

Johnson & Johnson (NYSE: JNJ) — FQ2 2026 Results, Raised FY2026 Guidance & Valuation

Fiscal second quarter ended June 28, 2026 · reported results, the company's own raised FY2026 guidance, and standard market-based valuation multiples.

A factual snapshot built from J&J's public filings — reported historical results, J&J's own forward guidance, and public market data. It contains no Blackspear forecast, price target, or recommendation.

NET SALES (Q2'26) \$25.31B ▲ 6.6% reported vs Q2'25 (▲ 5.6% operational)	ADJ. EPS (Q2'26) \$2.90 ▲ 4.7% vs Q2'25 beat consensus \$2.85	GAAP DIL. EPS (Q2'26) \$2.27 vs \$2.29 in Q2'25 net earnings \$5.53B	ADJ. NET EARNINGS (Q2'26) \$7.1B 28.0% of sales GAAP net earnings \$5.53B
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SEGMENT & GEOGRAPHIC RESULTS — Q2 FY2026

SEGMENT	SALES	% TOT.	OP. GR.
Innovative Medicine	\$16,384M	65%	+6.8%
MedTech	\$8,926M	35%	+3.6%
Total worldwide	\$25,310M	100%	+5.6%
— United States	\$14,533M	57%	+7.3%
— International	\$10,777M	43%	+3.4%

Two reportable segments. Operational (op.) growth excludes currency; total reported growth was 6.6% (+1.0% FX). Acquisitions/divestitures were a net -0.1% on worldwide growth.

KEY BRAND MOMENTUM — Q2 OP. GROWTH

BRAND / AREA	Q2 SALES	OP. GR.
DARZALEX	\$4,207M	+18%
TREMFYA	\$2,046M	+71%
CARVYKTI	\$657M	+48%
CAPLYTA	\$361M	+71%
RYBREVA NT /LAZCLUZE	\$289M	+62%
STELARA (biosimilar erosion)	\$740M	-56%

Ex-STELARA, J&J grew double digits in Q2; STELARA was a ~460 bps headwind to total-company growth (~760 bps to Innovative Medicine).

RAISED FY2026 GUIDANCE — AS ISSUED ON THE JULY 15, 2026 CALL

COMPANY FY2026 OUTLOOK

REPORTED SALES

~\$101.1B

7.0%–7.6% growth
midpoint 7.3%

OPERATIONAL SALES

~\$100.6B

6.5%–7.1% growth
first-ever >\$100B year

ADJ. REPORTED EPS

\$11.60–11.75

midpoint \$11.68
+8.2% vs FY25

ADJ. PRETAX MARGIN

~+75 bps

raised from >50 bps
FCF approaching \$21B

RAISED — op. sales +\$400M · adj. EPS +\$0.18 at midpoint

Adj. operational EPS \$11.50–\$11.65 (+7.3%). Effective tax rate 17.0%–18.0%; net interest expense \$250–300M. Guidance includes a 53rd-week (~100 bps) benefit and **excludes** pending acquisitions (e.g., Firefly Bio, expected to close Q3'26).

VALUATION SNAPSHOT — AS OF JULY 31, 2026 CLOSE

Share price	~\$256.35	P / E (trailing, GAAP)	~29.7x
Market capitalization	~\$617.8B	Fwd P / E (FY26 adj. EPS mid \$11.68)	~21.9x
Net debt (debt ~\$49.0B less cash ~\$20.8B)	~\$28.2B	EV / Sales (FY26 guid. mid \$101.1B)	~6.4x
Net debt / adj. EBITDA	~0.8x	EV / adj. EBITDA (~\$36B)	~17.9x
Enterprise value	~\$646B	52-week range	\$164.23–\$274.90
Dividend / yield (\$1.34 qtrly)	\$5.36 · ~2.1%	Shares outstanding	~2.41B

Multiples move with the share price — refresh before relying on them. Trailing P/E is GAAP and reflects prior-year items (incl. the FQ1'25 ~\$7.0B talc-reserve reversal); the forward multiple uses J&J's own adjusted-EPS guidance midpoint. Adj. EBITDA (~\$36B, LTM) is Blackspear-normalized: reported EBITDA (op. income + D&A, ~\$33.9B) plus ~\$2B of J&J-disclosed special items (talc, restructuring, separation); J&J reports no adjusted EBITDA (reported GAAP EV/EBITDA ~19.1x).

WHAT'S MOST IMPACTFUL TO FUTURE EARNINGS

- **STELARA drag is fading.** Now only ~4% of Innovative Medicine (a ~460 bps company headwind in Q2). As the biosimilar comparison laps, reported growth should re-accelerate — the single biggest swing factor into 2027.
- **Growth engines are scaling to replace it.** TREMFYA (first \$2B quarter, +71%, IBD share leader), oncology (DARZALEX, CARVYKTI, TECVAYLI, TALVEY, RYBREVANT — targeted >\$50B and #1 in oncology by 2030), CAPLYTA (+71%) and new launches ICOTYDE & INLEXZO.
- **Next patent/generic cliffs to watch.** SIMPONI biosimilars (EU entered Q2'26; possible U.S. entrant later 2026) and an OPSUMIT generic (U.S. entry late Q2'26) begin pressuring 2026–27 sales.
- **Pipeline catalysts (H2'26–2027).** milvexian (Factor XIa anticoagulant; large under-treated AFib market), OTTAVA + Monarch surgical robotics, and multiple oncology readouts — upside optionality not in guidance.
- **Portfolio reshaping & overhangs.** Planned DePuy Synthes (Orthopaedics) separation targeted mid-2027 removes ~\$9.6B of slower-growth revenue (mix-accretive to growth). Abiomed heart-recovery softness is near-term (PROTECT 4 reads out 2027); ~\$3.7B talc reserve is a contained cash/legal overhang.

HOW TO READ THE NUMBERS

- "Operational" growth excludes the effect of currency translation; J&J guides and discusses results primarily on this basis. Q2 FX was a +1.0% tailwind.
- "Adjusted" (non-GAAP) earnings/EPS exclude intangible amortization and special items (litigation, restructuring, separation and acquisition costs). GAAP diluted EPS was \$2.27 in Q2.
- FY2026 figures are J&J's own raised guidance, subject to change; they exclude pending acquisitions and include a ~100 bps 53rd-week benefit.
- Segment mix: Innovative Medicine (pharma) ~65% of sales at a ~38% pretax margin; MedTech ~35% at ~13% — pharma strength is the main earnings driver.

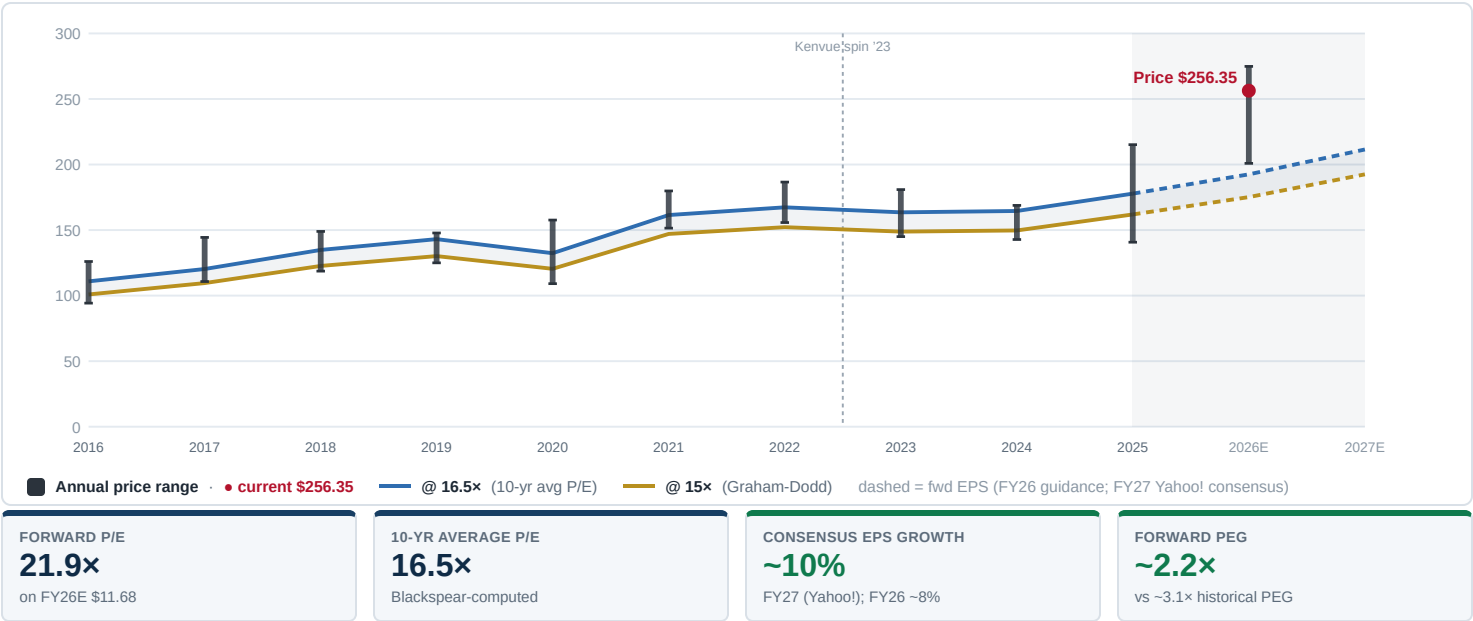
Full Excel model — linked tabs (historicals, segment & brand detail, guidance bridge, valuation, source tie-outs) — available on request. Email info@blackspearllc.com for a copy.

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Johnson & Johnson (NYSE: JNJ) — Valuation vs. Forward Growth

Price vs. earnings-justified value on JNJ's reported adjusted EPS, judged against forward EPS-growth consensus (Yahoo! Finance) and company guidance. History and dividends from JNJ disclosures and public market data; forward EPS estimates are analyst consensus per Yahoo! Finance; P/E, PEG and implied-growth figures are Blackspear calculations. Reference lines are mechanical, not a Blackspear price target or recommendation.

PRICE VS. EARNINGS-JUSTIFIED VALUE — JNJ ADJUSTED EPS, FY2016–FY2027E



VALUATION & GROWTH

Current price (31 Jul 2026)	~\$256.35
Forward P/E (FY26E \$11.68)	21.9×
10-year average P/E (2016–25)	~16.5×
Fair value @ 16.5× on FY26E	~\$193 · price +33% over
Delivered adj-EPS CAGR (2016–25)	~5.4%
Consensus EPS growth — Yahoo! (FY26 / FY27)	+8.0% / +10.2%
Forward PEG (fwd P/E ÷ FY27 consensus)	~2.2×
Dividend yield (\$5.36/yr)	~2.09%

DOES FORWARD GROWTH JUSTIFY THE MULTIPLE?

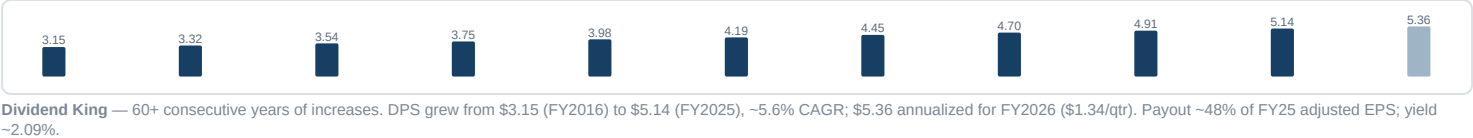
RICH ON PRICE HISTORY — DEFENSIBLE ON GROWTH

A growth call, not pure over-valuation

At ~22× forward, JNJ trades ~33% above its 10-yr average P/E (16.5×). But consensus (Yahoo!) sees EPS growth of ~8% (FY26) and ~10% (FY27) — roughly 2× the ~5.4% delivered in 2016–25. On that faster growth the forward PEG is ~2.2×, below JNJ's own ~3.1× historical PEG — so the premium is largely a bet the pipeline-driven acceleration (oncology, new launches) holds.

The catch: even at consensus growth, the historical-multiple fair value only reaches ~\$233 by FY2028 — still below today's price. So the market is **also** paying a premium multiple for AAA-rated durability. If growth reverts toward the ~5–6% historical trend, that premium is at risk; the multiple, not the earnings, is the swing factor.

DIVIDEND RECORD



On forward estimates. Forward EPS growth is analyst consensus sourced from Yahoo! Finance (FY2026 avg \$11.65 / +8.0%, FY2027 avg \$12.83 / +10.2%, 23 analysts); JNJ's own FY2026 guidance (\$11.68) corroborates. P/E, PEG, the 10-yr average multiple and implied-growth figures are mechanical Blackspear calculations — not estimates, price targets, or recommendations. Consensus estimates are inherently uncertain and subject to revision.

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