Johnson&Johnson

December 17, 2025

2025 Q4 Economic Factors and J&J Announcements

Below is a high-level summary of current macro-economic factors, notable announcements made this quarter, as well as public commentary made by management during the quarter and recent earnings calls. Any additional information included herein is provided as phasing considerations and should not be construed as guidance.

Phasing considerations:

In addition to the comments provided during the Q3 earnings call, please note the following:

- As a reminder, MSD return of rights for SIMPONI/SIMPONI ARIA and REMICADE occurred in the fourth quarter of 2024.
- For your convenience, as we close 2025, we have attached QTD and FY segment P&Ls for 2024.

Macro-economic factors:

- Interest Rates: The Federal Funds Rate continues to impact the financing cost of our commercial paper as well as interest income on our cash position.
- Tariffs: in Q2 we noted a 2025 expected impact of $200M, exclusively related to our MedTech business, based on tariff information known at that time. We continue to monitor tariffs and their potential impact to our business.
- Global Affairs: As described in our Form 10-K risk factors, we have experienced, and expect to continue to experience, impacts to the Company's business resulting from the Russia-Ukraine war, rising conflict in the Middle East as well as increasing tensions between the U.S. and China.
- Foreign Exchange: We don't offer guidance or predictions on currency movements, but as highlighted by Joe during the Q3 2025 earnings call, we utilized the Euro Spot Rate relative to the U.S. dollar as of mid-October of 1.17 to give a sense of the potential impact on Full Year 2025 guidance. The Euro Spot Rate averaged 1.16 in October, 1.16 in November, and 1.16 through mid-December. As a reminder, our results are based on a basket of currencies, of which, not all align to the Euro.

Conference participation

J&J conference participation (transcripts and webcasts) throughout the quarter can be found here. Transcripts for the events below have been attached for your convenience.

- Guggenheim 2nd Annual Healthcare Innovation Conference: Sarah Brennan – Chairman, Global Commercial Strategy Organization and Mark Wildgust - Vice President, Global Medical Affairs, Oncology, fireside chat with Vamil Divan - Guggenheim Securities LLC, Analyst
- UBS Global Healthcare Conference: Peter Menziuso – Company Group Chairman, Vision, fireside chat with Danielle Antalffy – UBS AG, Analyst
- 7th Annual Wolfe Research Healthcare Conference: Candice Long – Worldwide Vice President – Immunology, Global Strategic Commercial Organization, and David Lee- Senior Vice President, Global Immunology Therapeutic Area Head, fireside chat with Alexandria Hammond – Wolfe Research LLC, Equity Analyst
- Citi 2025 Global Healthcare Conference: Michael Bodner –Group Chair of Electrophysiology and Neurovascular, fireside chat with Joanne Wuensch – Citi, Analyst

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Announcements

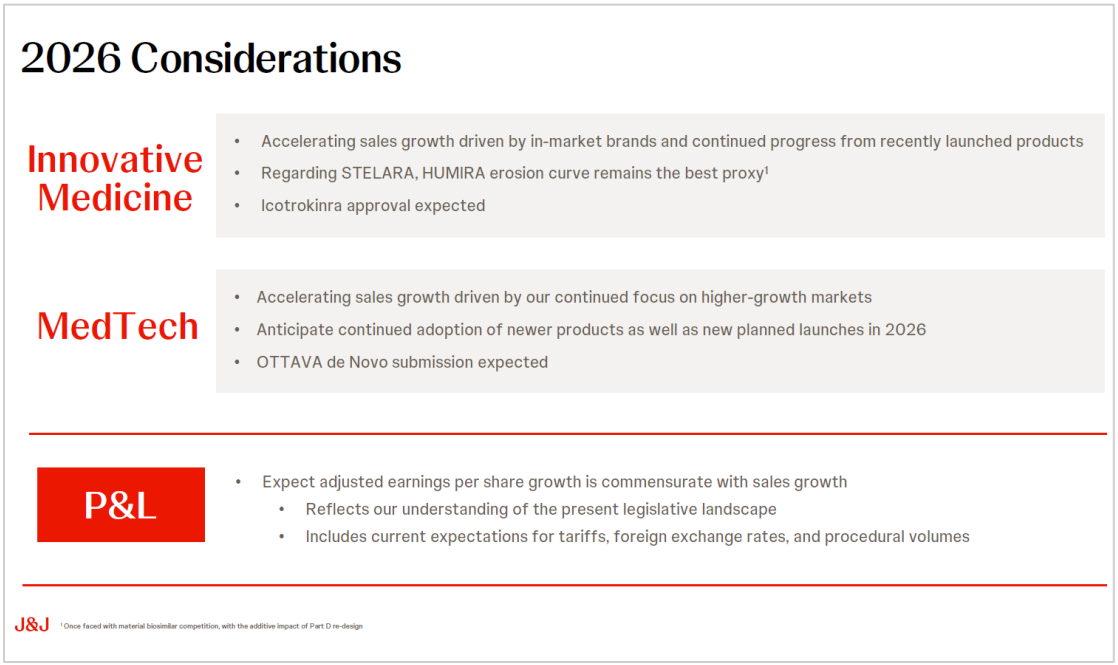
Press releases issued during the quarter can be found on the J&J Media Center, Innovative Medicine Newsroom, and MedTech News & Events page.

- **M&A**: Acquisition of Halda Therapeutics
    - Under the terms of the agreement, Johnson & Johnson will acquire Halda. The transaction will be accounted for as a business combination and is expected to close within the next few months, subject to antitrust clearance and other customary closing conditions. The Company expects dilution in 2026 of $0.15 to Adjusted Earnings Per Share (EPS) due to short-term financing and a non-recurring charge related to the equity awards for Halda employees upon closing. Further commentary on full year 2026 guidance will be provided during the fourth quarter earnings call.
- **Talc:** please visit factsabouttalc.com for the latest company statements
- **Innovative Medicine:**
    - **CARVYKTI:** CARTITUDE-4 follow-up data
    - **CAPLYTA:** FDA approval
    - **DARZALEX:** Phase 3 AQUILA data
    - **Icotrokinra:** Phase 2b ANTHEM-UC data; Phase 3 ICONIC-TOTAL data
    - **IMAAVY:** EPIC study and Vibrance-MG data
    - **INLEXZO:** Cohort 4 SunRISe-1 data
    - **Nipocalimab:** Phase 2 DAHLIAS data
    - **Psoriasis:** ENCOMPASS study
    - **RYBREVANT:** Phase 1b/2 OrigAMI-4
    - **TECVAYLI & DARZALEX FASPRO:** Phase 3 MajesTEC-3 data; Phase 3 MajesTEC-3 topline results
    - **TREMFYA:** Phase 3b APEX data; Phase 3 GRAVITI and GALAXI data
- **MedTech:**
    - **Shockwave:** Disrupt BTK II data
    - **VARIPULSE:** APHRS and JPHRS data presentations

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J&J earnings calls:

- **Q3 2025 earnings call:** Full year 2025 Operational Sales Guidance excluding the COVID-19 Vaccine of $93.0B - $93.4B or 4.8% - 5.3% and Adjusted Operational Earnings Per Share of $10.63 - $10.73 or 6.5% - 7.5% was provided on our Q3 2025 Earnings Call. Please see the below 2026 Considerations slide from the earnings presentation. For your convenience, the final Q3 2025 earnings transcript and presentation are attached. Full Q3 2025 earnings call operational commentary and key drivers can be listened to here and the Q3 2025 10-Q can be found here.



- **Q4 2024 earnings call:** For ease of reference, below are related sales and EPS absolute figures and growth rates for Q4 2024. Full Q4 2024 operational commentary, key drivers, and one-timers can be listened to here and the Q4 2024 10-K can be found here. For your convenience, the final Q4 2024 earnings transcript and presentation are attached.

  Q4 2024:

  - Enterprise: $22.5B, 6.7% operational sales growth and 5.7% adjusted operational sales growth
    - Enterprise sales highlights can be found on page 5 of the final Q4 2024 earnings transcript attached
    - P&L highlights can be found on page 6 of the final Q4 2024 earnings transcript attached
  - Innovative Medicine: $14.3B, 6.1% operational sales growth
    - Innovative Medicine sales highlights can be found on page 5 of the final Q4 2024 earnings transcript attached
  - MedTech: $8.2B, 7.6% operational sales growth
    - MedTech sales highlights can be found on page 6 of the final Q4 2024 earnings transcript attached

Earnings before provision for taxes on income by segment

Innovative Medicine

2024

(Unaudited; Dollar in millions)

	As reported									
	Q1		Q2		Q3		Q4		YTD	
	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales
Sales to customers	$13,562	100.0	$14,490	100.0	$14,580	100.0	$14,332	100.0	$56,964	100.0
Cost of products sold (COGS)	3,370	24.8	3,603	24.9	3,549	24.3	3,514	24.5	14,036	24.6
Selling, marketing and administrative expenses (SM&A)	2,438	18.0	2,665	18.4	2,491	17.1	3,312	23.1	10,906	19.1
Research and development expense (R&D)	2,896	21.4	2,722	18.8	4,213	28.9	3,698	25.8	13,529	23.8
Other segment items [1]	(111)	(0.8)	41	0.2	(155)	(1.0)	(201)	(1.4)	(426)	(0.7)
Reported segment income before tax	**$4,969**	**36.6**	**$5,459**	**37.7**	**$4,482**	**30.7**	**$4,009**	**28.0**	**$18,919**	**33.2**

	Adjusted									
	Q1		Q2		Q3		Q4		YTD	
	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales
Sales to customers	$13,562	100.0	$14,490	100.0	$14,580	100.0	$14,332	100.0	$56,964	100.0
Cost of products sold (COGS)	2,670	19.7	2,905	20.0	2,852	19.6	2,829	19.7	11,256	19.8
Selling, marketing and administrative expenses (SM&A)	2,438	18.0	2,665	18.4	2,491	17.0	3,312	23.1	10,906	19.1
Research and development expense (R&D)	2,889	21.3	2,712	18.7	4,211	28.9	3,692	25.8	13,504	23.7
Other segment items [2]	(247)	(1.9)	(254)	(1.7)	(495)	(3.4)	(158)	(1.1)	(1,154)	(2.0)
Adjusted segment income before tax [3]	**$5,812**	**42.9**	**$6,462**	**44.6**	**$5,521**	**37.9**	**$4,657**	**32.5**	**$22,452**	**39.4**

[1] Other segment items for each reportable segment include charges related to other income and expenses, restructuring activities and impairment charges related to in-process research and development

[2] Other segment items for each reportable segment include charges related to other income and expenses

[3] Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation schedules on the Investor Relations section of the company's website

Earnings before provision for taxes on income by segment

MedTech

2024

(Unaudited; Dollar in millions)

	As reported									
	Q1		Q2		Q3		Q4		YTD	
	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales
Sales to customers	$7,821	100.0	$7,957	100.0	$7,891	100.0	$8,188	100.0	$31,857	100.0
Cost of products sold (COGS)	3,120	39.9	3,248	40.8	3,381	42.8	3,596	44.0	13,345	42.0
Selling, marketing and administrative expenses (SM&A)	2,582	33.0	2,671	33.6	2,723	34.5	2,836	34.6	10,812	33.9
Research and development expense (R&D)	646	8.3	718	9.0	739	9.4	1,600	19.5	3,703	11.6
Other segment items [1]	(47)	(0.6)	231	2.9	(11)	(0.1)	84	1.0	257	0.8
Reported segment income before tax	**$1,520**	**19.4**	**$1,089**	**13.7**	**$1,059**	**13.4**	**$72**	**0.9**	**$3,740**	**11.7**

	Adjusted									
	Q1		Q2		Q3		Q4		YTD	
	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales
Sales to customers	$7,821	100.0	$7,957	100.0	$7,891	100.0	$8,188	100.0	$31,857	100.0
Cost of products sold (COGS)	2,713	34.7	2,754	34.6	2,727	34.5	2,928	35.8	11,122	34.9
Selling, marketing and administrative expenses (SM&A)	2,578	33.0	2,666	33.5	2,720	34.5	2,832	34.6	10,796	33.9
Research and development expense (R&D)	601	7.7	670	8.4	684	8.7	1,575	19.2	3,530	11.1
Other segment items [2]	(132)	(1.8)	(181)	(2.2)	(141)	(1.8)	(33)	(0.4)	(487)	(1.5)
Adjusted segment income before tax [3]	**$2,061**	**26.4**	**$2,048**	**25.7**	**$1,901**	**24.1**	**$886**	**10.8**	**$6,896**	**21.6**

[1] Other segment items for each reportable segment include charges related to other income and expenses, restructuring activities and impairment charges related to in-process research and development

[2] Other segment items for each reportable segment include charges related to other income and expenses

[3] Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation schedules on the Investor Relations section of the company's website