



# TRANSFORMING LIVES FOR PATIENTS TODAY, ADVANCING HOPE FOR PATIENTS TOMORROW

**In our work every day, we witness intellect, empathy, and courage united in the service of patients. Our colleagues include researchers, pharmacists, medical doctors, policy analysts, commercial experts, and manufacturing engineers—professionals of all types who develop transformational medicines and work tirelessly to ensure they reach the people who need them.**

We know our healthcare system has significant strengths. Thanks to an open and competitive marketplace, it offers an array of treatment options and generates groundbreaking discoveries that are typically available in the United States before anywhere else in the world. But all too frequently we're reminded that affordability remains a significant challenge for patients and their families. They want to know what they can expect to pay for their care, including their medicines, and what can be done to lower those costs.

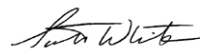
In our fourth annual Janssen U.S. Transparency Report, we explain factors in our health system that influence the accessibility and affordability of medicines. As in years past, we offer information about our responsible business practices that put patients first.

Beyond providing a window into how we operate, we issue this Report because meaningful transparency is critical to the current discussion about healthcare. We aim to highlight what's at stake with the choices before us and show why it's important to preserve the parts of the U.S. system that patients count on—care when it's needed, innovative medicines, and progress in the fight against disease.

Historic advances in medicine—including cell and gene therapies that have the potential to cure rare and hard-to-treat diseases—promise to improve the lives of patients and increase the overall sustainability of healthcare in the U.S. Our Janssen therapies have made a significant impact. For example,

one of our biologic therapies has been shown to reduce major bowel surgeries and cut hospitalizations for patients with Crohn's disease. Our first-in-class cancer medicines can help extend the lives of patients with some of the most common and deadly types of cancer. Important as they are, these numbers don't reflect the full impact such medicines can have: joy when health is regained; relief when the burdens of caregivers are lifted; pride when returning to work.

We want this Report to be useful to everyone with a stake in the future of our healthcare system—to policymakers, payers, providers, and most of all, patients. We hope the conversations it starts will bring us closer to a healthcare system that delivers greater access to care at a more manageable cost and, most important, better health for all.



**Scott White**  
Company Group Chairman  
North America Pharmaceuticals  
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Visit [janssen.com/ustransparencyreport](https://www.janssen.com/ustransparencyreport) to view the complete 2019 Janssen U.S. Transparency Report.

**At Janssen, we strive for:**  
affordable access for patients today, greater hope for patients tomorrow, and a fair, sustainable healthcare system to get us there.

We live in a moment of incredible hope, on the verge of extraordinary progress that could change our lives and the lives of our children and grandchildren. At Janssen, we are committed to bringing that promise to life.



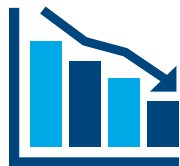
# 2019 JANSSEN U.S. TRANSPARENCY REPORT EXECUTIVE SUMMARY

## TRANSFORMING LIVES FOR PATIENTS TODAY

### OUR NET PRICES DECLINED FOR THE THIRD YEAR IN A ROW

**-9.2%**

**Compound net price decline** of Janssen medicines since the beginning of 2016<sup>1</sup>



**-1.2%**

**Average net price decline** of Janssen medicines in 2019<sup>2</sup>

**\$24.5 billion**

**Total amount Janssen paid** in discounts, rebates, and fees in 2019<sup>3</sup>

**51%**

**More than half the list price** of our medicines went to intermediaries in the system. We believe they should share the discounts and rebates we provide directly with patients<sup>4</sup>

### WE CONTINUE TO SUPPORT PATIENTS

**1.3 million**

**Patients helped with access, affordability, and treatment support** through the Janssen CarePath program in 2019<sup>5</sup>

**540,000**

**Commercially insured patients** who reduced their out-of-pocket costs<sup>6</sup> through the Janssen CarePath Savings Program in 2019<sup>\*</sup>



## ADVANCING HOPE FOR PATIENTS TOMORROW

### WE ARE DRIVING PROGRESS AGAINST DISEASE

**\$8.8 billion**

**Invested globally** in pharmaceutical research and development<sup>7</sup>

**91%**

**More invested in global R&D** than in sales and marketing<sup>8</sup>



**80+**

**medicine candidates** in development as a result of our investments in R&D

**120,000+**

**Patients enrolled worldwide in more than 400 clinical trials.** We launched more than **100 new clinical trials** in 2019

**640+**

**Start-up companies** in the Johnson & Johnson Innovation – JLABS incubator community, **58%** of which are first-time entrepreneurs<sup>9</sup>

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\*Included in the 1.3 million patients helped, above.

**References:** 1. Percentage figure represents compound net negative pricing decline for years 2016-2019 as applied to Janssen pharmaceuticals marketed in the U.S. The net price of a medicine is the list price minus mandated or negotiated rebates, discounts and fees. 2. Represents the year-over-year change in the average net price, which is the list price less rebates, discounts, and fees. 3. Figure according to Janssen internal financial accounting. 4. Ibid. 5. Data is an approximate number of patients supported by Janssen CarePath provided by the program administrator. Data reflects contributions from Janssen Biotech, Inc., Janssen Pharmaceuticals, Inc., Janssen Products, LP. 6. Ibid. 7. Johnson & Johnson, FY19-Q4 Form 10-K for the period ending December 29, 2019 (filed February 18, 2020). 8. Figure according to Janssen internal financial accounting. 9. Figure as of March 10, 2020. Secured and contingent funding. JLABS. "JLABS Navigator." <https://jlabs.jnjinnovation.com/JLABSNavigator#/>.