b>
U.S.			0.7	0.2
International			1.4	0.6
<b>Wound Care / Other</b>				
<i>Compeed</i>	<b>0.7</b>			<b>0.1</b>
U.S.	0.0			0.0
International	1.2			0.3
<b>All Other Acquisitions and Divestitures</b>				
	<b>0.0</b>		<b>0.0</b>	<b>0.0</b>
U.S.	0.0		(0.3)	(0.1)
International	(0.1)		0.2	0.1
<b>WW Ops excluding Acquisitions and Divestitures</b>	<b>2.0%</b>	<b>7.5%</b>	<b>1.1%</b>	<b>4.3%</b>
U.S.	1.6%	2.2%	(0.2)%	1.3%
International	2.3%	15.3%	2.4%	7.6%

<sup>(1)</sup> Operational growth excludes the effect of translational currency

<sup>(2)</sup> Previously referred to as Medical Optics

<sup>(A)</sup> NON-GAAP FINANCIAL MEASURE "Operational sales growth excluding the net impact of acquisitions and divestitures" is a non-GAAP financial measure. Investors should consider non-GAAP financial measures in addition to, and not as replacements for, or superior to, measures of financial performance prepared in accordance with GAAP. Due to the variable nature of acquisitions and divestitures, and the impact they may have on the analysis of underlying business performance and trends, management believes that providing this measure enhances an investor's understanding of the Company's performance and may assist in the evaluation of ongoing business operations period over period. This non-GAAP financial measure is presented to permit investors to more fully understand how management assesses the performance of the Company, including for internal evaluation of the performance of the Company's businesses and planning and forecasting for future periods. The use of this non-GAAP financial measure

as a performance measure is limited in that it provides a view of the Company's results of operations without including all events during a period and may not provide a comparable view of the Company's performance to that of other companies in the health care industry.

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# Johnson & Johnson

Segment Sales  
(Dollars in Millions)

## FIRST QUARTER

	2018	2017	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>CONSUMER SEGMENT <sup>(2)</sup></b>					
<b>BABY CARE</b>					
US	\$ 97	113	(14.2)%	(14.2)%	—%
Intl	360	342	5.3	1.3	4.0
WW	457	455	0.4	(2.6)	3.0
<b>BEAUTY</b>					
US	611	567	7.8	7.8	—
Intl	473	414	14.3	6.2	8.1
WW	1,084	981	10.5	7.1	3.4
<b>ORAL CARE</b>					
US	157	156	0.6	0.6	—
Intl	222	206	7.8	0.7	7.1
WW	379	362	4.7	0.6	4.1
<b>OTC</b>					
US	465	477	(2.5)	(2.5)	—
Intl	607	536	13.2	3.9	9.3
WW	1,072	1,013	5.8	0.9	4.9
<b>WOMEN'S HEALTH</b>					
US	3	3	0.0	0.0	—
Intl	240	239	0.4	(4.6)	5.0
WW	243	242	0.4	(4.6)	5.0
<b>WOUND CARE/OTHER</b>					
US	103	98	5.1	5.1	—
Intl	60	77	(22.1)	(26.7)	4.6
WW	163	175	(6.9)	(8.9)	2.0
<b>TOTAL CONSUMER</b>					
US	1,436	1,414	1.6	1.6	—
Intl	1,962	1,814	8.2	1.2	7.0
WW	\$ 3,398	3,228	5.3 %	1.3 %	4.0%

See footnotes at end of schedule



# Johnson & Johnson

Segment Sales  
(Dollars in Millions)

	FIRST QUARTER				
	2018	2017	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>PHARMACEUTICAL SEGMENT <sup>(2)</sup></b>					
<b>IMMUNOLOGY</b>					
US	\$ 2,000	2,123	(5.8)%	(5.8)%	—%
Intl	1,042	807	29.1	19.4	9.7
WW	3,042	2,930	3.8	1.1	2.7
<u>REMICADE</u>					
US	916	1,182	(22.5)	(22.5)	—
US Exports <sup>(3)</sup>	142	165	(13.9)	(13.9)	—
Intl	331	325	1.8	(3.7)	5.5
WW	1,389	1,672	(16.9)	(18.0)	1.1
<u>SIMPONI / SIMPONI ARIA</u>					
US	224	229	(2.2)	(2.2)	—
Intl	294	199	47.7	37.3	10.4
WW	518	428	21.0	16.2	4.8
<u>STELARA</u>					
US	652	547	19.2	19.2	—
Intl	409	276	48.2	34.0	14.2
WW	1,061	823	28.9	24.1	4.8
<u>OTHER IMMUNOLOGY</u>					
US	66	—	*	*	—
Intl	8	7	14.3	13.3	1.0
WW	74	7	*	*	*
<b>INFECTIOUS DISEASES</b>					
US	333	326	2.1	2.1	—
Intl	497	423	17.5	5.9	11.6
WW	830	749	10.8	4.2	6.6
<u>EDURANT / rilpivirine</u>					
US	14	12	16.7	16.7	—
Intl	196	137	43.1	25.2	17.9
WW	210	149	40.9	24.5	16.4
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	273	259	5.4	5.4	—
Intl	205	171	19.9	9.4	10.5
WW	478	430	11.2	7.0	4.2
<u>OTHER INFECTIOUS DISEASES</u>					
US	46	55	(16.4)	(16.4)	—
Intl	96	115	(16.5)	(22.4)	5.9
WW	142	170	(16.5)	(20.5)	4.0

See footnotes at end of schedule

# Johnson & Johnson

Segment Sales  
(Dollars in Millions)

	FIRST QUARTER				
	2018	2017	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>PHARMACEUTICAL SEGMENT</b> <sup>(2)</sup> (Continued)					
<b>NEUROSCIENCE</b>					
US	\$ 624	664	(6.0)%	(6.0)%	—%
Intl	935	833	12.2	3.3	8.9
WW	1,559	1,497	4.1	(0.8)	4.9
<u>CONCERTA / methylphenidate</u>					
US	66	108	(38.9)	(38.9)	—
Intl	107	101	5.9	(0.9)	6.8
WW	173	209	(17.2)	(20.5)	3.3
<u>INVEGA SUSTENNA / XEPLION / TRINZA / TREVICTA</u>					
US	400	372	7.5	7.5	—
Intl	296	232	27.6	15.2	12.4
WW	696	604	15.2	10.5	4.7
<u>RISPERDAL CONSTA</u>					
US	82	95	(13.7)	(13.7)	—
Intl	114	112	1.8	(7.1)	8.9
WW	196	207	(5.3)	(10.2)	4.9
<u>OTHER NEUROSCIENCE</u>					
US	76	89	(14.6)	(14.6)	—
Intl	418	388	7.7	0.4	7.3
WW	494	477	3.6	(2.3)	5.9
<b>ONCOLOGY</b>					
US	933	664	40.5	40.5	—
Intl	1,378	930	48.2	34.5	13.7
WW	2,311	1,594	45.0	37.0	8.0
<u>DARZALEX</u>					
US	264	201	31.3	31.3	—
Intl	168	54	*	*	*
WW	432	255	69.4	63.5	5.9
<u>IMBRUVICA</u>					
US	227	190	19.5	19.5	—
Intl	360	219	64.4	49.0	15.4
WW	587	409	43.5	35.3	8.2
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	313	280	11.8	1.6	10.2
WW	313	280	11.8	1.6	10.2
<u>ZYTIGA</u>					
US	407	233	74.7	74.7	—
Intl	438	290	51.0	36.8	14.2
WW	845	523	61.6	53.7	7.9
<u>OTHER ONCOLOGY</u>					
US	35	40	(12.5)	(12.5)	—
Intl	99	87	13.8	4.0	9.8
WW	134	127	5.5	(1.2)	6.7



## Johnson & Johnson

Segment Sales  
(Dollars in Millions)

### FIRST QUARTER

	2018	2017	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>PHARMACEUTICAL SEGMENT <sup>(2)</sup> (Continued)</b>					
<b>PULMONARY HYPERTENSION <sup>(4)</sup></b>					
US	\$ 361	—	*	*	—
Intl	224	—	*	*	—
WW	<u>585</u>	<u>—</u>	*	*	—
<u>OPSUMIT</u>					
US	149	—	*	*	—
Intl	122	—	*	*	—
WW	<u>271</u>	<u>—</u>	*	*	—
<u>TRACLEER</u>					
US	68	—	*	*	—
Intl	72	—	*	*	—
WW	<u>140</u>	<u>—</u>	*	*	—
<u>UPTRAVI</u>					
US	124	—	*	*	—
Intl	16	—	*	*	—
WW	<u>140</u>	<u>—</u>	*	*	—
<u>OTHER</u>					
US	20	—	*	*	—
Intl	14	—	*	*	—
WW	<u>34</u>	<u>—</u>	*	*	—

See footnotes at end of schedule

# Johnson & Johnson

Segment Sales  
(Dollars in Millions)

## FIRST QUARTER

### PHARMACEUTICAL SEGMENT <sup>(2)</sup> (Continued)

#### CARDIOVASCULAR / METABOLISM / OTHER

	2018	2017	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
US	\$ 1,103	1,095	0.7 %	0.7 %	—%
Intl	414	380	8.9	1.4	7.5
WW	1,517	1,475	2.8	0.9	1.9
<u>XARELTO</u>					
US	578	513	12.7	12.7	—
Intl	—	—	—	—	—
WW	578	513	12.7	12.7	—
<u>INVOKANA / INVOKAMET</u>					
US	204	247	(17.4)	(17.4)	—
Intl	44	37	18.9	10.3	8.6
WW	248	284	(12.7)	(13.8)	1.1
<u>PROCRIT / EPREX</u>					
US	189	169	11.8	11.8	—
Intl	87	78	11.5	2.8	8.7
WW	276	247	11.7	9.0	2.7
<u>OTHER</u>					
US	132	166	(20.5)	(20.5)	—
Intl	283	265	6.8	(0.2)	7.0
WW	415	431	(3.7)	(8.0)	4.3
<b>TOTAL PHARMACEUTICAL</b>					
US	5,354	4,872	9.9	9.9	—
Intl	4,490	3,373	33.1	22.5	10.6
WW	\$ 9,844	8,245	19.4 %	15.1 %	4.3%

See footnotes at end of schedule

# Johnson & Johnson

Segment Sales  
(Dollars in Millions)

## FIRST QUARTER

	2018	2017	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>MEDICAL DEVICES SEGMENT <sup>(2) (5)</sup></b>					
<b>DIABETES CARE</b>					
US	\$ 117	154	(24.0)%	(24.0)%	—%
Intl	222	245	(9.4)	(16.7)	7.3
WW	339	399	(15.0)	(19.5)	4.5
<b>DIAGNOSTICS</b>					
US	—	—	—	—	—
Intl	—	1	*	*	*
WW	—	1	*	*	*
<b>INTERVENTIONAL SOLUTIONS <sup>(6)</sup></b>					
US	304	279	9.0	9.0	—
Intl	336	270	24.4	14.3	10.1
WW	640	549	16.6	11.6	5.0
<b>ORTHOPAEDICS <sup>(6)</sup></b>					
US	1,307	1,359	(3.8)	(3.8)	—
Intl	943	916	2.9	(5.8)	8.7
WW	2,250	2,275	(1.1)	(4.6)	3.5
<b><u>HIPS</u></b>					
US	209	209	0.0	0.0	—
Intl	154	143	7.7	(1.2)	8.9
WW	363	352	3.1	(0.5)	3.6
<b><u>KNEES</u></b>					
US	228	246	(7.3)	(7.3)	—
Intl	159	152	4.6	(4.2)	8.8
WW	387	398	(2.8)	(6.2)	3.4
<b><u>TRAUMA</u></b>					
US	407	391	4.1	4.1	—
Intl	289	251	15.1	5.6	9.5
WW	696	642	8.4	4.7	3.7
<b><u>SPINE &amp; OTHER <sup>(6)</sup></u></b>					
US	463	513	(9.7)	(9.7)	—
Intl	341	370	(7.8)	(15.8)	8.0
WW	804	883	(8.9)	(12.2)	3.3

See footnotes at end of schedule

# Johnson & Johnson

Segment Sales  
(Dollars in Millions)

## FIRST QUARTER

	2018	2017	% Change		
			Reported	Operational <sup>(1)</sup>	Currency
<b>MEDICAL DEVICES SEGMENT <sup>(2) (5) (Continued)</sup></b>					
<b>SURGERY</b>					
US	\$ 993	995	(0.2)%	(0.2)%	—%
Intl	1,430	1,276	12.1	3.9	8.2
WW	2,423	2,271	6.7	2.1	4.6
<u>ADVANCED</u>					
US	393	392	0.3	0.3	—
Intl	573	485	18.1	9.4	8.7
WW	966	877	10.1	5.3	4.8
<u>GENERAL</u>					
US	423	423	0.0	0.0	—
Intl	704	651	8.1	0.0	8.1
WW	1,127	1,074	4.9	0.0	4.9
<u>SPECIALTY</u>					
US	177	180	(1.7)	(1.7)	—
Intl	153	140	9.3	2.7	6.6
WW	330	320	3.1	0.2	2.9
<b>VISION CARE <sup>(7)</sup></b>					
US	440	305	44.3	44.3	—
Intl	675	493	36.9	28.3	8.6
WW	1,115	798	39.7	34.4	5.3
<u>CONTACT LENSES / OTHER</u>					
US	309	256	20.7	20.7	—
Intl	498	427	16.6	9.3	7.3
WW	807	683	18.2	13.6	4.6
<u>SURGICAL</u>					
US	131	49	*	*	—
Intl	177	66	*	*	*
WW	308	115	*	*	*
<b>TOTAL MEDICAL DEVICES</b>					
US	3,161	3,092	2.2	2.2	—
Intl	3,606	3,201	12.7	4.2	8.5
WW	\$ 6,767	6,293	7.5 %	3.2 %	4.3%

\*Percentage greater than 100% or not meaningful

<sup>(1)</sup> Operational growth excludes the effect of translational currency

<sup>(2)</sup> Unaudited

<sup>(3)</sup> Reported as U.S. sales

<sup>(4)</sup> Products acquired from Actelion acquisition on June 16, 2017

<sup>(5)</sup> Prior year amounts have been reclassified to conform to current year product disclosure

<sup>(6)</sup> All sales related to the Cerenovus business (previously included in Spine & Other in Orthopaedics) were reclassified to Interventional Solutions (previously referred to as Cardiovascular). See supplemental schedule.

<sup>(7)</sup> Includes products acquired from Abbott Medical Optics (AMO) acquisition on February 27, 2017

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**Johnson & Johnson**  
Supplemental Sales Information  
(Dollars in Millions)

Prior quarter amounts have been reclassified to conform to current quarter product disclosure

	2016	2017			
	Full Year	Q1	Q2	Q3	Q4
<b>MEDICAL DEVICES SEGMENT <sup>(1)</sup></b>					
<b>INTERVENTIONAL SOLUTIONS <sup>(2)</sup></b>					
US	\$ 968	279	285	279	305
Intl	930	270	288	274	316
WW	<u>1,899</u>	<u>549</u>	<u>573</u>	<u>553</u>	<u>621</u>
<b>ORTHOPAEDICS <sup>(2)</sup></b>					
US	5,501	1,359	1,367	1,308	1,370
Intl	3,784	916	926	896	916
WW	<u>9,284</u>	<u>2,275</u>	<u>2,293</u>	<u>2,204</u>	<u>2,286</u>
<b><u>SPINE &amp; OTHER</u> <sup>(2)</sup></b>					
US	2,215	513	533	495	512
Intl	1,616	370	382	376	344
WW	<u>\$ 3,830</u>	<u>883</u>	<u>915</u>	<u>871</u>	<u>856</u>

<sup>(1)</sup> Quarterly data unaudited

<sup>(2)</sup> All sales related to the Cerenovus business were reclassified to Interventional Solutions (previously referred to as Cardiovascular); The Cerenovus business includes the Codman Neurovascular business as well as the recent acquisitions of Neuravi and Pulsar (previously included in Spine & Other in Orthopaedics).