

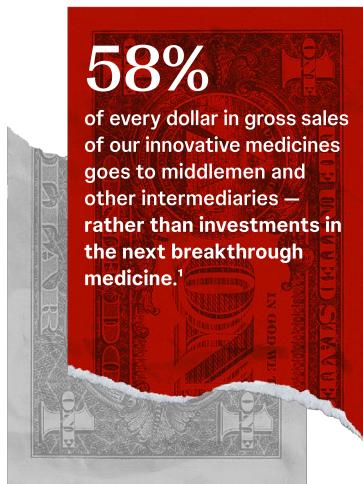
J&J Innovative Medicine is leading where medicine is going

J&J Innovative Medicine is advancing the next era of medical innovation through our continuous R&D investments. Our net prices have continued to decline since 2016, but despite that, patients' cost exposure and access challenges are increasing because of distorted insurance benefit design.¹

Rebates and discounts to middlemen and private insurers continue to grow

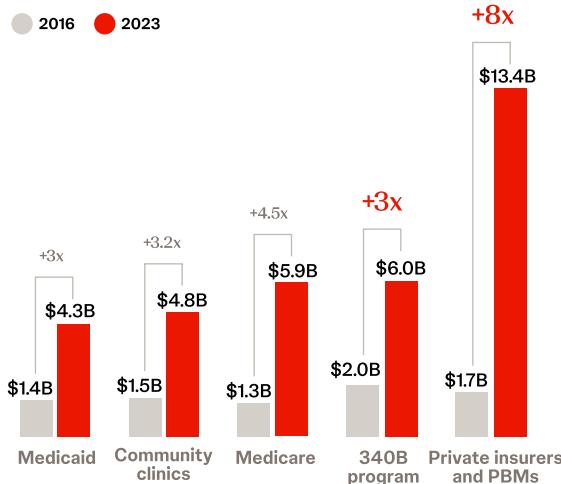
Our rebates, discounts and fees reached **\$42.8 billion in 2023.¹**

The result:



Since 2016, the first year of the Transparency Report, our rebates, discounts and fees have grown each year.

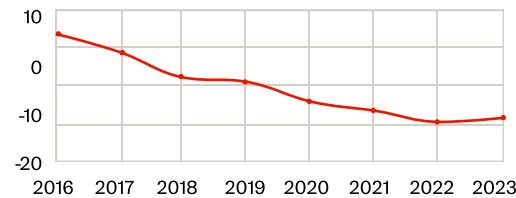
Growth in rebates, discounts and fees, 2016–2023¹



Our net prices have declined by 18.6% since 2016¹

The gap between U.S. list prices, which is what we charge insurance companies, and net prices for brand-name medicines, which is after rebates and discounts provided to private insurers and other intermediaries, **grew by 45% from 2017 to 2022.²**

J&J Innovative Medicine net price change (compounded %)¹



Higher premiums and increasing cost exposure are a growing burden for families

The continuous growth in health insurance premiums is associated with limiting growth in wages for families, while patient cost exposure increases faster than the net cost of medicines that insurers and middlemen pay.^{3, 4}

By one estimate total out-of-pocket costs to patients may escalate to \$800 billion by 2026...

... equivalent to placing a

\$4,500
tax on every U.S. worker⁵



Our R&D: Developing the next generation of medicines

\$12B

J&J Innovative Medicine total investments in 2023 to research and develop treatments and cures¹

>124%

Amount spent on R&D in 2023 compared to sales and marketing¹

94

Current number of new products and indications listed for pharmaceutical development⁶

Citations

- Figure according to Johnson & Johnson internal financial accounting. Values may have been rounded.
- Adam Fein. "Gross-to-Net Bubble Update: 2022 Pricing Realities at 10 Top Drugmakers." Drug Channels. June 2023. <https://www.drugchannels.net/2023/06/gross-to-net-bubble-update-2022-pricing.html> Accessed July 2024.
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