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J&J reports 2018 fourth-quarter results

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Worldwide sales for the full-year 2018 were $81.6 billion, an increase of 6.7% versus 2017



Johnson & Johnson has announced sales of $20.4 billion for the fourth quarter of 2018, an increase of 1.0% as compared to the fourth quarter of 2017. Operational sales results increased 3.3% and the negative impact of currency was 2.3%. Domestic sales increased 1.5%. International sales increased 0.4%, reflecting operational growth of 5.1% and a negative currency impact of 4.7%.

Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales for the fourth quarter of 2018 increased 5.3%, domestic sales increased 2.6% and international sales increased 8.3%.

Worldwide sales for the full-year 2018 were $81.6 billion, an increase of 6.7% versus 2017. Operational results increased 6.3% and the positive impact of currency was 0.4%. Domestic sales increased 5.1%. International sales increased 8.5%, reflecting operational growth of 7.7% and a positive currency impact of 0.8%. Excluding the net impact of acquisitions and divestitures, on an operational basis, worldwide sales for the full-year 2018 increased 5.5%, domestic sales increased 3.4% and international sales increased 7.8%.

Net earnings and diluted earnings per share for the fourth quarter of 2018 were $3.0 billion and $1.12, respectively. Fourth-quarter 2018 net earnings included after-tax intangible amortization expense of approximately $1.0 billion and a net charge for after-tax special items of approximately $1.4 billion. Fourth-quarter 2017 net earnings included after-tax intangible amortization expense of approximately $0.9 billion and a net charge for after-tax special items of approximately $14.6 billion. Included in these special items was the provisional amount of approximately $13.6 billion associated with the enactment of tax legislation.

Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the current quarter were $5.4 billion and adjusted diluted earnings per share were $1.97, representing increases of 12.5% and 13.2%, respectively, as compared to the same period in 2017. On an operational basis, adjusted diluted earnings per share increased 16.1%.

Net earnings and diluted earnings per share for the full-year 2018 were $15.3 billion and $5.61, respectively. Full-year net earnings included after-tax intangible amortization expense of approximately $3.9 billion and a net charge for after-tax special items of approximately $3.1 billion. Full-year 2017 net earnings included after-tax intangible amortization expense of approximately $2.5 billion and a charge for after-tax special items of approximately $16.2 billion. Included in these special items was a provisional amount of approximately $13.6 billion associated with the enactment of tax legislation.

Excluding after-tax intangible amortization expense and special items, adjusted net earnings for the full-year of 2018 were $22.3 billion and adjusted diluted earnings per share were $8.18, representing increases of 11.4% and 12.1%, respectively, as compared to the same period in 2017.

Alex Gorsky, Chairman and Chief Executive Officer said,"Johnson & Johnson delivered another year of strong operational sales growth of 6.3% and achieved our 35th consecutive year of adjusted operational earnings growth at 9.8% in 2018. This can be attributed to accelerated underlying sales performance across each of our businesses, where we also leveraged our scale across the enterprise to improve margins. Looking ahead, the strength of our broad-based business and disciplined approach to portfolio management positions us to continue to fuel investments in innovation that enable us to capitalize on strategic opportunities and deliver strong performance over the long-term."

Gorsky continued, "Our performance is the result of our talented Johnson & Johnson colleagues and their extraordinary dedication to help advance health and well-being for patients and customers around the world."

In December, the Company announced a share repurchase program of up to $5.0 billion of the Company's common stock. Repurchases may be made at management's discretion from time to time on the open market or through privately negotiated transactions.

The Company announced its 2019 full-year guidance for sales of $80.4 billion to $81.2 billion reflecting expected operational growth in the range of 0.0% to 1.0% and expected adjusted operational growth in the range of 2.0% to 3.0%.

The Company also announced adjusted earnings guidance for full-year 2019 of $8.50 to $8.65 per share reflecting expected operational growth in the range of 5.7% to 7.6%.