

# Welcome



# First Quarter 2024 Earnings Results

May 7, 2024



# Introduction



**Thibaut Mongon**  
Chief Executive  
Officer



**Paul Ruh**  
Chief Financial  
Officer



**Tina Romani**  
Head of Investor  
Relations

## Cautionary note on forward-looking statements

This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, statements about management’s expectations of Kenvue’s future operating and financial performance, product development, market position and business strategy. Forward-looking statements may be identified by the use of words such as “plans,” “expects,” “will,” “anticipates,” “estimates” and other words of similar meaning. The viewer is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Kenvue and its affiliates. Risks and uncertainties include, but are not limited to: the inability to execute on Kenvue’s business development strategy; economic factors, such as interest rate and currency exchange rate fluctuations; the ability to successfully manage local, regional or global economic volatility, including reduced market growth rates, and to generate sufficient income and cash flow to allow Kenvue to effect any expected share repurchases and dividend payments; Kenvue’s ability to access capital markets and maintain satisfactory credit ratings, which could adversely affect its liquidity, capital position and borrowing costs; competition, including technological advances, new products and intellectual property attained by competitors; challenges inherent in new product research and development; uncertainty of commercial success for new and existing products and digital capabilities; challenges to intellectual property protections including counterfeiting; the ability of Kenvue to successfully execute strategic plans, including Our Vue Forward and other restructuring initiatives; the impact of business combinations and divestitures, including any ongoing or future transactions; manufacturing difficulties or delays, internally or within the supply chain; product efficacy or safety concerns resulting in product recalls or regulatory action; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations and other requirements imposed by stakeholders; changes in behavior and spending patterns of consumers; natural disasters, acts of war (including the Russia-Ukraine War and recent conflicts in the Middle East) or terrorism, catastrophes, or epidemics, pandemics, or other disease outbreaks; financial instability of international economies and legal systems and sovereign risk; the inability to realize the benefits of the separation from Kenvue’s former parent, Johnson & Johnson; and the risk of disruption or unanticipated costs in connection with the separation. A further list and descriptions of these risks, uncertainties and other factors can be found in Kenvue’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and subsequent Quarterly Reports on Form 10-Q and other filings, available at [www.kenvue.com](http://www.kenvue.com) or on request from Kenvue. Any forward-looking statement made in this presentation speaks only as of the date of this presentation. Kenvue undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including Adjusted diluted earnings per share, Adjusted EBITDA margin, Adjusted effective tax rate, Adjusted gross profit margin, Adjusted net income, Adjusted operating income, Adjusted operating income margin, EBITDA, Free cash flow and Organic growth. Such non-GAAP financial measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of these measures to the most directly comparable GAAP measure is included in the Appendix to these slides and the earnings release available on the Company's website at [investors.kenvue.com](http://investors.kenvue.com).

# Q1 2024 Highlights

## \$3.9B

Net Sales

## 1.9%

Organic growth<sup>1</sup>

## 60.2%

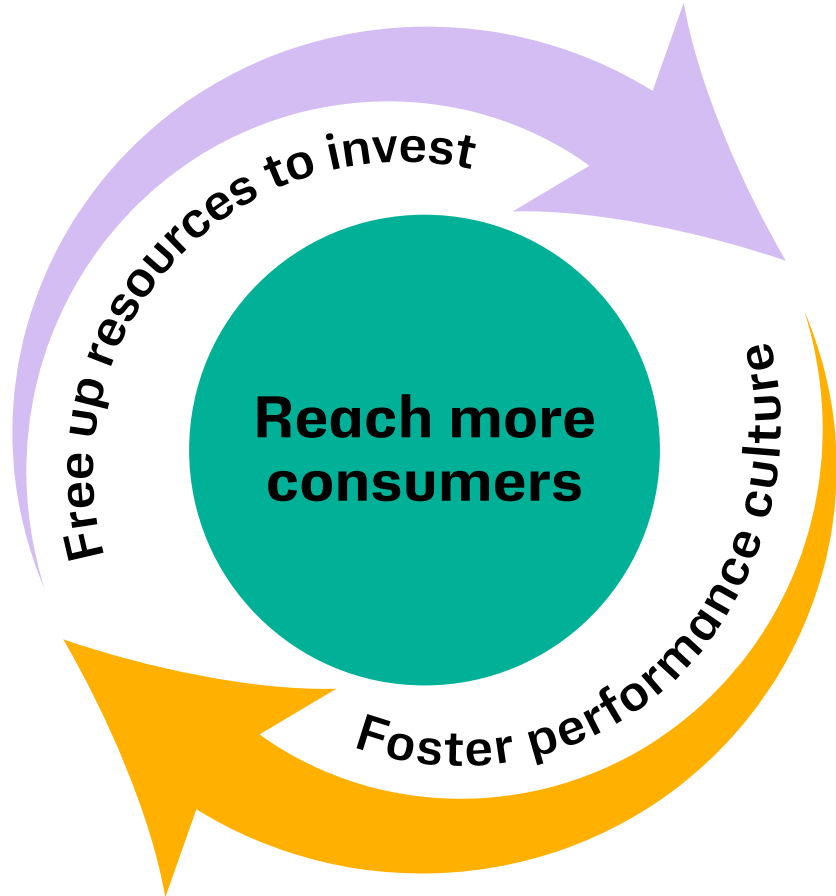
Adjusted Gross Profit Margin<sup>1</sup>

## \$0.28

Adjusted Diluted Earnings per Share<sup>1</sup>



# 2024 Strategic Priorities



# Our 15 Priority Brands

<b>TYLENOL</b>	<b>ZYRTEC</b>	Neutrogena®	<b>LISTERINE</b>
<b>Motrin</b>	<b>ZARBEE'S</b>	Aveeno.	Johnson's
<b>Benadryl</b>	<b>ORSL</b> ™	DR.CI:LABO	<b>BAND-AID</b> BRAND ADHESIVE BANDAGES
<b>nicorette</b>	<b>RHINOCORT</b> ALLERGY SPRAY	<b>ogx</b>	

# Q1 2024 Organic growth<sup>1</sup>

1.9% Organic growth on top of 11.2% growth in prior year

 <p><b>Self Care</b> Delivered another strong quarter of Organic growth<sup>1</sup> with global share gains</p>	 <p><b>Skin Health &amp; Beauty</b> Began executing actions to stabilize business in U.S.</p>	 <p><b>Essential Health</b> Continued momentum as strong product innovation resonated with consumers</p>
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<sup>1</sup> Non-GAAP financial measure; refer to reconciliations of non-GAAP financial measures included in accompanying schedules to this presentation and to the earnings release available at [investors.kenvue.com](https://investors.kenvue.com)

# Our 5 Pillars to Reach More Consumers







# Self Care

Balanced portfolio continues to outperform the market

# 4.2% Organic growth<sup>1</sup>

Activation and innovation fuel growth





# Self Care

Continues to launch category leading innovation

## Designed for easy swallowing

Now with Gentleglide™ Coating Technology





# Self Care

Zyrtec® building on category leadership ahead of the season





# Self Care

Strong performance  
outside the U.S.





# Essential Health

Continued momentum as strategy to reach increased consumers and category expansion takes hold

# 4.9%

**Organic growth<sup>1</sup>**

Led by Oral Care growth





# Essential Health

Category creation and rapid expansion of Aveeno® Kids





# Skin Health & Beauty

Action plan to stabilize U.S. business underway

# -4.5%

## Organic growth<sup>1</sup>

Strong focus on strengthening in-store presence





# Skin Health & Beauty

Increasing engagement with dermatologists





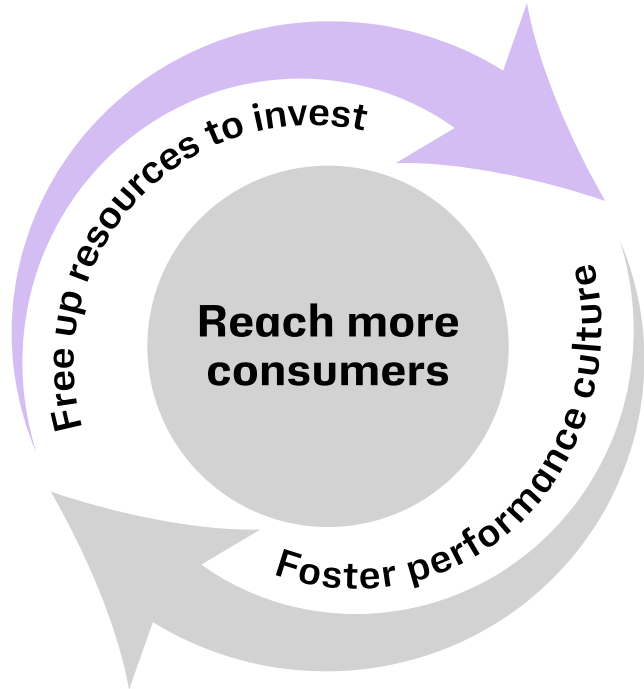


# Skin Health & Beauty

Strengthening engagement with consumers



# Free Up Resources to Invest Behind Our Brands



Gross margin expansion



Leverage operational efficiencies

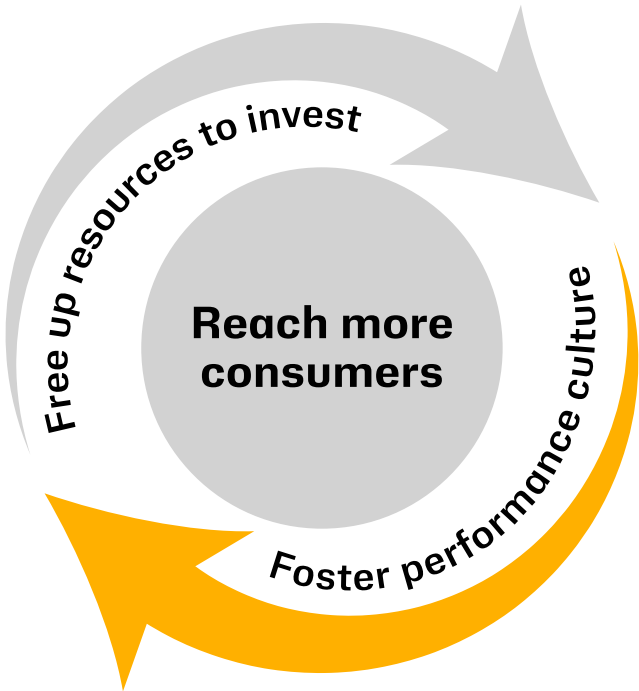


Our Vue Forward

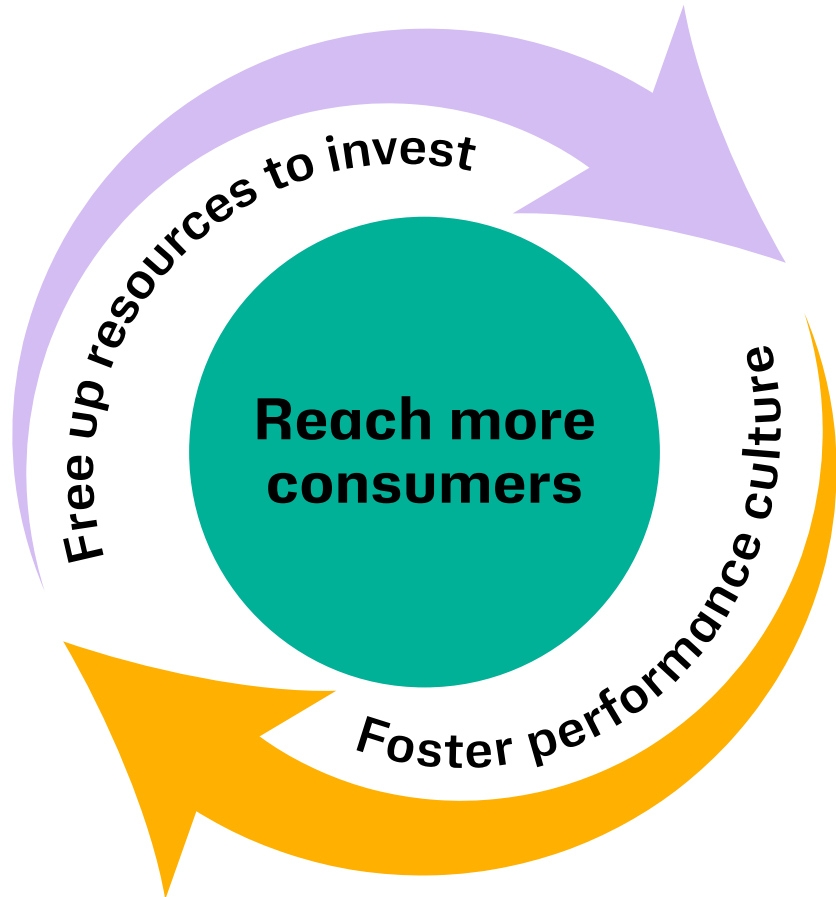


# Fuel growth

# Foster a Culture of Performance & Impact



# 2024 Strategic Priorities

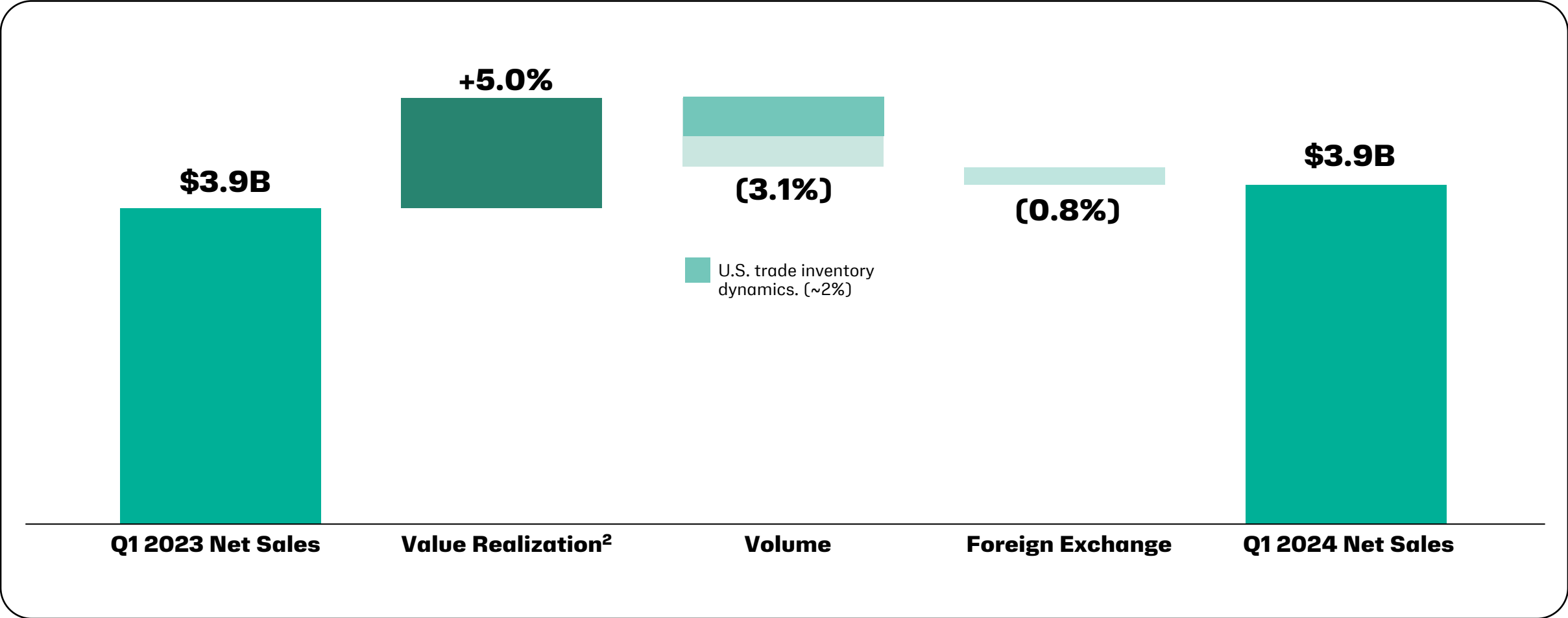


# Our 15 Priority Brands

<b>TYLENOL</b>	<b>ZYRTEC</b>	Neutrogena®	<b>LISTERINE</b>
<b>Motrin</b>	<b>ZARBEE'S</b>	Aveeno.	Johnson's
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<b>nicorette</b>	<b>RHINOCORT</b> ALLERGY SPRAY	<b>OGX</b>	

# Q1 2024 Reported Net Sales & Organic Growth<sup>1</sup>

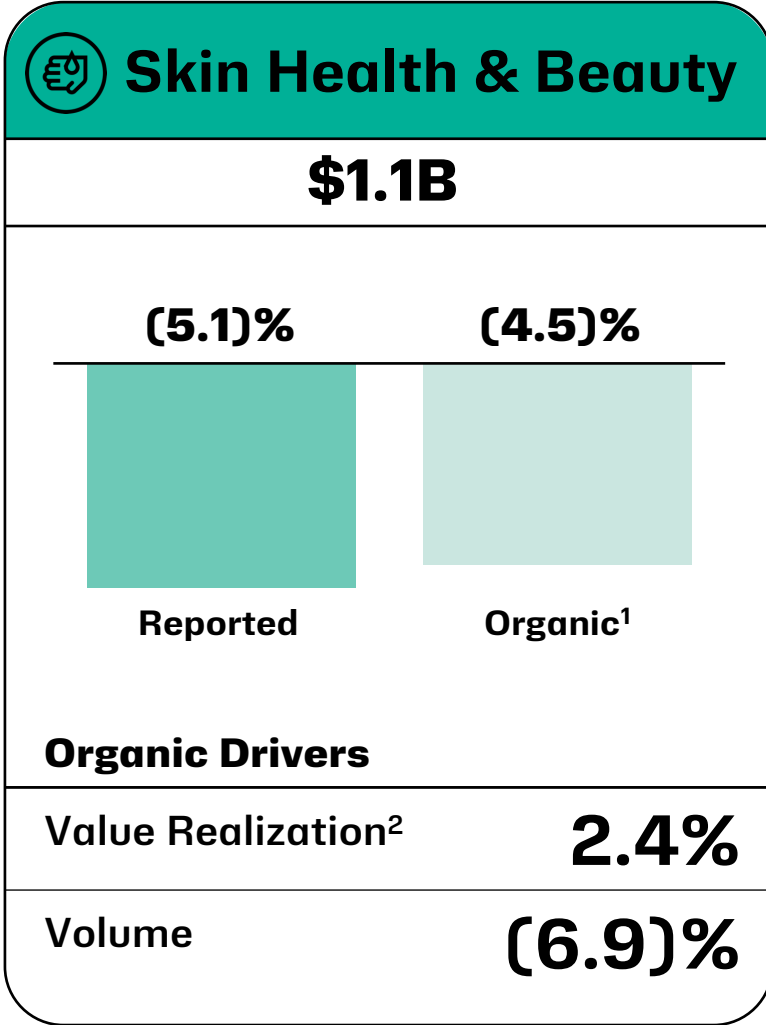
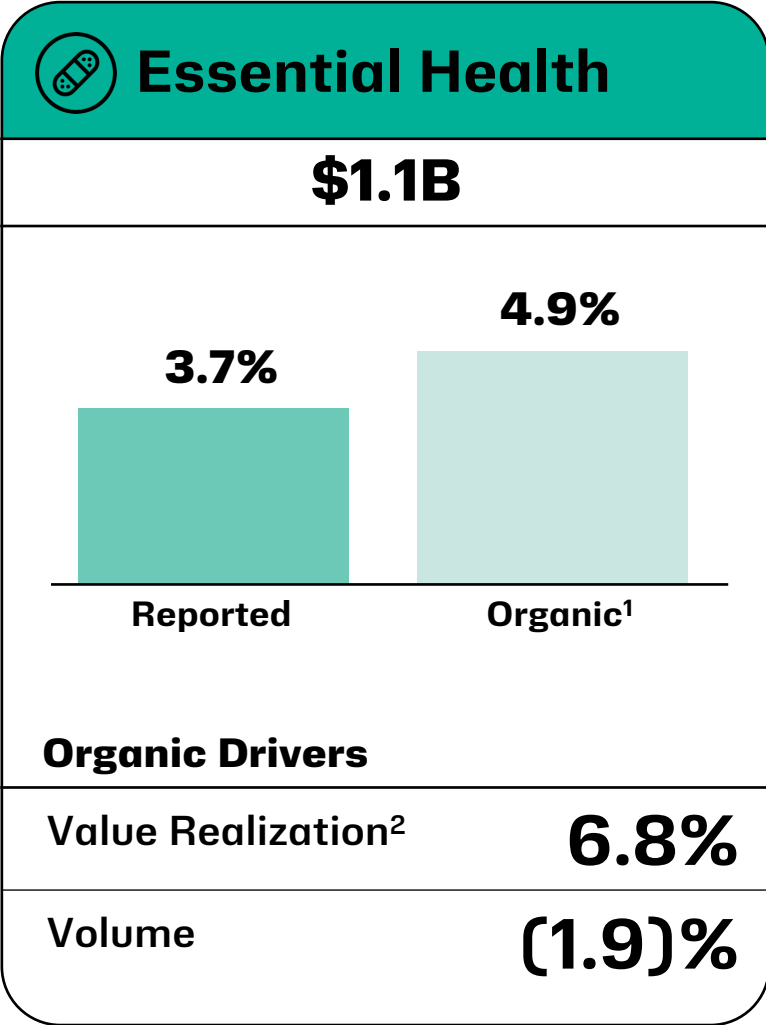
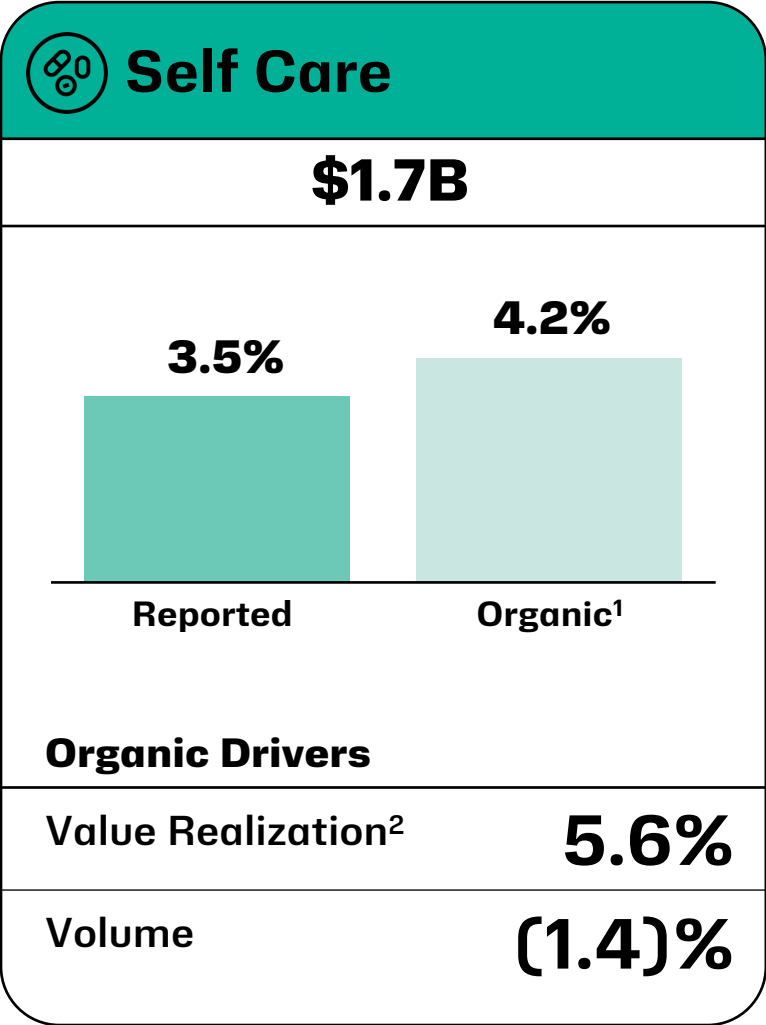
1.9% Organic growth on top of 11.2% in Q1 2023



<sup>1</sup> Non-GAAP financial measure; refer to reconciliations of non-GAAP financial measures included in accompanying schedules to this presentation and to the earnings release available at [investors.kenvue.com](https://investors.kenvue.com)

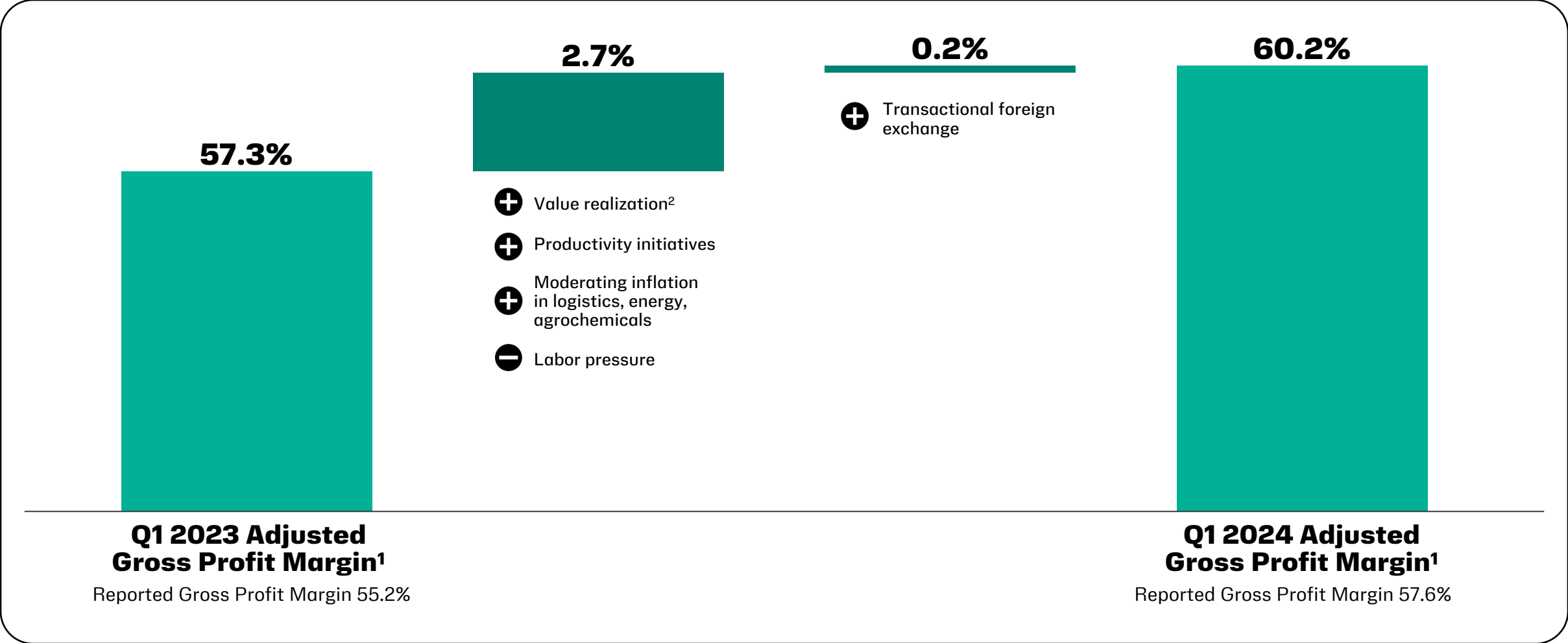
<sup>2</sup> Value Realization reflects Price/Mix

# Q1 2024 Net Sales and Organic Growth<sup>1</sup>



<sup>1</sup> Non-GAAP financial measure; refer to reconciliations of non-GAAP financial measures included in accompanying schedules to this presentation and to the earnings release available at investors.kenvue.com  
<sup>2</sup> Value Realization reflects Price/Mix

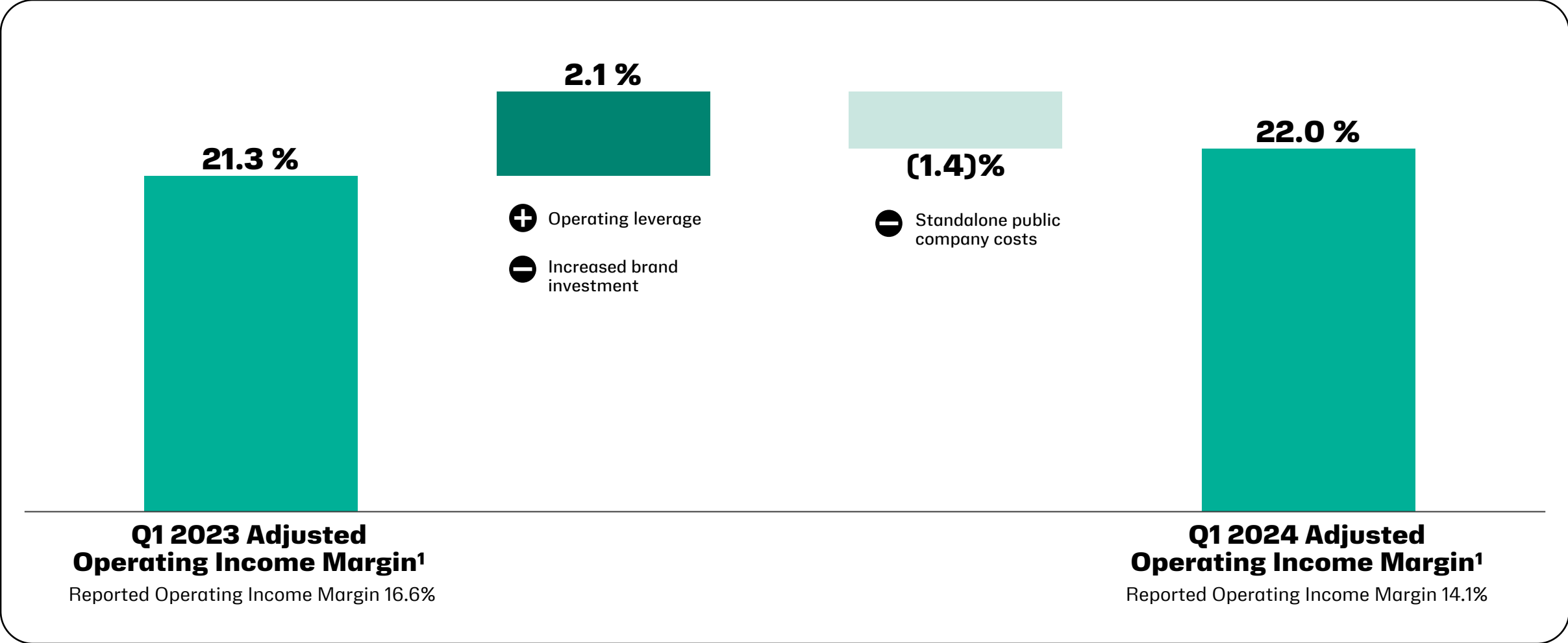
# Q1 2024 Gross Profit Margin



<sup>1</sup> Non-GAAP financial measure; refer to reconciliations of non-GAAP financial measures included in accompanying schedules to this presentation and to the earnings release available at [investors.kenvue.com](https://investors.kenvue.com)

<sup>2</sup> Value Realization reflects Price/Mix

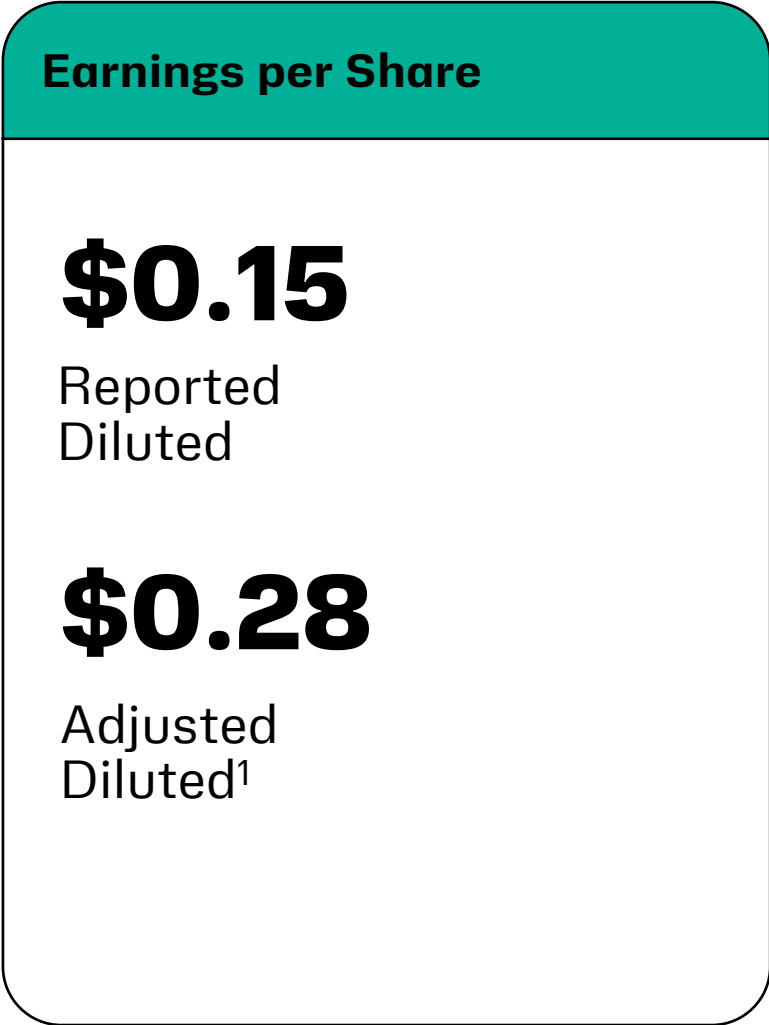
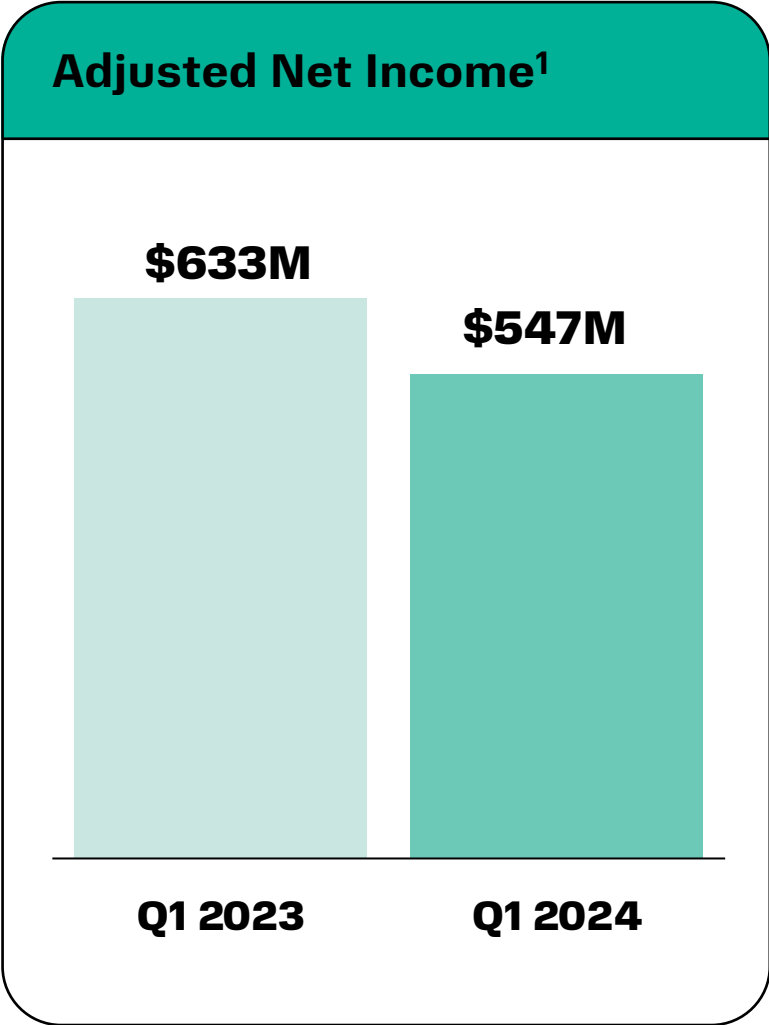
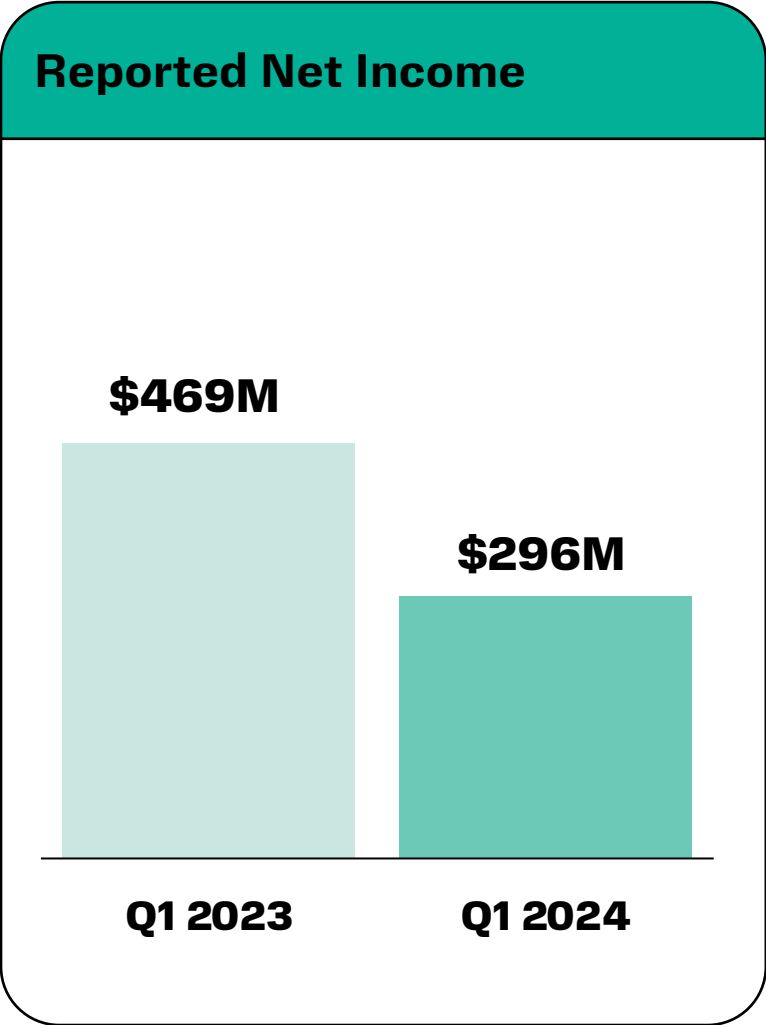
# Q1 2024 Operating Income Margin



<sup>1</sup> Non-GAAP financial measure; refer to reconciliations of non-GAAP financial measures included in accompanying schedules to this presentation and to the earnings release available at [investors.kenvue.com](https://investors.kenvue.com)

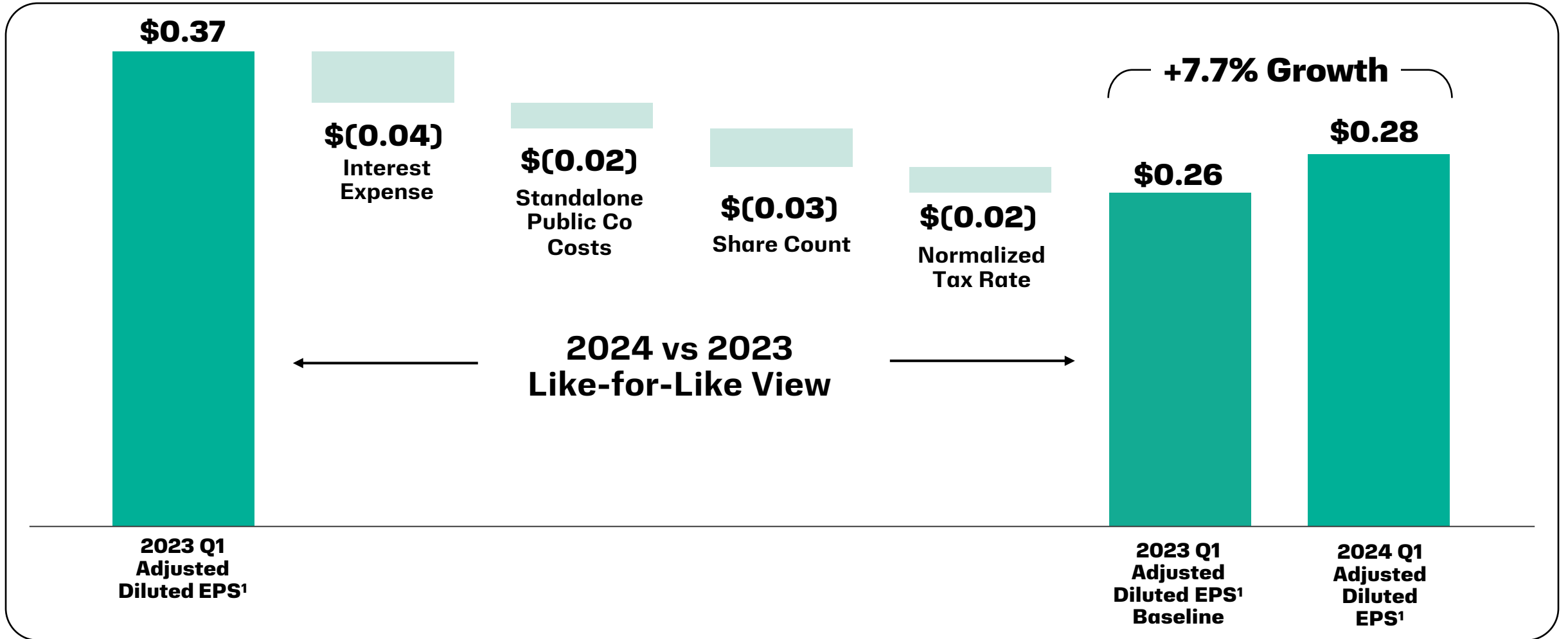


# Q1 2024 Net Income and Earnings Per Share



<sup>1</sup>Non-GAAP financial measure; refer to reconciliations of non-GAAP financial measures included in accompanying schedules to this presentation and to the earnings release available at [investors.kenvue.com](https://investors.kenvue.com)

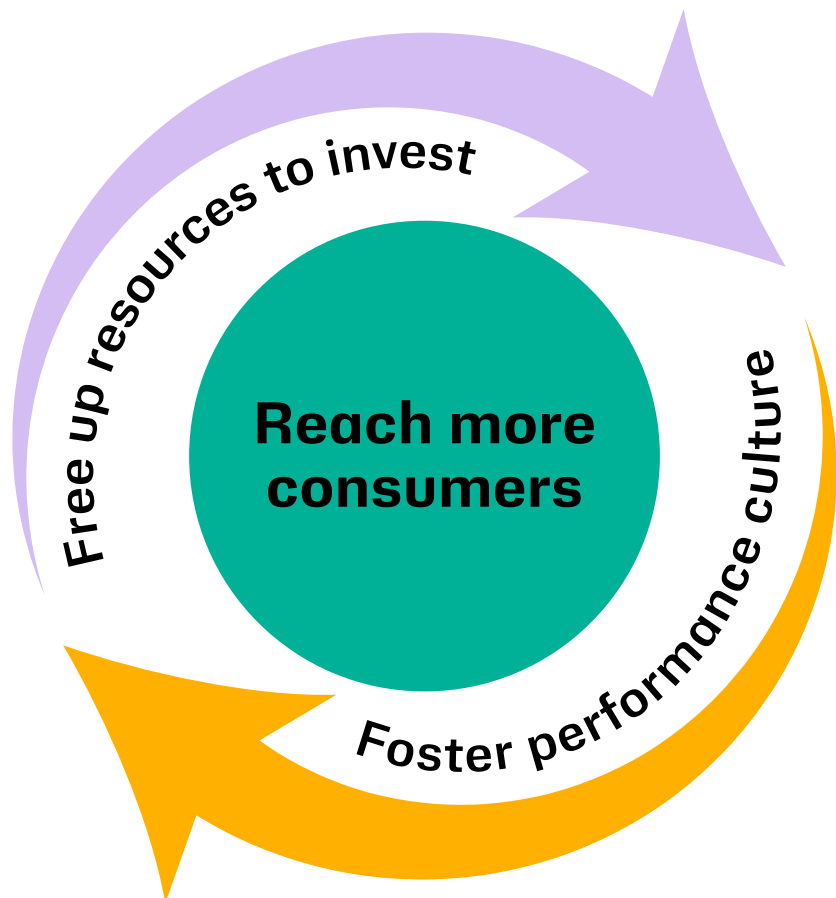
# 2024 Adjusted Diluted EPS<sup>1</sup>



# Full Year 2024 Guidance Summary

	<b>Reaffirmed Full Year 2024</b>
Reported Net Sales Growth	<b>1.0% - 3.0%</b>
Organic Growth <sup>1</sup>	<b>2.0% - 4.0%</b>
Adjusted Operating Income Margin <sup>1</sup>	<b>Slightly below 2023</b>
Reported Interest Expense, Net	<b>~\$400M</b>
Adjusted Effective Tax Rate <sup>1</sup>	<b>25.5% - 26.5%</b>
Adjusted Diluted Earnings per share <sup>1,2</sup>	<b>\$1.10 - \$1.20</b>

## 2024 Strategic Priorities



## Q1 2024 Highlights

- ✓ Execution on our strategic priorities drove a strong start to the year
- ✓ Organic growth<sup>1</sup> of 1.9% on top of 11.2% in the prior year
- ✓ Sustained momentum in Self Care and Essential Health, plans to stabilize Skin Health and Beauty in the U.S. underway
- ✓ Adjusted Diluted EPS<sup>1</sup> +7.7% vs Q1'23 Adjusted Diluted EPS Baseline<sup>2</sup>
- ✓ Reaffirmed 2024 outlook

# Q&A



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# Appendix

# 2023 Organic Growth<sup>1</sup> Considerations

	Q1'23	Q2'23	Q3'23	Q4'23
 <b>Self-Care</b>	<ul style="list-style-type: none"> <li>⊕ Higher incidences of cough, cold and flu outside the U.S.</li> <li>⊕ Retailer inventory re-build, following Q4'22 demand surge</li> </ul>			<ul style="list-style-type: none"> <li>⊖ Delayed season and lower incidence levels</li> </ul>
<b>Organic Growth</b>	<b>15.3%</b>	<b>14.2%</b>	<b>6.7%</b>	<b>(2.0%)</b>
 <b>Skin Health and Beauty</b>	<ul style="list-style-type: none"> <li>⊕ Retailer inventory re-build, following supply constraints</li> <li>⊖ Strategic portfolio rationalization</li> <li>⊖ Suspension of personal care products in Russia</li> </ul>		<ul style="list-style-type: none"> <li>⊖ Consumer softness in China</li> </ul>	<ul style="list-style-type: none"> <li>⊖ Commercial execution issues in North America</li> </ul>
<b>Organic Growth</b>	<b>13.2%</b>	<b>3.4%</b>	<b>(0.4%)</b>	<b>(8.0%)</b>
 <b>Essential Health</b>	<ul style="list-style-type: none"> <li>⊖ Suspension of personal care products in Russia</li> </ul>		<ul style="list-style-type: none"> <li>⊖ Consumer softness in China</li> </ul>	
<b>Organic Growth</b>	<b>4.0%</b>	<b>3.8%</b>	<b>3.8%</b>	<b>2.5%</b>
<b>Total Organic Growth %</b>	<b>11.2%</b>	<b>7.7%</b>	<b>3.6%</b>	<b>(2.4%)</b>

# Organic Growth

Fiscal Three Months Ended March 31, 2024 vs April 2, 2023<sup>(1)</sup>

(Unaudited; Dollars in Millions)	Reported Net sales change		Impact of foreign currency		Organic growth <sup>(2)</sup>	
	Amount	Percent	Amount	Amount	Percent	
Self Care	\$ 58	3.5 %	\$ (11)	\$ 69	4.2 %	
Skin Health and Beauty	(57)	(5.1)	(7)	(50)	(4.5)	
Essential Health	41	3.7	(13)	54	4.9	
<b>Total</b>	<b>\$ 42</b>	<b>1.1 %</b>	<b>\$ (31)</b>	<b>\$ 73</b>	<b>1.9 %</b>	

Fiscal Three Months Ended March 31, 2024 vs April 2, 2023<sup>(1)</sup>

(Unaudited)	Reported Net sales change	Impact of foreign currency	Organic growth <sup>(2)</sup>	
			Price/Mix <sup>(3)</sup>	Volume
Self Care	3.5 %	(0.7) %	5.6 %	(1.4) %
Skin Health and Beauty	(5.1)	(0.6)	2.4	(6.9)
Essential Health	3.7	(1.2)	6.8	(1.9)
<b>Total</b>	<b>1.1 %</b>	<b>(0.8) %</b>	<b>5.0 %</b>	<b>(3.1) %</b>

<sup>(1)</sup> Acquisitions and divestitures did not materially impact the reported Net sales change.

<sup>(2)</sup> Non-GAAP financial measure. Excludes the impact of foreign currency exchange and impact of Acquisitions and divestitures.

<sup>(3)</sup> Price/Mix reflects value realization.



# Organic Growth

Fiscal Three Months Ended April 2, 2023 vs April 3, 2022 <sup>(1)</sup>					
(Unaudited; Dollars in Millions)	Reported Net sales change		Impact of foreign currency	Organic growth <sup>(2)</sup>	
	Amount	Percent	Amount	Amount	Percent
Self Care	\$ 175	11.9 %	\$ (50)	\$ 225	15.3 %
Skin Health and Beauty	99	9.8	(34)	133	13.2
Essential Health	(12)	(1.1)	(57)	45	4.0
<b>Total</b>	<b>\$ 262</b>	<b>7.3 %</b>	<b>\$ (141)</b>	<b>\$ 403</b>	<b>11.2 %</b>

Fiscal Three Months Ended April 2, 2023 vs April 3, 2022 <sup>(1)</sup>				
(Unaudited)	Reported Net sales change	Impact of foreign currency	Organic growth <sup>(2)</sup>	
			Price/Mix <sup>(3)</sup>	Volume
Self Care	11.9 %	(3.4) %	8.2 %	7.1 %
Skin Health and Beauty	9.8	(3.4)	8.9	4.3
Essential Health	(1.1)	(5.1)	9.4	(5.4)
<b>Total</b>	<b>7.3 %</b>	<b>(3.9) %</b>	<b>8.7 %</b>	<b>2.5 %</b>

<sup>(1)</sup> Acquisitions and divestitures did not materially impact the reported Net sales change.

<sup>(2)</sup> Non-GAAP financial measure. Excludes the impact of foreign currency exchange and impact of Acquisitions and divestitures.

<sup>(3)</sup> Price/Mix reflects value realization.

# Total Segment Net Sales and Adjusted Operating Income

(Unaudited; Dollars in Millions)	Net Sales	
	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Self Care	1,698	1,640
Skin Health and Beauty	1,054	1,111
Essential Health	1,142	1,101
<b>Total segment net sales</b>	<b>\$ 3,894</b>	<b>\$ 3,852</b>

(Unaudited; Dollars in Millions)	Adjusted Operating Income	
	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Self Care Adjusted operating income	\$ 606	\$ 582
Skin Health and Beauty Adjusted operating income	149	150
Essential Health Adjusted operating income	256	210
<b>Total</b>	<b>\$ 1,011</b>	<b>\$ 942</b>
Depreciation	(75)	(71)
General corporate/unallocated expenses	(87)	(69)
Other operating (expense) income, net	(78)	17
Other—impact of Deferred Markets <sup>(1)</sup>	16	—
Fixed asset impairment	68	—
<b>Adjusted operating income (non-GAAP)</b>	<b>\$ 855</b>	<b>\$ 819</b>
Reconciliation to Income before taxes:		
Amortization	74	81
Separation-related costs <sup>(2)</sup>	67	98
Restructuring and operating model optimization initiatives	50	—
Fixed asset impairment	68	—
Conversion of stock-based awards	22	—
Other—impact of Deferred Markets <sup>(1)</sup>	16	—
Founder Shares	8	—
<b>Operating income</b>	<b>\$ 550</b>	<b>\$ 640</b>
Other expense, net	28	30
Interest expense, net	95	1
<b>Income before taxes</b>	<b>\$ 427</b>	<b>\$ 609</b>

<sup>(1)</sup> Includes the provision for taxes and minority interest expense related to Deferred Markets recognized within Other operating expense (income), net, which are payable to Johnson & Johnson through interim agreements until these Deferred Markets can be transferred to the Company. Deferred Markets are local businesses in certain non-U.S. jurisdictions in which the transfer from Johnson & Johnson of certain assets and liabilities were deferred in order to ensure compliance with applicable law, to obtain necessary governmental approvals and other consents, and for other business reasons.

<sup>(2)</sup> Costs incurred in connection with our establishment as a standalone public company are defined as “Separation-related costs.”

# Non-GAAP Reconciliations (Q1'24)

Fiscal Three Months Ended March 31, 2024

(Unaudited; Dollars in Millions)	As Reported	Adjustments	Reference	As Adjusted
<b>Net sales</b>	<b>\$ 3,894</b>	—		<b>\$ 3,894</b>
<b>Gross profit</b>	<b>\$ 2,242</b>	103	(a)	<b>\$ 2,345</b>
<i>Gross profit margin</i>	57.6 %			60.2 %
<b>Operating income</b>	<b>\$ 550</b>	305	(a)-(c)	<b>\$ 855</b>
<i>Operating income margin</i>	14.1 %			22.0 %
<b>Net Income</b>	<b>\$ 296</b>	251	(a)-(e)	<b>\$ 547</b>
<i>Net income margin</i>	7.6 %			14.0 %
Interest expense, net	\$ 95			
Provision for taxes	\$ 131			
Depreciation and amortization	\$ 149			
<b>EBITDA (non-GAAP)</b>	<b>\$ 671</b>	262	(b)-(d), (f)	<b>\$ 933</b>
<i>EBITDA margin</i>	17.2 %			24.0 %

## Detail of Adjustments

	Cost of sales	SG&A/Restructuring expenses	Other operating expense (income), net	Other expense, net	Provision for taxes	Total
Amortization	\$ 74	\$ —	\$ —	\$ —	\$ —	\$ 74
Restructuring and operating model optimization initiatives	6	44	—	—	—	50
Separation-related costs (including conversion of stock-based awards and Founder Shares)	23	74	—	—	—	97
Fixed asset impairment	—	—	68	—	—	68
Impact of Deferred Markets—minority interest expense	—	—	7	—	—	7
Impact of Deferred Markets—provision for taxes	—	—	9	—	(9)	—
Losses on investments	—	—	—	31	—	31
Tax impact on special item adjustments	—	—	—	—	(76)	(76)
<b>Total</b>	<b>\$ 103</b>	<b>\$ 118</b>	<b>\$ 84</b>	<b>\$ 31</b>	<b>\$ (85)</b>	<b>\$ 251</b>
	(a)	(b)	(c)	(d)	(e)	
<b>Cost of sales less amortization</b>	<b>\$ 29</b>					
	(f)					

# Non-GAAP Reconciliations (Q1'23)

Fiscal Three Months Ended April 2, 2023

(Unaudited; Dollars in Millions)

	As Reported	Adjustments	Reference	As Adjusted
<b>Net sales</b>	<b>\$ 3,852</b>	<b>—</b>		<b>\$ 3,852</b>
<b>Gross profit</b>	<b>\$ 2,125</b>	<b>81</b>	<b>(a)</b>	<b>\$ 2,206</b>
<i>Gross profit margin</i>	<i>55.2 %</i>			<i>57.3 %</i>
<b>Operating income</b>	<b>\$ 640</b>	<b>179</b>	<b>(a)-(c)</b>	<b>\$ 819</b>
<i>Operating income margin</i>	<i>16.6 %</i>			<i>21.3 %</i>
<b>Net Income</b>	<b>\$ 469</b>	<b>164</b>	<b>(a)-(e)</b>	<b>\$ 633</b>
<i>Net income margin</i>	<i>12.2 %</i>			<i>16.4 %</i>
Interest expense, net	\$ 1			
Provision for taxes	\$ 140			
Depreciation and amortization	\$ 152			
<b>EBITDA (non-GAAP)</b>	<b>\$ 762</b>	<b>105</b>	<b>(b)-(d)</b>	<b>\$ 867</b>
<i>EBITDA margin</i>	<i>19.8 %</i>			<i>22.5 %</i>

## Detail of Adjustments

	Cost of sales	SG&A/Restructuring expenses	Other operating expense (income), net	Other expense, net	Provision for taxes	Total
Amortization	\$ 81	\$ —	\$ —	\$ —	\$ —	\$ 81
Separation-related costs	—	98	—	—	—	98
Losses on investments	—	—	—	7	—	7
Tax impact on special item adjustments	—	—	—	—	(22)	(22)
<b>Total</b>	<b>\$ 81</b>	<b>\$ 98</b>	<b>\$ —</b>	<b>\$ 7</b>	<b>\$ (22)</b>	<b>\$ 164</b>
	(a)	(b)	(c)	(d)	(e)	

# Adjusted Effective Tax Rate

(Unaudited)	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
<b>Effective tax rate</b>	30.7 %	23.0 %
Adjustments:		
Tax-effect on special item adjustments	(3.1)	1.1
Removal of tax benefits from carve out methodology	—	5.4
Taxes related to Deferred Markets	0.7	—
Valuation allowance on foreign tax credits due to interest expense	—	(9.1)
<b>Adjusted Effective tax rate (non-GAAP)</b>	<b>28.3 %</b>	<b>20.4 %</b>

# Adjusted Effective Tax Rate

Fiscal Year 2024

(Unaudited)

Forecast

Effective tax rate

26.5% - 27.5%

Adjustments:

Tax-effect on special item adjustments

(1.7)

Taxes related to Deferred Markets

0.7

**Adjusted Effective tax rate (non-GAAP)**

**25.5% - 26.5%**

# Adjusted Diluted Earnings Per Share

(Unaudited)	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
<b>Diluted earnings per share</b>	\$ 0.15	\$ 0.27
Adjustments:		
Separation-related costs	0.03	0.06
Restructuring and operating model optimization initiatives	0.03	—
Fixed asset impairment	0.04	—
Amortization	0.04	0.05
Losses on investments	0.02	—
Tax impact on special item adjustments	(0.04)	(0.01)
Other	0.01	—
<b>Adjusted diluted earnings per share (non-GAAP)</b>	<b>\$ 0.28</b>	<b>\$ 0.37</b>

# Free Cash Flow

(Unaudited; Dollars in Billions)	Fiscal Three Months Ended	
	March 31, 2024	April 2, 2023
Net cash flows from operating activities	\$ 0.3	\$ 0.8
Purchases of property, plant, and equipment	(0.2)	(0.1)
<b>Free cash flow (non-GAAP)</b>	<b>\$ 0.1</b>	<b>\$ 0.7</b>

Kenvue is not able to provide the most directly comparable GAAP measures or reconcile Adjusted diluted earnings per share, Adjusted operating income margin, or Organic growth to comparable GAAP measures on a forward-looking basis without unreasonable efforts given the unpredictability of the timing and amounts of discrete items such as foreign exchange, acquisitions, or divestitures.



# Research and Development

Fiscal Three Months Ended

(Unaudited; Dollars in Millions)

March 31, 2024

April 2, 2023

Research and Development

\$

100

\$

89

