

JOHNSON & JOHNSON

FORM 8-K (Current report filing)

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Address	ONE JOHNSON & JOHNSON PLZ NEW BRUNSWICK, NJ, 08933
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Industry	Pharmaceuticals
Sector	Healthcare
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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):

July 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.

Item 2.02 Results of Operations and Financial Condition

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

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description of Exhibit
99.15	Press Release dated July 17, 2018 for the period ended July 1, 2018.
99.20	Unaudited Comparative Supplementary Sales Data and Condensed Consolidated Statement of Earnings for the second quarter.

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: July 17, 2018

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

Johnson & Johnson Reports 2018 Second-Quarter Results:

2018 Second-Quarter Sales of \$20.8 Billion Increased 10.6% versus 2017

2018 Second-Quarter EPS was \$1.45

2018 Adjusted Second-Quarter EPS of \$2.10 increased 14.8%*

Accelerating Operational Sales Growth in the Second Quarter

New Brunswick, N.J. (July 17, 2018) - Johnson & Johnson (NYSE: JNJ) today announced sales of \$20.8 billion for the second quarter of 2018, an increase of 10.6% as compared to the second quarter of 2017. Operational sales results increased 8.7% and the positive impact of currency was 1.9%. Domestic sales increased 9.4%. International sales increased 11.8%, reflecting operational growth of 7.9% and a positive currency impact of 3.9%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 6.3%, domestic sales increased 5.7% and international sales increased 6.8%. *

Net earnings and diluted earnings per share for the second quarter of 2018 were \$4.0 billion and \$1.45, respectively. Second-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 \$0.8 billion. Second-quarter 2017 net earnings included after-tax intangible amortization expense of approximately \$0.4 billion and a charge for after-tax special items of approximately \$0.8 billion. Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were \$5.7 billion and adjusted diluted earnings per share were \$2.10, representing increases of 14.0% and 14.8%, respectively, as compared to the same period in 2017. * On an operational basis, adjusted diluted earnings per share also increased 11.5%. * A reconciliation of non-GAAP financial measures is included as an accompanying schedule.

“Our strong second-quarter results reflect double-digit growth in our Pharmaceutical business and the accelerating sales momentum in our Medical Devices business, driven by the continued growth of our market leading products and strategic new launches. We remain focused on investing in innovation and meeting the needs of our customers by delivering innovative products and solutions that position the company to deliver long-term, sustainable growth,” said Alex Gorsky, Chairman and Chief Executive Officer. “Our talented J&J colleagues are united in our efforts to address some of the most critical health and consumer needs of people around the world.”

The Company updated its sales guidance for the full-year 2018 to a range of \$80.5 to \$81.3 billion. This reflects an increase in expected operational growth to a range of 4.5% to 5.5%, partially offset by the estimated lower favorable impact of currency. Additionally, the Company updated its adjusted earnings guidance for full-year 2018 to a range of \$8.07 to \$8.17 per share. This reflects an increase in expected operational growth to a range of 8.5% to 9.9%, partially offset by the estimated lower favorable impact of currency.

Segment Sales Performance

Worldwide Consumer sales of \$3.5 billion for the second quarter 2018 represented an increase of 0.7% versus the prior year, consisting of an operational decrease of 0.4% and a positive impact from currency of 1.1%. Domestic sales decreased 0.7%, international sales increased 1.9%, which reflected no change in operational sales and a positive currency impact of 1.9%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 0.9%, domestic sales decreased 0.7% and international sales increased 2.1%^{*}.

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by over-the-counter products including TYLENOL analgesics and digestive health products, international beauty products primarily NEUTROGENA, OGX and Dr. Ci Labo, partially offset by lower sales of baby care products. During the quarter, the divestiture of the anti-dandruff shampoo brand NIZORAL and certain other ketoconazole-based shampoo brands was completed.

Worldwide Pharmaceutical sales of \$10.4 billion for the second quarter 2018 represented an increase of 19.9% versus the prior year with an operational increase of 17.6% and a positive impact from currency of 2.3%. Domestic sales increased 17.7%; international sales increased 22.9%, which reflected an operational increase of 17.5% and a positive currency impact of 5.4%. Sales included the impact of Actelion Ltd which contributed 6.6%, to worldwide operational sales growth. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 11.0%, domestic sales increased 10.2% and international sales increased 11.9%.^{*}

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by STELARA (ustekinumab), a biologic for the treatment of a number of immune-mediated inflammatory diseases, ZYTIGA (abiraterone acetate), an oral, once-daily medication for use in combination with prednisone for the treatment of metastatic, castration-resistant prostate cancer, 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, TREMFYA (guselkumab), for the treatment of adults living with moderate to severe plaque psoriasis. SIMPONI/SIMPONI ARIA (golimumab), a biologic for the treatment of a number of immune-mediated inflammatory diseases, INVEGA SUSTENNA/XEPLION/TRINZA/TREVICTA (paliperidone palmitate), long-acting, injectable atypical antipsychotics for the treatment of schizophrenia in adults, and XARELTO (rivaroxaban), an oral anticoagulant.

During the quarter, the U.S. Food and Drug Administration (FDA) approved an additional indication for DARZALEX (daratumumab) in combination with VELCADE (bortezomib), a proteasome inhibitor; melphalan, an alkylating agent; and prednisone for the treatment of patients with newly diagnosed multiple myeloma who are ineligible for autologous stem cell transplant. The European Commission granted marketing authorization for JULUCA (dolutegravir/rilpivirine), a two-drug regimen, once-daily, single-pill for the treatment of HIV-1. A supplemental New Drug Application was submitted to the FDA seeking to expand the indication of OPSUMIT (macitentan) to include the treatment of adults with inoperable chronic thromboembolic pulmonary hypertension (CTEPH, WHO Group 4) to improve exercise capacity and pulmonary vascular resistance.

Also in the quarter, the acquisition of BeneVir Biopharm, Inc., a privately-held, biopharmaceutical company specializing in the development of oncolytic immunotherapies, was completed. In addition, a worldwide collaboration

was entered into with Bristol-Myers Squibb Company to develop and commercialize Factor XIa inhibitors, including BMS-986177, for the prevention and treatment of major thrombotic conditions.

Worldwide Medical Devices sales of \$7.0 billion for the second quarter 2018 represented an increase of 3.7% versus the prior year consisting of an operational increase of 1.9% and a positive currency impact of 1.8%. Domestic sales increased 1.1%; international sales increased 6.0%, which reflected an operational increase of 2.5% and a positive currency impact of 3.5%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales increased 2.9%, domestic sales increased 1.7% and international sales increased 4.1%.*

Worldwide operational results, excluding the net impact of acquisitions and divestitures, were driven by ACUVUE contact lenses and surgical products in the Vision business; electrophysiology products in the Interventional Solutions business; biosurgicals and international endocutters in the Advanced Surgery business; wound closure products in the General 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 Company announced acceptance of the binding offer from Platinum Equity to acquire its LifeScan business for approximately \$2.1 billion, subject to customary adjustments. The Company also announced receipt of a binding offer from Fortive Corporation to acquire its Advanced Sterilization Products business for an aggregate value of approximately \$2.8 billion, subject to customary adjustments. In addition, the FDA approved iDESIGN Refractive Studio, part of a next generation LASIK platform that measures the eye inside and out to enable highly precise personalized vision correction.

In July, the acquisition of assets from Medical Enterprises Distribution, LLC, a privately held developer of surgical impactor technology, including the automated ME1000 Surgical Impactor for use in hip replacement, was completed.

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 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. 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. A replay and podcast will be available approximately two hours after the live webcast by visiting www.investor.jnj.com.

Copies of the financial schedules accompanying this press release are available at 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.

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, global health care reforms and import/export and trade laws; 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, 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 & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

	SECOND QUARTER				Percent Increase (Decrease)
	2018		2017*		
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,830	100.0	\$ 18,839	100.0	10.6
Cost of products sold	6,927	33.3	5,846	31.0	18.5
Gross Profit	13,903	66.7	12,993	69.0	7.0
Selling, marketing and administrative expenses	5,743	27.5	5,289	28.1	8.6
Research and development expense	2,639	12.7	2,296	12.2	14.9
Interest (income) expense, net	127	0.6	122	0.6	
Other (income) expense, net	364	1.7	527	2.8	
Restructuring	57	0.3	11	0.1	
Earnings before provision for taxes on income	4,973	23.9	4,748	25.2	4.7
Provision for taxes on income	1,019	4.9	921	4.9	10.6
Net earnings	\$ 3,954	19.0	\$ 3,827	20.3	3.3
Net earnings per share (Diluted)	\$ 1.45		\$ 1.40		3.6
Average shares outstanding (Diluted)	2,721.3		2,741.5		
Effective tax rate	20.5 %		19.4 %		
Adjusted earnings before provision for taxes and net earnings ^{(1)(A)}					
Earnings before provision for taxes on income	\$ 7,014	33.7	\$ 6,285	33.4	11.6
Net earnings	\$ 5,718	27.5	\$ 5,017	26.6	14.0
Net earnings per share (Diluted)	\$ 2.10		\$ 1.83		14.8
Effective tax rate	18.5 %		20.2 %		

⁽¹⁾ See Reconciliation of Non-GAAP Financial Measures.

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

^(A) 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.

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SIX MONTHS

	2018		2017*		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 40,839	100.0	\$ 36,605	100.0	11.6
Cost of products sold	13,541	33.2	11,255	30.8	20.3
Gross Profit	27,298	66.8	25,350	69.2	7.7
Selling, marketing and administrative expenses	11,006	27.0	10,052	27.5	9.5
Research and development expense	5,043	12.3	4,366	11.9	15.5
Interest (income) expense, net	272	0.7	205	0.6	
Other (income) expense, net	424	1.0	308	0.8	
Restructuring	99	0.2	96	0.2	
Earnings before provision for taxes on income	10,454	25.6	10,323	28.2	1.3
Provision for taxes on income	2,133	5.2	2,074	5.7	2.8
Net earnings	\$ 8,321	20.4	\$ 8,249	22.5	0.9
Net earnings per share (Diluted)	\$ 3.05		\$ 3.00		1.7
Average shares outstanding (Diluted)	2,728.5		2,749.4		
Effective tax rate	20.4 %		20.1 %		

Adjusted earnings before provision for taxes and net earnings ^{(1) (A)}					
Earnings before provision for taxes on income	\$ 13,872	34.0	\$ 12,388	33.8	12.0
Net earnings	\$ 11,353	27.8	\$ 10,055	27.5	12.9
Net earnings per share (Diluted)	\$ 4.16		\$ 3.66		13.7
Effective tax rate	18.2 %		18.8 %		

⁽¹⁾ See Reconciliation of Non-GAAP Financial Measures.

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

^(A) 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.

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

(Unaudited; Dollars in Millions)

SECOND QUARTER

				Percent Change	
	2018	2017	Total	Operations	Currency
Sales to customers by segment of business					
Consumer					
U.S.	\$ 1,476	1,487	(0.7) %	(0.7)	—
International	2,028	1,991	1.9	0.0	1.9
	3,504	3,478	0.7	(0.4)	1.1
Pharmaceutical					
U.S.	5,899	5,010	17.7	17.7	—
International	4,455	3,625	22.9	17.5	5.4
	10,354	8,635	19.9	17.6	2.3
Medical Devices					
U.S.	3,265	3,229	1.1	1.1	—
International	3,707	3,497	6.0	2.5	3.5
	6,972	6,726	3.7	1.9	1.8
U.S.	10,640	9,726	9.4	9.4	—
International	10,190	9,113	11.8	7.9	3.9
Worldwide	\$ 20,830	18,839	10.6 %	8.7	1.9

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

	SIX MONTHS				
	2018	2017	Total	Percent Change	
Operations				Currency	
Sales to customers by segment of business					
Consumer					
U.S.	\$ 2,912	2,901	0.4 %	0.4	—
International	3,990	3,805	4.9	0.5	4.4
	6,902	6,706	2.9	0.4	2.5
Pharmaceutical					
U.S.	11,253	9,882	13.9	13.9	—
International	8,945	6,998	27.8	19.9	7.9
	20,198	16,880	19.7	16.4	3.3
Medical Devices					
U.S.	6,426	6,321	1.7	1.7	—
International	7,313	6,698	9.2	3.3	5.9
	13,739	13,019	5.5	2.5	3.0
U.S.	20,591	19,104	7.8	7.8	—
International	20,248	17,501	15.7	9.3	6.4
Worldwide	\$ 40,839	36,605	11.6 %	8.6	3.0

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

(Unaudited; Dollars in Millions)

SECOND QUARTER

	2018	2017	Total	Percent Change	
				Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 10,640	9,726	9.4 %	9.4	—
Europe	4,810	4,232	13.7	6.5	7.2
Western Hemisphere excluding U.S.	1,540	1,499	2.7	6.7	(4.0)
Asia-Pacific, Africa	3,840	3,382	13.5	10.2	3.3
International	10,190	9,113	11.8	7.9	3.9
Worldwide	\$ 20,830	18,839	10.6 %	8.7	1.9

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

(Unaudited; Dollars in Millions)

SIX MONTHS

	Percent Change				
	2018	2017	Total	Operations	Currency
Sales to customers by geographic area					
U.S.	\$ 20,591	19,104	7.8 %	7.8	—
Europe	9,607	8,090	18.8	8.2	10.6
Western Hemisphere excluding U.S.	3,107	2,953	5.2	6.9	(1.7)
Asia-Pacific, Africa	7,534	6,458	16.7	11.9	4.8
International	20,248	17,501	15.7	9.3	6.4
Worldwide	\$ 40,839	36,605	11.6 %	8.6	3.0

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

<i>(Dollars in Millions Except Per Share Data)</i>	Second Quarter		% Incr. / (Decr.)
	2018	2017	
Earnings before provision for taxes on income - as reported	\$ 4,973	4,748	4.7 %
Intangible asset amortization expense	1,084	480	
Litigation expense, net	703	493	
Restructuring/Other ⁽¹⁾	176	128	
Actelion acquisition related cost	64	213	
Diabetes asset impairment	4	182	
AMO acquisition related cost	25	41	
Unrealized loss/(gain) on securities	(39)	—	
Other	24	—	
Earnings before provision for taxes on income - as adjusted	\$ 7,014	6,285	11.6 %
Net Earnings - as reported	\$ 3,954	3,827	3.3 %
Intangible asset amortization expense	967	378	
Litigation expense, net	609	352	
Restructuring/Other	152	101	
Actelion acquisition related cost	64	199	
Diabetes asset impairment	3	125	
AMO acquisition related cost	22	35	
Unrealized loss/(gain) on securities	(31)	—	
Impact of tax legislation ⁽²⁾	(40)	—	
Other	18	—	
Net Earnings - as adjusted	\$ 5,718	5,017	14.0 %
Diluted Net Earnings per share - as reported	\$ 1.45	1.40	3.6 %
Intangible asset amortization expense	0.36	0.14	
Litigation expense, net	0.22	0.13	
Restructuring/Other	0.06	0.03	
Actelion acquisition related cost	0.02	0.07	
Diabetes asset impairment	—	0.05	
AMO acquisition related cost	0.01	0.01	
Unrealized loss/(gain) on securities	(0.01)	—	
Impact of tax legislation	(0.02)	—	
Other	0.01	—	
Diluted Net Earnings per share - as adjusted	\$ 2.10	1.83	14.8 %
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	(0.06)	(0.03)	
Operational Diluted Net Earnings per share - as adjusted at 2017 foreign currency exchange rates	\$ 2.04	1.83	11.5 %

⁽¹⁾ Includes \$44M recorded in cost of products sold and \$75M recorded in other (income) expense for the second quarter 2018. Includes \$13M recorded in cost of products sold and \$104M recorded in other (income) expense for the second quarter 2017.

⁽²⁾ Includes foreign currency translation

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

<i>(Dollars in Millions Except Per Share Data)</i>	Six Months YTD		% Incr. /
	2018	2017	(Decr.)
Earnings before provision for taxes on income - as reported	\$ 10,454	10,323	1.3 %
Intangible asset amortization expense	2,199	809	
Litigation expense, net	703	493	
Restructuring/Other ⁽¹⁾	283	289	
Actelion acquisition related cost	160	213	
Diabetes asset impairment	4	182	
AMO acquisition related cost	46	79	
Unrealized loss/(gain) on securities	(12)	—	
Other	35	—	
Earnings before provision for taxes on income - as adjusted	\$ 13,872	12,388	12.0 %
Net Earnings - as reported	\$ 8,321	8,249	0.9 %
Intangible asset amortization expense	1,963	622	
Litigation expense, net	609	352	
Restructuring/Other	233	222	
Actelion acquisition related cost	156	199	
Diabetes asset impairment	3	125	
AMO acquisition related cost	39	286	
Unrealized loss/(gain) on securities	(10)	—	
Impact of tax legislation ⁽²⁾	12	—	
Other	27	—	
Net Earnings - as adjusted	\$ 11,353	10,055	12.9 %
Diluted Net Earnings per share - as reported	\$ 3.05	3.00	1.7 %
Intangible asset amortization expense	0.72	0.23	
Litigation expense, net	0.22	0.13	
Restructuring/Other	0.09	0.08	
Actelion acquisition related cost	0.05	0.07	
Diabetes asset impairment	—	0.05	
AMO acquisition related cost	0.01	0.10	
Unrealized loss/(gain) on securities	—	—	
Impact of tax legislation	0.01	—	
Other	0.01	—	
Diluted Net Earnings per share - as adjusted	\$ 4.16	3.66	13.7 %
Operational Diluted Net Earnings per share - as adjusted at 2016 foreign currency exchange rates		3.72	
Impact of currency at 2017 foreign currency exchange rates	(0.19)	(0.06)	
Operational Diluted Net Earnings per share - as adjusted at 2017 foreign currency exchange rates	\$ 3.97	3.66	8.5 %

⁽¹⁾ Includes \$50M recorded in cost of products sold and \$134M recorded in other (income) expense for six months 2018 YTD. Includes \$17M recorded in cost of products sold and \$176M recorded in other (income) expense for six months 2017 YTD.

⁽²⁾ Includes foreign currency translation

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

Operational Sales Growth Excluding Acquisitions and Divestitures ^(A)
SECOND QUARTER 2018 ACTUAL vs. 2017 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽¹⁾			
WW As Reported:	(0.4)%	17.6%	1.9%	8.7%
U.S.	(0.7)%	17.7%	1.1%	9.4%
International	0.0%	17.5%	2.5%	7.9%
Pulmonary Hypertension				
<i>Actelion</i>		(6.3)		(3.0)
U.S.		(7.4)		(3.8)
International		(5.2)		(2.0)
Cardiovascular / Metabolism / Other				
<i>Actelion</i>		(0.3)		(0.1)
U.S.		(0.1)		(0.1)
International		(0.4)		(0.2)
Spine & Other				
<i>Codman Neuroscience</i>			1.0	0.4
U.S.			0.6	0.2
International			1.5	0.6
Wound Care / Other	1.0			0.2
<i>Compeed</i>	0.0			0.0
U.S.	1.7			0.4
International				
All Other Acquisitions and Divestitures	0.3		0.0	0.1
U.S.	0.0		0.0	0.0
International	0.4		0.1	0.1
WW Ops excluding Acquisitions and Divestitures	0.9%	11.0%	2.9%	6.3%
U.S.	(0.7)%	10.2%	1.7%	5.7%
International	2.1%	11.9%	4.1%	6.8%

⁽¹⁾ Operational growth excludes the effect of translational currency

^(A) 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.

Johnson & Johnson and Subsidiaries

Reconciliation of Non-GAAP Financial Measure

Operational Sales Growth Excluding Acquisitions and Divestitures ^(A)
SIX MONTHS 2018 ACTUAL vs. 2017 ACTUAL

	Segments			
	Consumer	Pharmaceutical	Medical Devices	Total
	Operational % ⁽¹⁾			
WW As Reported:	0.4%	16.4%	2.5%	8.6%
U.S.	0.4%	13.9%	1.7%	7.8%
International	0.5%	19.9%	3.3%	9.3%
Pulmonary Hypertension				
Actelion		(6.8)		(3.1)
U.S.		(7.4)		(3.8)
International		(5.9)		(2.4)
Cardiovascular / Metabolism / Other				
Actelion		(0.3)		(0.2)
U.S.		(0.2)		(0.1)
International		(0.5)		(0.2)
Spine & Other				
Codman Neuroscience			1.0	0.3
U.S.			0.6	0.2
International			1.4	0.6
Wound Care / Other				
Compeed	0.9			0.2
U.S.	0.0			0.0
International	1.5			0.4
Vision				
Vision Surgical & Eye Health Business			(1.5)	(0.5)
U.S.			(1.4)	(0.5)
International			(1.6)	(0.6)
All Other Acquisitions and Divestitures	0.1		0.0	0.0
U.S.	0.0		(0.2)	0.0
International	0.3		0.1	0.1
WW Ops excluding Acquisitions and Divestitures	1.4%	9.3%	2.0%	5.3%
U.S.	0.4%	6.3%	0.7%	3.6%
International	2.3%	13.5%	3.2%	7.2%

⁽¹⁾ Operational growth excludes the effect of translational currency

^(A) 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.

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SECOND QUARTER

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT ⁽²⁾					
BABY CARE					
US	\$ 89	113	(21.2)%	(21.2)%	— %
Intl	367	381	(3.7)	(2.7)	(1.0)
WW	456	494	(7.7)	(6.9)	(0.8)
BEAUTY					
US	637	649	(1.8)	(1.8)	—
Intl	472	427	10.5	7.3	3.2
WW	1,109	1,076	3.1	1.8	1.3
ORAL CARE					
US	157	150	4.7	4.7	—
Intl	236	244	(3.3)	(5.5)	2.2
WW	393	394	(0.3)	(1.7)	1.4
OTC					
US	454	432	5.1	5.1	—
Intl	612	574	6.6	2.5	4.1
WW	1,066	1,006	6.0	3.7	2.3
WOMEN'S HEALTH					
US	4	3	33.3	33.3	—
Intl	276	273	1.1	1.9	(0.8)
WW	280	276	1.4	2.2	(0.8)
WOUND CARE/OTHER					
US	135	140	(3.6)	(3.6)	—
Intl	65	92	(29.3)	(31.3)	2.0
WW	200	232	(13.8)	(14.6)	0.8
TOTAL CONSUMER					
US	1,476	1,487	(0.7)	(0.7)	—
Intl	2,028	1,991	1.9	0.0	1.9
WW	\$ 3,504	3,478	0.7 %	(0.4)%	1.1 %

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	SECOND QUARTER				
	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5)}					
IMMUNOLOGY					
US	\$ 2,317	2,101	10.3 %	10.3 %	—%
Intl	1,021	858	19.0	14.6	4.4
WW	3,338	2,959	12.8	11.5	1.3
<u>REMICADE</u>					
US	918	1,064	(13.7)	(13.7)	—
US Exports ⁽³⁾	104	127	(18.1)	(18.1)	—
Intl	298	339	(12.1)	(14.0)	1.9
WW	1,320	1,530	(13.7)	(14.1)	0.4
<u>SIMPONI / SIMPONI ARIA</u>					
US	274	230	19.1	19.1	—
Intl	274	209	31.1	26.9	4.2
WW	548	439	24.8	22.8	2.0
<u>STELARA</u>					
US	919	680	35.1	35.1	—
Intl	422	303	39.3	32.0	7.3
WW	1,341	983	36.4	34.2	2.2
<u>OTHER IMMUNOLOGY</u>					
US	102	—	*	*	—
Intl	27	7	*	*	*
WW	129	7	*	*	*
INFECTIOUS DISEASES					
US	328	341	(3.8)	(3.8)	—
Intl	521	451	15.5	11.0	4.5
WW	849	792	7.2	4.6	2.6
<u>EDURANT / rilpivirine</u>					
US	15	17	(11.8)	(11.8)	—
Intl	196	162	21.0	13.1	7.9
WW	211	179	17.9	10.7	7.2
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	277	278	(0.4)	(0.4)	—
Intl	215	176	22.2	18.8	3.4
WW	492	454	8.4	7.1	1.3
<u>OTHER INFECTIOUS DISEASES</u>					
US	36	46	(21.7)	(21.7)	—
Intl	110	113	(2.7)	(4.1)	1.4
WW	146	159	(8.2)	(9.2)	1.0

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	SECOND QUARTER				
	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ⁽²⁾ (5) (Continued)					
NEUROSCIENCE					
US	\$ 639	620	3.1 %	3.1 %	—%
Intl	889	847	5.0	1.4	3.6
WW	1,528	1,467	4.2	2.1	2.1
<u>CONCERTA / methylphenidate</u>					
US	68	76	(10.5)	(10.5)	—
Intl	115	105	9.5	6.9	2.6
WW	183	181	1.1	(0.4)	1.5
<u>INVEGA SUSTENNA / XEPLION / TRINZA / TREVICTA</u>					
US	438	387	13.2	13.2	—
Intl	282	242	16.5	10.5	6.0
WW	720	629	14.5	12.2	2.3
<u>RISPERDAL CONSTA</u>					
US	80	91	(12.1)	(12.1)	—
Intl	108	116	(6.9)	(10.3)	3.4
WW	188	207	(9.2)	(11.1)	1.9
<u>OTHER NEUROSCIENCE</u>					
US	53	66	(19.7)	(19.7)	—
Intl	384	384	0.0	(2.4)	2.4
WW	437	450	(2.9)	(5.0)	2.1
ONCOLOGY					
US	1,085	697	55.7	55.7	—
Intl	1,371	1,030	33.1	27.2	5.9
WW	2,456	1,727	42.2	38.7	3.5
<u>DARZALEX</u>					
US	298	212	40.6	40.6	—
Intl	213	87	*	*	*
WW	511	299	70.9	67.7	3.2
<u>IMBRUVICA</u>					
US	250	202	23.8	23.8	—
Intl	370	248	49.2	42.7	6.5
WW	620	450	37.8	34.2	3.6
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	280	290	(3.4)	(8.0)	4.6
WW	280	290	(3.4)	(8.0)	4.6
<u>ZYTIGA</u>					
US	486	241	*	*	—
Intl	423	317	33.4	27.3	6.1
WW	909	558	62.9	59.5	3.4
<u>OTHER ONCOLOGY</u>					
US	51	42	21.4	21.4	—
Intl	85	88	(3.4)	(6.8)	3.4
WW	136	130	4.6	2.3	2.3

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SECOND QUARTER

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
PULMONARY HYPERTENSION ⁽⁴⁾					
US	\$ 429	37	*	*	—%
Intl	236	48	*	*	*
WW	<u>665</u>	<u>85</u>	*	*	*
<u>OPSUMIT</u>					
US	180	24	*	*	—
Intl	131	21	*	*	*
WW	<u>311</u>	<u>45</u>	*	*	*
<u>TRACLEER</u>					
US	71	2	*	*	—
Intl	72	24	*	*	*
WW	<u>143</u>	<u>26</u>	*	*	*
<u>UPTRAVI</u>					
US	155	8	*	*	—
Intl	16	1	*	*	*
WW	<u>171</u>	<u>9</u>	*	*	*
<u>OTHER</u>					
US	23	3	*	*	—
Intl	17	2	*	*	*
WW	<u>40</u>	<u>5</u>	*	*	*

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SECOND QUARTER

PHARMACEUTICAL SEGMENT ^{(2) (5)} (Continued)

CARDIOVASCULAR / METABOLISM / OTHER

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
US	\$ 1,101	1,214	(9.3)%	(9.3)%	—%
Intl	417	391	6.6	1.9	4.7
WW	<u>1,518</u>	<u>1,605</u>	(5.4)	(6.6)	1.2
<u>XARELTO</u>					
US	679	642	5.8	5.8	—
Intl	—	—	—	—	—
WW	<u>679</u>	<u>642</u>	5.8	5.8	—
<u>INVOKANA / INVOKAMET</u>					
US	169	256	(34.0)	(34.0)	—
Intl	46	39	17.9	13.0	4.9
WW	<u>215</u>	<u>295</u>	(27.1)	(27.7)	0.6
<u>PROCIT / EPREX</u>					
US	156	174	(10.3)	(10.3)	—
Intl	80	81	(1.2)	(5.9)	4.7
WW	<u>236</u>	<u>255</u>	(7.5)	(9.0)	1.5
<u>OTHER</u>					
US	97	142	(31.7)	(31.7)	—
Intl	291	271	7.4	2.7	4.7
WW	<u>388</u>	<u>413</u>	(6.1)	(9.2)	3.1
TOTAL PHARMACEUTICAL					
US	5,899	5,010	17.7	17.7	—
Intl	4,455	3,625	22.9	17.5	5.4
WW	<u>\$ 10,354</u>	<u>8,635</u>	19.9 %	17.6 %	2.3%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SECOND QUARTER

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5)}					
DIABETES CARE					
US	\$ 129	160	(19.4)%	(19.4)%	—%
Intl	226	261	(13.4)	(16.3)	2.9
WW	<u>355</u>	<u>421</u>	(15.7)	(17.5)	1.8
INTERVENTIONAL SOLUTIONS					
US	323	285	13.3	13.3	—
Intl	344	288	19.4	14.1	5.3
WW	<u>667</u>	<u>573</u>	16.4	13.7	2.7
ORTHOPAEDICS					
US	1,332	1,367	(2.6)	(2.6)	—
Intl	930	926	0.4	(3.6)	4.0
WW	<u>2,262</u>	<u>2,293</u>	(1.4)	(3.0)	1.6
<u>HIPS</u>					
US	211	208	1.4	1.4	—
Intl	149	142	4.9	0.8	4.1
WW	<u>360</u>	<u>350</u>	2.9	1.2	1.7
<u>KNEES</u>					
US	229	236	(3.0)	(3.0)	—
Intl	153	149	2.7	(0.8)	3.5
WW	<u>382</u>	<u>385</u>	(0.8)	(2.2)	1.4
<u>TRAUMA</u>					
US	394	390	1.0	1.0	—
Intl	281	253	11.1	6.7	4.4
WW	<u>675</u>	<u>643</u>	5.0	3.3	1.7
<u>SPINE & OTHER</u>					
US	498	533	(6.6)	(6.6)	—
Intl	347	382	(9.2)	(13.2)	4.0
WW	<u>845</u>	<u>915</u>	(7.7)	(9.4)	1.7

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SECOND QUARTER

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5) (Continued)}					
SURGERY					
US	\$ 1,022	1,012	1.0 %	1.0 %	—%
Intl	1,493	1,372	8.8	5.4	3.4
WW	2,515	2,384	5.5	3.5	2.0
<u>ADVANCED</u>					
US	402	400	0.5	0.5	—
Intl	603	533	13.1	9.1	4.0
WW	1,005	933	7.7	5.4	2.3
<u>GENERAL</u>					
US	436	423	3.1	3.1	—
Intl	733	691	6.1	2.9	3.2
WW	1,169	1,114	4.9	2.9	2.0
<u>SPECIALTY</u>					
US	184	189	(2.6)	(2.6)	—
Intl	157	148	6.1	4.2	1.9
WW	341	337	1.2	0.4	0.8
VISION					
US	459	405	13.3	13.3	—
Intl	714	650	9.8	7.2	2.6
WW	1,173	1,055	11.2	9.6	1.6
<u>CONTACT LENSES / OTHER</u>					
US	320	274	16.8	16.8	—
Intl	524	479	9.4	6.8	2.6
WW	844	753	12.1	10.4	1.7
<u>SURGICAL</u>					
US	139	131	6.1	6.1	—
Intl	190	171	11.1	8.6	2.5
WW	329	302	8.9	7.5	1.4
TOTAL MEDICAL DEVICES					
US	3,265	3,229	1.1	1.1	—
Intl	3,707	3,497	6.0	2.5	3.5
WW	\$ 6,972	6,726	3.7 %	1.9 %	1.8%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SIX MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
CONSUMER SEGMENT ⁽²⁾					
BABY CARE					
US	\$ 186	226	(17.7)%	(17.7)%	—%
Intl	727	723	0.6	(0.8)	1.4
WW	<u>913</u>	<u>949</u>	(3.8)	(4.8)	1.0
BEAUTY					
US	1,248	1,216	2.6	2.6	—
Intl	945	841	12.4	6.8	5.6
WW	<u>2,193</u>	<u>2,057</u>	6.6	4.3	2.3
ORAL CARE					
US	314	306	2.6	2.6	—
Intl	458	450	1.8	(2.7)	4.5
WW	<u>772</u>	<u>756</u>	2.1	(0.6)	2.7
OTC					
US	919	909	1.1	1.1	—
Intl	1,219	1,110	9.8	3.2	6.6
WW	<u>2,138</u>	<u>2,019</u>	5.9	2.2	3.7
WOMEN'S HEALTH					
US	7	6	16.7	16.7	—
Intl	516	512	0.8	(1.1)	1.9
WW	<u>523</u>	<u>518</u>	1.0	(0.9)	1.9
WOUND CARE/OTHER					
US	238	238	0.0	0.0	—
Intl	125	169	(26.0)	(29.2)	3.2
WW	<u>363</u>	<u>407</u>	(10.8)	(12.1)	1.3
TOTAL CONSUMER					
US	2,912	2,901	0.4	0.4	—
Intl	3,990	3,805	4.9	0.5	4.4
WW	<u>\$ 6,902</u>	<u>6,706</u>	2.9 %	0.4 %	2.5%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	SIX MONTHS				
	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5)}					
IMMUNOLOGY					
US	\$ 4,317	4,224	2.2 %	2.2 %	—%
Intl	2,063	1,665	23.9	17.0	6.9
WW	6,380	5,889	8.3	6.3	2.0
<u>REMICADE</u>					
US	1,834	2,246	(18.3)	(18.3)	—
US Exports ⁽³⁾	246	292	(15.8)	(15.8)	—
Intl	629	664	(5.3)	(9.0)	3.7
WW	2,709	3,202	(15.4)	(16.2)	0.8
<u>SIMPONI / SIMPONI ARIA</u>					
US	498	459	8.5	8.5	—
Intl	568	408	39.2	32.0	7.2
WW	1,066	867	23.0	19.6	3.4
<u>STELARA</u>					
US	1,571	1,227	28.0	28.0	—
Intl	831	579	43.5	32.9	10.6
WW	2,402	1,806	33.0	29.6	3.4
<u>OTHER IMMUNOLOGY</u>					
US	168	—	*	*	—
Intl	35	14	*	*	*
WW	203	14	*	*	*
INFECTIOUS DISEASES					
US	661	667	(0.9)	(0.9)	—
Intl	1,018	874	16.5	8.5	8.0
WW	1,679	1,541	9.0	4.5	4.5
<u>EDURANT / rilpivirine</u>					
US	29	29	0.0	0.0	—
Intl	392	299	31.1	18.6	12.5
WW	421	328	28.4	17.0	11.4
<u>PREZISTA / PREZCOBIX / REZOLSTA / SYMTUZA</u>					
US	550	537	2.4	2.4	—
Intl	420	347	21.0	14.1	6.9
WW	970	884	9.7	7.0	2.7
<u>OTHER INFECTIOUS DISEASES</u>					
US	82	101	(18.8)	(18.8)	—
Intl	206	228	(9.6)	(13.3)	3.7
WW	288	329	(12.5)	(15.1)	2.6

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

	SIX MONTHS				
	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
NEUROSCIENCE					
US	\$ 1,263	1,284	(1.6)%	(1.6)%	—%
Intl	1,824	1,680	8.6	2.4	6.2
WW	3,087	2,964	4.1	0.6	3.5
<u>CONCERTA / methylphenidate</u>					
US	134	184	(27.2)	(27.2)	—
Intl	222	206	7.8	3.1	4.7
WW	356	390	(8.7)	(11.2)	2.5
<u>INVEGA SUSTENNA / XEPLION / TRINZA / TREVICTA</u>					
US	838	759	10.4	10.4	—
Intl	578	474	21.9	12.8	9.1
WW	1,416	1,233	14.8	11.3	3.5
<u>RISPERDAL CONSTA</u>					
US	162	186	(12.9)	(12.9)	—
Intl	222	228	(2.6)	(8.7)	6.1
WW	384	414	(7.2)	(10.6)	3.4
<u>OTHER NEUROSCIENCE</u>					
US	129	155	(16.8)	(16.8)	—
Intl	802	772	3.9	(1.0)	4.9
WW	931	927	0.4	(3.6)	4.0
ONCOLOGY					
US	2,018	1,361	48.3	48.3	—
Intl	2,749	1,960	40.3	30.7	9.6
WW	4,767	3,321	43.5	37.8	5.7
<u>DARZALEX</u>					
US	562	413	36.1	36.1	—
Intl	381	141	*	*	*
WW	943	554	70.2	65.8	4.4
<u>IMBRUVICA</u>					
US	477	392	21.7	21.7	—
Intl	730	467	56.3	45.7	10.6
WW	1,207	859	40.5	34.7	5.8
<u>VELCADE</u>					
US	—	—	—	—	—
Intl	593	570	4.0	(3.4)	7.4
WW	593	570	4.0	(3.4)	7.4
<u>ZYTIGA</u>					
US	893	474	88.4	88.4	—
Intl	861	607	41.8	31.8	10.0
WW	1,754	1,081	62.3	56.7	5.6
<u>OTHER ONCOLOGY</u>					
US	86	82	4.9	4.9	—
Intl	184	175	5.1	(1.5)	6.6
WW	270	257	5.1	0.6	4.5

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SIX MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
PULMONARY HYPERTENSION ⁽⁴⁾					
US	\$ 790	37	*	*	—%
Intl	460	48	*	*	*
WW	1,250	85	*	*	*
<u>OPSUMIT</u>					
US	329	24	*	*	—
Intl	253	21	*	*	*
WW	582	45	*	*	*
<u>TRACLEER</u>					
US	139	2	*	*	—
Intl	144	24	*	*	*
WW	283	26	*	*	*
<u>UPTRAVI</u>					
US	279	8	*	*	—
Intl	32	1	*	*	*
WW	311	9	*	*	*
<u>OTHER</u>					
US	43	3	*	*	—
Intl	31	2	*	*	*
WW	74	5	*	*	*

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SIX MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
PHARMACEUTICAL SEGMENT ^{(2) (5) (Continued)}					
CARDIOVASCULAR / METABOLISM / OTHER					
US	\$ 2,204	2,309	(4.5)%	(4.5)%	—%
Intl	831	771	7.8	1.7	6.1
WW	3,035	3,080	(1.5)	(3.0)	1.5
<u>XARELTO</u>					
US	1,257	1,155	8.8	8.8	—
Intl	—	—	—	—	—
WW	1,257	1,155	8.8	8.8	—
<u>INVOKANA / INVOKAMET</u>					
US	373	503	(25.8)	(25.8)	—
Intl	90	76	18.4	11.7	6.7
WW	463	579	(20.0)	(20.9)	0.9
<u>PROCRI / EPREX</u>					
US	345	343	0.6	0.6	—
Intl	167	159	5.0	(1.7)	6.7
WW	512	502	2.0	(0.1)	2.1
<u>OTHER</u>					
US	229	308	(25.6)	(25.6)	—
Intl	574	536	7.1	1.3	5.8
WW	803	844	(4.9)	(8.6)	3.7
TOTAL PHARMACEUTICAL					
US	11,253	9,882	13.9	13.9	—
Intl	8,945	6,998	27.8	19.9	7.9
WW	\$ 20,198	16,880	19.7 %	16.4 %	3.3%

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SIX MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5)}					
DIABETES CARE					
US	\$ 246	314	(21.7)%	(21.7)%	—%
Intl	448	506	(11.5)	(16.6)	5.1
WW	<u>694</u>	<u>820</u>	(15.4)	(18.5)	3.1
DIAGNOSTICS					
US	—	—	—	—	—
Intl	—	1	*	*	*
WW	<u>—</u>	<u>1</u>	*	*	*
INTERVENTIONAL SOLUTIONS					
US	627	564	11.2	11.2	—
Intl	680	558	21.9	14.2	7.7
WW	<u>1,307</u>	<u>1,122</u>	16.5	12.7	3.8
ORTHOPAEDICS					
US	2,639	2,726	(3.2)	(3.2)	—
Intl	1,873	1,842	1.7	(4.6)	6.3
WW	<u>4,512</u>	<u>4,568</u>	(1.2)	(3.8)	2.6
<u>HIPS</u>					
US	420	417	0.7	0.7	—
Intl	303	285	6.3	(0.2)	6.5
WW	<u>723</u>	<u>702</u>	3.0	0.3	2.7
<u>KNEES</u>					
US	457	482	(5.2)	(5.2)	—
Intl	312	301	3.7	(2.5)	6.2
WW	<u>769</u>	<u>783</u>	(1.8)	(4.2)	2.4
<u>TRAUMA</u>					
US	801	781	2.6	2.6	—
Intl	570	504	13.1	6.2	6.9
WW	<u>1,371</u>	<u>1,285</u>	6.7	4.0	2.7
<u>SPINE & OTHER</u>					
US	961	1,046	(8.1)	(8.1)	—
Intl	688	752	(8.5)	(14.5)	6.0
WW	<u>1,649</u>	<u>1,798</u>	(8.3)	(10.8)	2.5

See footnotes at end of schedule

Johnson & Johnson

Segment Sales
(Dollars in Millions)

SIX MONTHS

	2018	2017	% Change		
			Reported	Operational ⁽¹⁾	Currency
MEDICAL DEVICES SEGMENT ^{(2) (5)} (Continued)					
SURGERY					
US	\$ 2,015	2,007	0.4 %	0.4 %	—%
Intl	2,923	2,648	10.4	4.7	5.7
WW	4,938	4,655	6.1	2.9	3.2
<u>ADVANCED</u>					
US	795	792	0.4	0.4	—
Intl	1,176	1,018	15.5	9.3	6.2
WW	1,971	1,810	8.9	5.4	3.5
<u>GENERAL</u>					
US	859	846	1.5	1.5	—
Intl	1,437	1,342	7.1	1.5	5.6
WW	2,296	2,188	4.9	1.5	3.4
<u>SPECIALTY</u>					
US	361	369	(2.2)	(2.2)	—
Intl	310	288	7.6	3.4	4.2
WW	671	657	2.1	0.3	1.8
VISION					
US	899	710	26.6	26.6	—
Intl	1,389	1,143	21.5	16.3	5.2
WW	2,288	1,853	23.5	20.3	3.2
<u>CONTACT LENSES / OTHER</u>					
US	629	530	18.7	18.7	—
Intl	1,022	906	12.8	8.0	4.8
WW	1,651	1,436	15.0	12.0	3.0
<u>SURGICAL</u>					
US	270	180	50.0	50.0	—
Intl	367	237	54.9	48.3	6.6
WW	637	417	52.8	49.1	3.7
TOTAL MEDICAL DEVICES					
US	6,426	6,321	1.7	1.7	—
Intl	7,313	6,698	9.2	3.3	5.9
WW	\$ 13,739	13,019	5.5 %	2.5 %	3.0%

*Percentage greater than 100% or not meaningful

⁽¹⁾ Operational growth excludes the effect of translational currency

⁽²⁾ Unaudited

⁽³⁾ Reported as U.S. sales

⁽⁴⁾ Products acquired from Actelion acquisition on June 16, 2017

⁽⁵⁾ Prior year amounts have been reclassified to conform to current year product disclosure