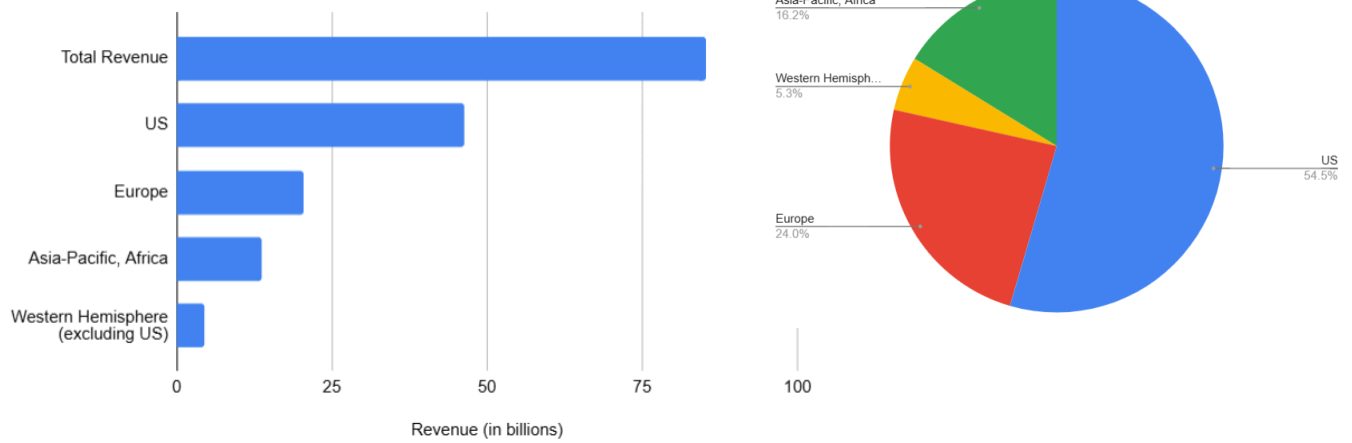
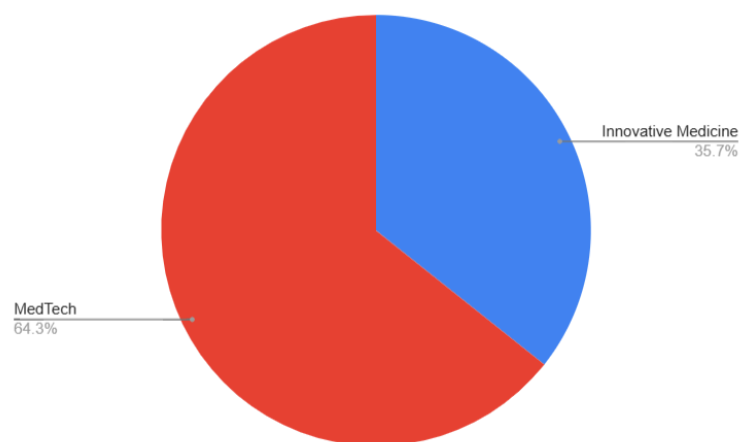
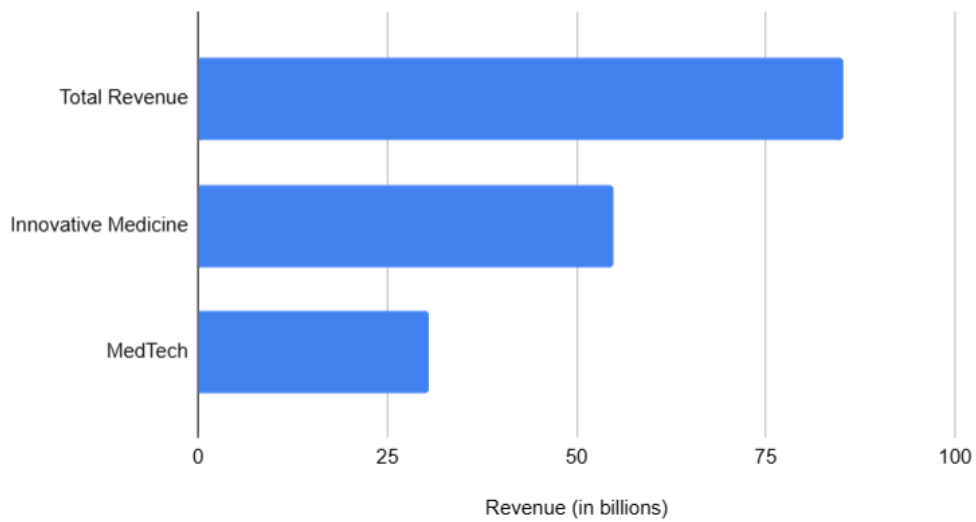


[1]

Revenue (in billions) vs

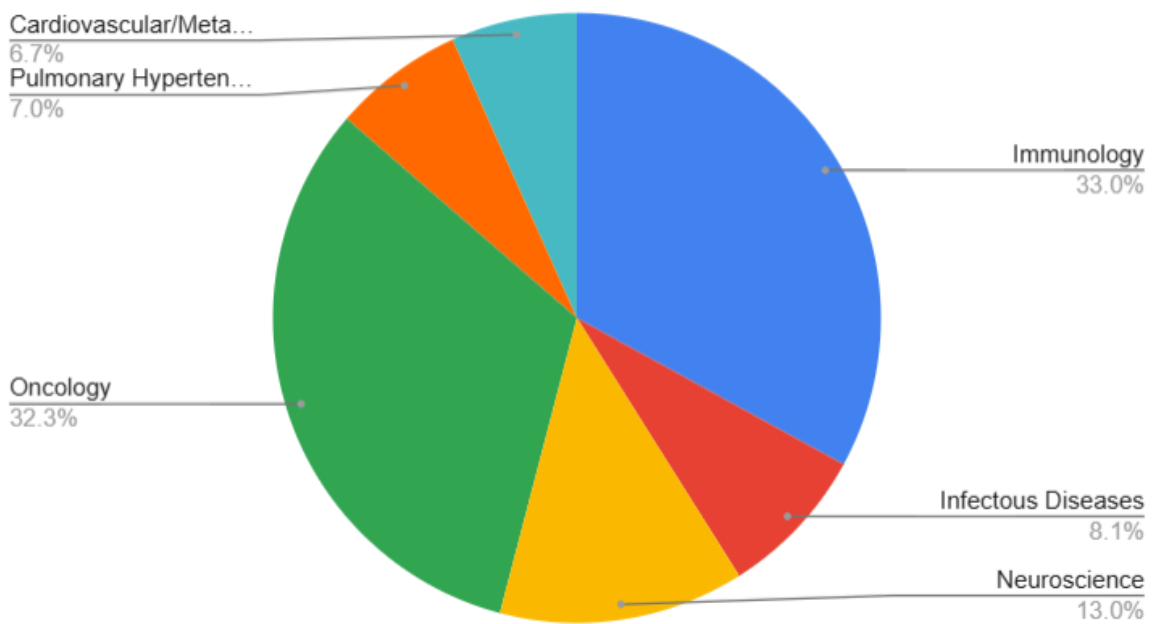


Revenue (in billions) vs

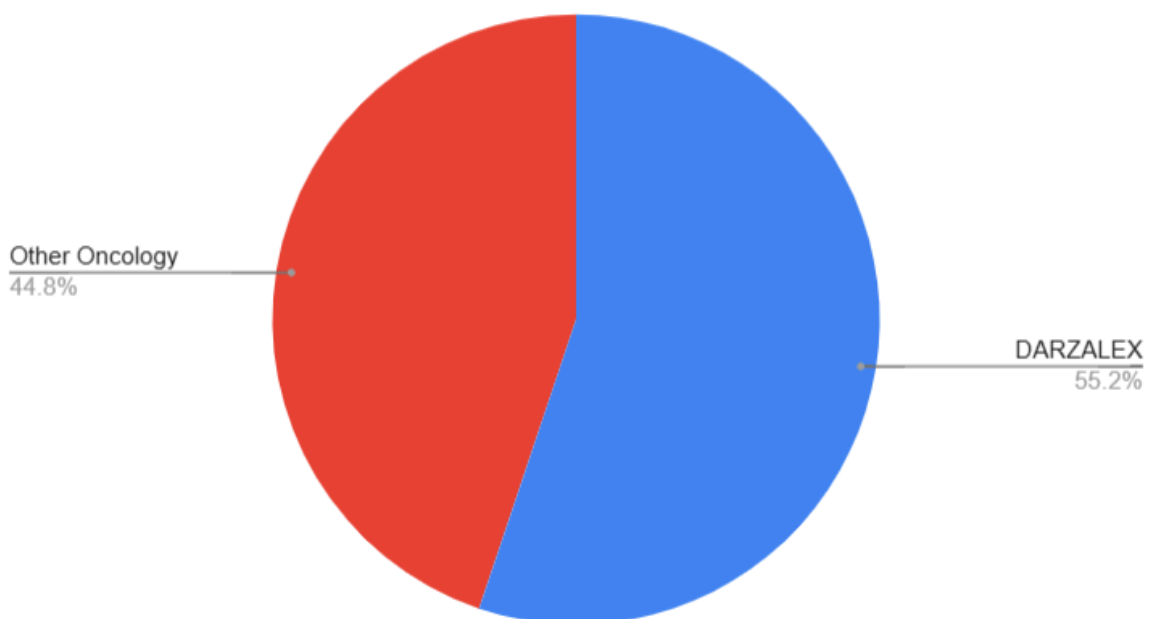


[2]

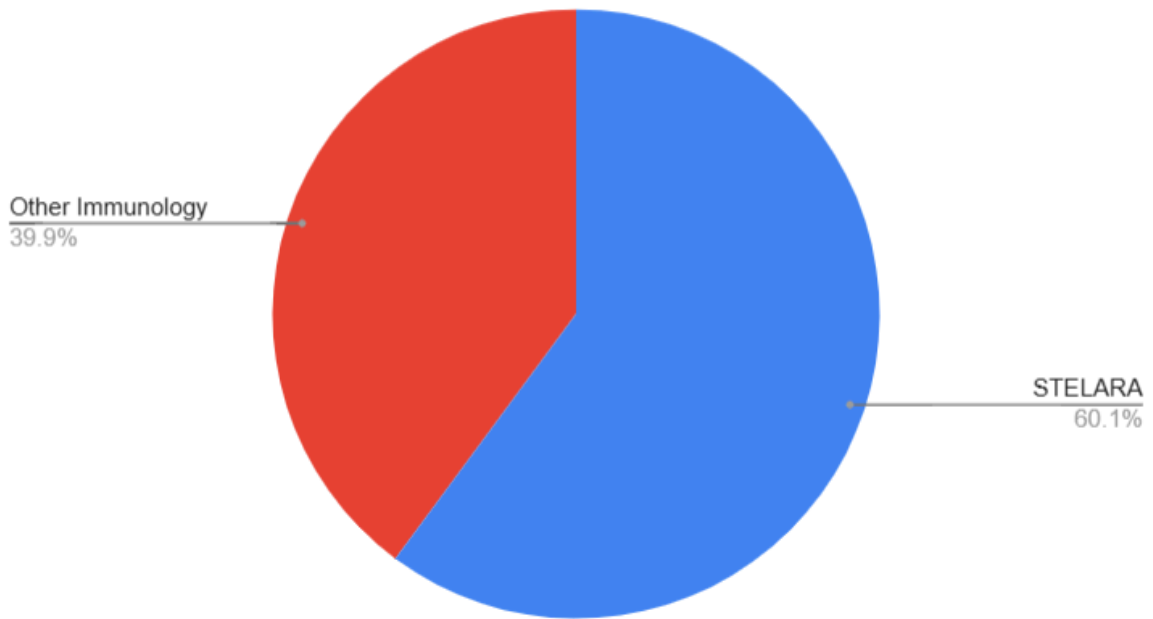
Revenue (in millions)



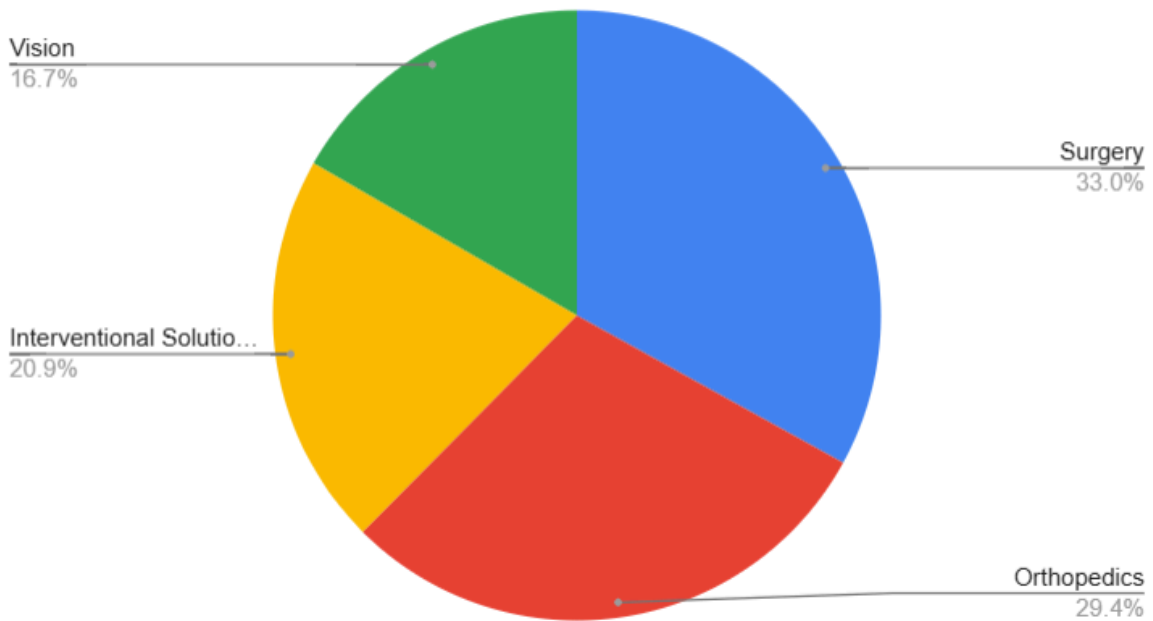
Revenue (in millions)



Revenue (in millions)

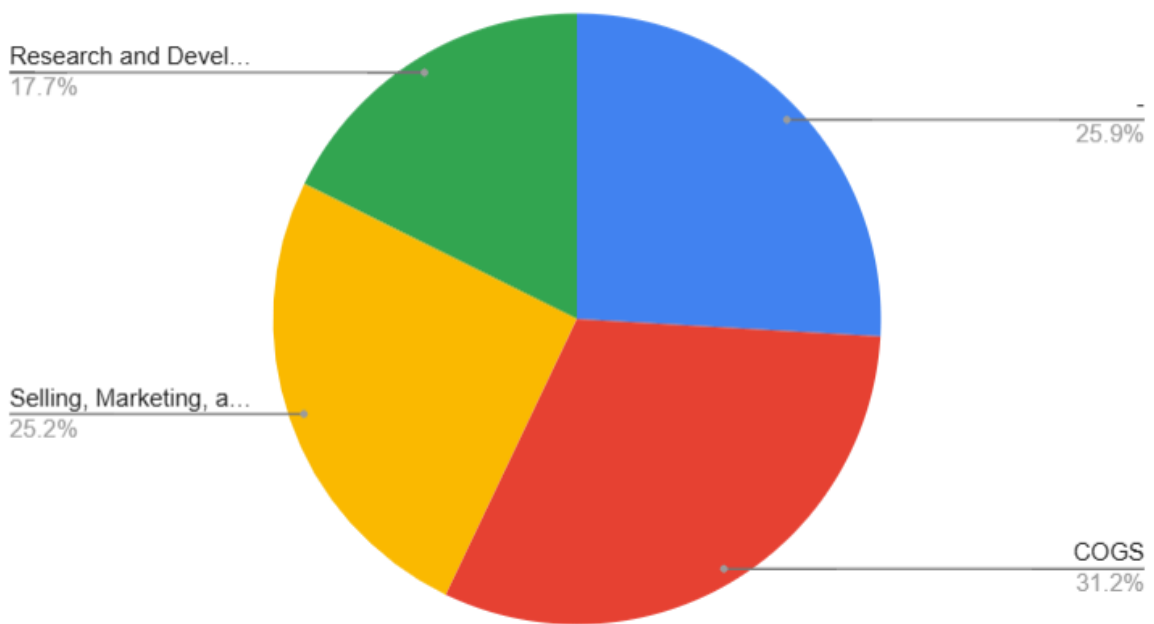


Revenue (in millions)



[3]

## Percent of Total Sales



## **[1] Johnson & Johnson Revenue Drivers**

The bulk of Johnson & Johnson's revenue comes from the US, with 54.5% of its revenue coming from this country alone. 24% of Johnson & Johnson's revenue comes from Europe, with the remainder coming from the rest of the world. Johnson & Johnson mainly sell their products to wholesalers and retailers located in the US, however with the recent signing of the Inflation Reduction Act (IRA) in the US a price limit may be set for certain drugs. This may pose a problem for Johnson & Johnson's future revenue as STELARA, a drug accounting for approximately 12.8% of the company's total revenue for fiscal year 2023, was among those listed.

There is no seasonality reflected in worldwide sales; however, spending has been greater in the fourth quarter of each year than in other quarters. This reflects increased spending decisions, principally for research and development activity.

## **[2] Company sectors**

In terms of company sectors Johnson & Johnson's revenue is mainly driven from 2 main areas: Innovative Medicine and MedTech, which account for 64.3% and 35.7% of the company's revenue respectively.

Innovative Medicine's revenue stems from mainly oncology (32.3% of Innovative Medicine revenue) and immunology (33.0%) drugs with the rest of its revenue being driven from neuroscience, pulmonary diseases, hypertension, and cardiovascular/metabolism/other drugs in order of revenue size from largest to smallest. In regards to immunology STELARA makes up 60.1% of immunology's total revenue, and 12.8% of the company's revenue; and with oncology DARZALEX makes up 55.2% of its revenue, and 11.4% of Johnson & Johnson's total revenue (when taking DALZALEX PRO into account).

With MedTech its revenue is relatively evenly split: surgery, orthopaedics, interventional solutions, and vision accounting for 33.0%, 29.4%, 20.9%, 16.7% of MedTech's revenue respectively.

## **[3] Johnson & Johnson Cost Drivers**

Johnson & Johnson's main cost drivers are cost of products sold, selling marketing and administrative, and research and development.

A risk for the cost of products sold for Johnson & Johnson are problems with drug manufacturing. Johnson & Johnson manufactures some products abroad and delays and difficulties in manufacturing can result in product shortages, a decline in revenue, and related costs associated with addressing shortages.

Research and development saw most of its expenses being used in Innovative Medicine; perhaps by the nature of this sector, as most of Innovative Medicine's revenue is driven by selling and developing drugs, whereas MedTech has a larger emphasis on surgery and the like.