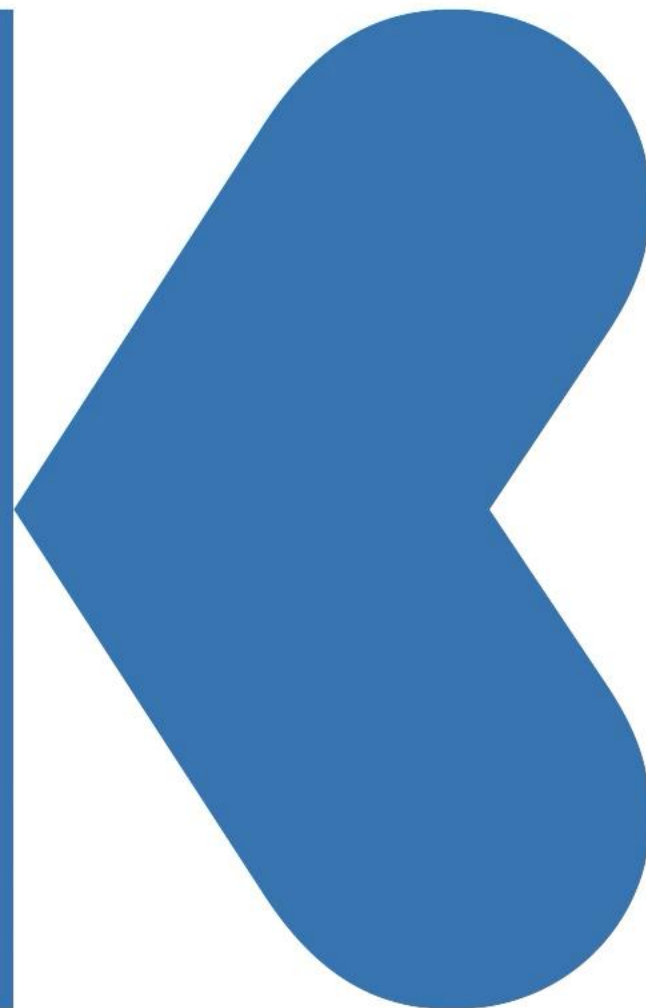


# Welcome



# Fourth Quarter and Full Year 2024 Earnings Results

February 6, 2024



# Introduction



**Thibaut Mongon**  
Chief Executive Officer



**Paul Ruh**  
Chief Financial Officer



**Sofya Tsinis**  
Vice President of  
Investor Relations

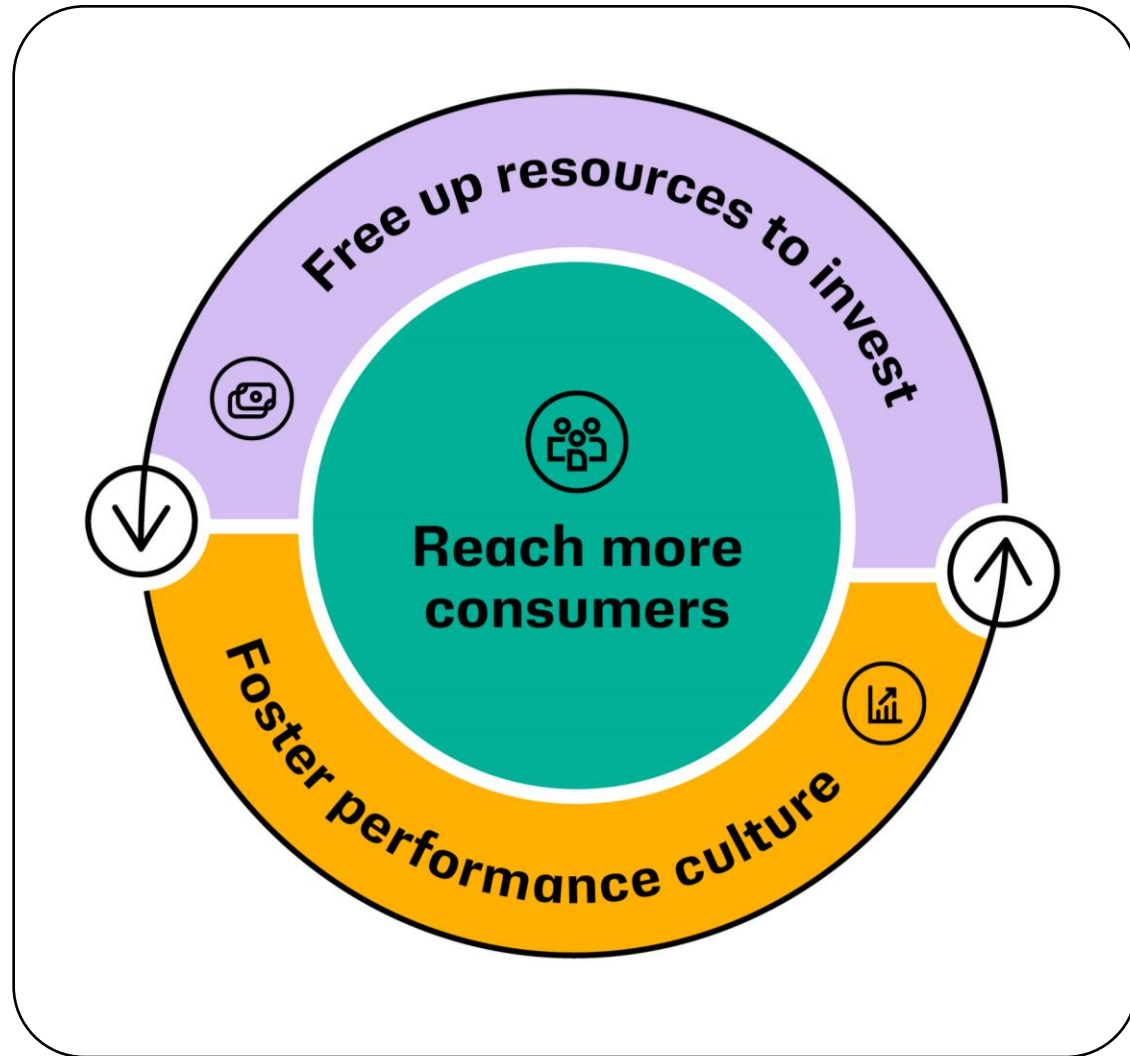
## Cautionary note on forward-looking statements

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; inflation and other 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 maintain satisfactory credit ratings and access capital markets, 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 or cost-saving 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 the Israel-Hamas War), 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 most recent Annual Report on Form 10-K 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, which may include 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 sales. 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). Definitions for these measures are also available in the earnings release.

# FY 2024 By the Numbers



→ **+1.5%**  
y/y Organic sales<sup>1</sup> growth

→ **60.4%**  
Adjusted gross profit margin<sup>1</sup>, **+200bps** vs. PY

→ **+~20%**  
brand activation investment vs. PY

→ On track to deliver  
**\$350M**  
of annualized Our Vue Forward savings by 2026

→ **\$1.14**  
Adjusted diluted earnings per share<sup>1</sup>, within  
guidance range

# Reach More Consumers



## 2024 Progress

- Strengthened presence and prominence in store and online
- Launched impactful innovation
- Expanded and deepened engagement with consumers and healthcare professionals



**Self Care** strengthened leadership positions and gained share across categories



**Essential Health** grew mid-single digits and delivered FY volume growth in NA, EMEA, and LATAM



**Skin Health and Beauty** grew volume and value in EMEA and LATAM, and started to see improvements in the U.S.



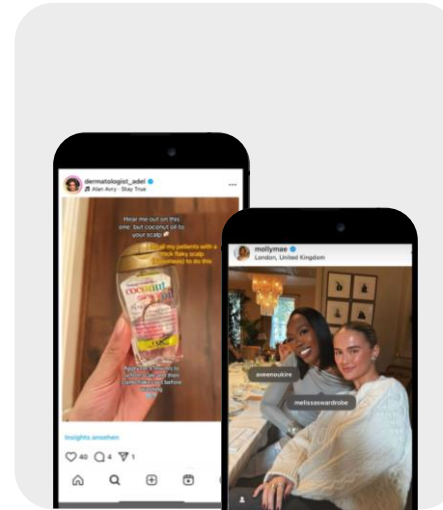


# Free Up Resources to Invest in Our Brands



## 2024 Progress

- ➔ Continued gross margin expansion through strong productivity enhancements
- ➔ Successful execution of Our Vue Forward in Year 1; on track for \$350M in annualized savings by 2026
- ➔ Increased and more impactful brand investment



# Foster New Culture of Performance and Impact



## 2024 Progress

➔ Introduced new performance and incentive model directly tied to business outcomes




➔ Added new talent to elevate capabilities and expertise

➔ Enhanced our Operating Model





# Q4 2024 Portfolio Performance

	Q4 2024 Net sales	Q4 2024 Organic sales <sup>1*</sup>	Takeaways
<b>Total Kenvue</b>	<b>\$3.7B</b>	<b>+1.7%</b>	<ul style="list-style-type: none"> <li>December delivery impacted by Pediatric Pain and temporary go-to-market disruption in APAC</li> </ul>
 <b>Self Care</b>	<b>\$1.6B</b>	<b>+2.9%</b>	<ul style="list-style-type: none"> <li>Strong growth outside of double-digit decline in Pediatric Pain</li> <li>Broad-based share gains</li> </ul>
 <b>Skin Health &amp; Beauty</b>	<b>\$1.0B</b>	<b>+2.6%</b>	<ul style="list-style-type: none"> <li>Volume-led double-digit growth in EMEA and LATAM</li> <li>Seeing improvements in U.S. focus areas</li> </ul>
 <b>Essential Health</b>	<b>\$1.1B</b>	<b>(0.7)%</b>	<ul style="list-style-type: none"> <li>Temporary go-to-market disruption in APAC</li> <li>Healthy mid-single-digit growth rate and third consecutive quarter of innovation-led volume growth, outside of APAC</li> </ul>

# Self Care



## Continued share gains

# +2.9%

## Q4 Organic sales<sup>1\*</sup>



## Key Highlights

- Strong growth outside of double-digit decline in Pediatric Pain
- Broad-based share gains

**Motrin®**

**ZARBEE'S®**

**ORSL™**

**RHINOCORT**  
ALLERGY  
SPRAY



<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](http://investors.kenvue.com)  
\* Organic sales vs. PY

# Essential Health

 Continuing to drive innovation, with Q4 results disrupted by APAC

**(0.7)%**

Q4 Organic sales<sup>1\*</sup>



## Key Highlights

- Temporary go-to-market disruption in APAC
- Healthy mid-single-digit growth rate and third consecutive quarter of innovation-led volume growth, outside of APAC

**LISTERINE**

*Johnson's*

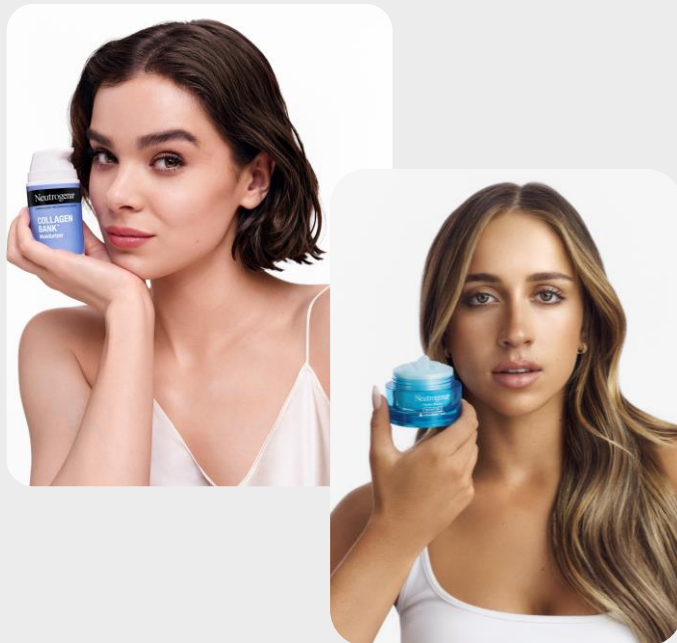
**BAND-AID**  
BRAND ADHESIVE BANDAGES

# Skin Health & Beauty

 Strong results in EMEA and LATAM, improvements in U.S.

**+2.6%**

Q4 Organic sales<sup>1\*</sup>



## Key Highlights

- Volume-led double-digit growth in EMEA and LATAM
- Seeing improvements in U.S. focus areas

Neutrogena®

Aveeno®

Ogx®

  
DR.CI:LABO



# Considerations for 2025

Next chapter centered on accelerating profitable growth

**+2-4%**

Expected 2025  
Organic sales<sup>1</sup> growth

- Weighted average categories expected to grow +2-3%
- Performance accelerating throughout the year
- Exceeding weighted category growth in H2

Benefits from 2024 Structural Changes	Strong Segment Growth Plans	Phasing Reflects Discrete Impacts in H1
<ul style="list-style-type: none"><li>• More effective operating model</li><li>• Higher brand investment levels</li><li>• Agile, faster company enabled by new technology and capabilities</li></ul>	<ul style="list-style-type: none"><li>• Plan to launch 40% more innovation</li><li>• Expect net distribution gains driven by innovation and strengthened retailer partnerships</li><li>• More competitive trade and marketing investments</li></ul>	<ul style="list-style-type: none"><li>• Destocking in Self Care</li><li>• Go-to-market model adjustments in China</li><li>• Strategic price actions and promotional trade investments</li></ul>

<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)

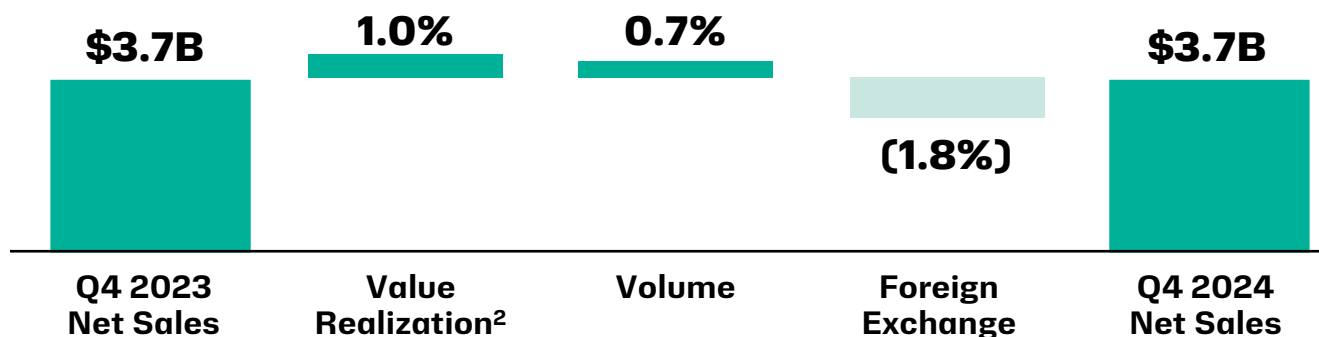
# **Q4 & FY 2024 Financial Results**

# Q4 and FY 2024 Reported Net & Organic Sales<sup>1</sup> Growth

**Q4**

**+1.7% Organic Sales<sup>1</sup> in Q4 2024**

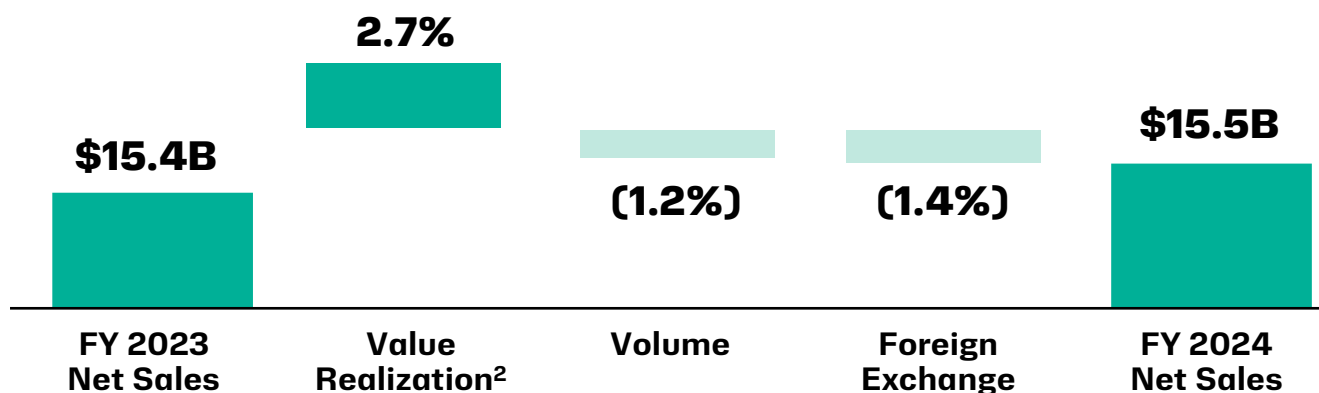
**2024**



**FY**

**+1.5% Organic Sales<sup>1</sup> in FY 2024**

**2024**



## Key Drivers

- ➔ December delivery impacted by Pediatric Pain and go-to-market disruption in APAC
- ➔ Value realization<sup>2</sup> across all segments
- ➔ Volume growth in Self Care and Skin Health & Beauty

## Key Drivers

- ➔ Positive value realization across all segments
- ➔ Improved volumes at the end of 2024

# Self Care



## Continued share gains

**\$1.6B Q4 2024 Net Sales**

	Q4	FY
Reported	+2.1%	+1.2%
Organic Sales <sup>1</sup>	+2.9%	+1.9%

**Organic Sales<sup>1</sup>**

	Q4	FY
Value Realization <sup>2</sup>	+1.2%	+2.5%
Volume	+1.7%	(0.6)%



**TYLENOL**



**Motrin**



**Benadryl**

**ORSL**

**nicorette**



<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



# Skin Health & Beauty

 Strong results in EMEA and LATAM, improvements in U.S.

\$1.0B Q4 2024 Net Sales

	Q4	FY
Reported	+1.0%	(3.2)%
Organic Sales <sup>1</sup>	+2.6%	(1.9)%

Organic Sales<sup>1</sup>

	Q4	FY
Value Realization <sup>2</sup>	+0.5%	+1.6%
Volume	+2.1%	(3.5)%



Neutrogena®

Aveeno®

Ogx®

  
DR.CI:LABO

# Essential Health



Continuing to drive innovation, with Q4 results disrupted by APAC

## \$1.1B Q4 2024 Net Sales

	Q4	FY
Reported	(4.1)%	+1.6%
Organic Sales <sup>1</sup>	(0.7)%	+4.1%

## Organic Sales<sup>1</sup>

	Q4	FY
Value Realization <sup>2</sup>	+1.2%	+3.9%
Volume	(1.9)%	+0.2%

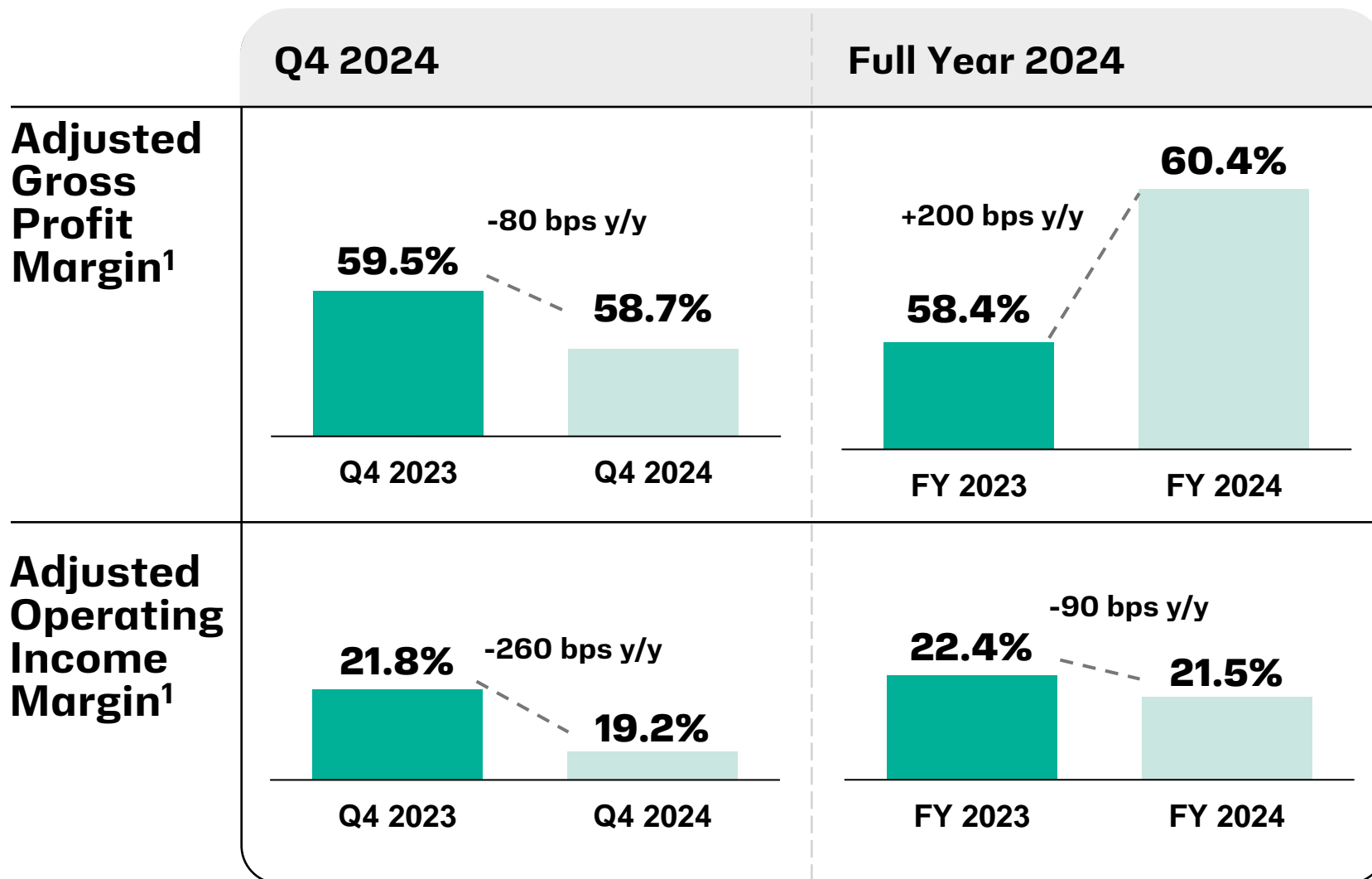


**LISTERINE**

Johnson's

**BAND-AID**  
BRAND ADHESIVE BANDAGES

# Q4 & FY Adjusted Gross Profit<sup>1</sup> and Operating Income Margin<sup>1</sup>



## Key Drivers

- ➔ Adjusted Gross Margin<sup>1</sup> % benefiting from productivity gains, supply chain management
- ➔ FY Adjusted Operating Income Margin<sup>1</sup> % in line with guidance
- ➔ FY Gross Margin and Our Vue Forward benefits funding increased brand investment

# Q4 & FY 2024 Net Income and Diluted Earnings Per Share

Q4	Reported Net Income, in millions	Adjusted Net Income <sup>1</sup> , in millions	Earnings per Share
	<div> <div>\$327</div> <div>\$293</div> <div>Q4 2023Q4 2024</div> </div>	<div> <div>\$586\$499</div> <div>Q4 2023Q4 2024</div> </div>	<div> <div>Reported Diluted</div> <div>Adjusted Diluted<sup>1</sup></div> <div>\$0.15\$0.26</div> </div>
FY	Reported Net Income, in millions	Adjusted Net Income <sup>1</sup> , in millions	Earnings per Share
	<div> <div>\$1,664\$1,030</div> <div>FY 2023FY 2024</div> </div>	<div> <div>\$2,383\$2,199</div> <div>FY 2023FY 2024</div> </div>	<div> <div>Reported Diluted</div> <div>Adjusted Diluted<sup>1</sup></div> <div>\$0.54\$1.14</div> </div>



# 2025 Guidance

## Full Year 2025

Reported Net Sales Growth	<b>(1)% - 1%</b>	<ul style="list-style-type: none"> <li>Includes 3% currency headwind</li> </ul>
Organic Sales <sup>1</sup> Growth	<b>2% - 4%</b>	<ul style="list-style-type: none"> <li>Q1 LSD decline given lingering late-2024 headwinds and value investments</li> </ul>
Adjusted Operating Income <sup>1</sup>	<b>Expand y/y</b>	<ul style="list-style-type: none"> <li>Efficiency and productivity gains offsetting inflation, currency, and funding increased brand investment</li> </ul>
Interest Expense, Net	<b>Flat y/y</b>	
Adjusted Effective Tax Rate <sup>1</sup>	<b>25.5% - 26.5%</b>	
Adjusted Diluted Earnings per Share <sup>1,2</sup>	<b>Flat - 2% y/y growth</b>	<ul style="list-style-type: none"> <li>Assumes MSD currency headwind</li> <li>Assumes ~1.93 billion weighted average diluted shares</li> </ul>

Guidance does not factor impact from potential 2025 tariffs

# Q&A



# Appendix

# Organic Sales Change

Fiscal Three Months Ended December 29, 2024 vs December 31, 2023 <sup>(1)</sup>					
(Unaudited; Dollars in Millions)	Reported Net sales change		Impact of foreign currency	Organic sales change	
	Amount	Percent	Amount	Amount	Percent
Self Care	\$ 32	2.1 %	\$ (12)	\$ 44	2.9 %
Skin Health and Beauty	10	1.0	(16)	26	2.6
Essential Health	(46)	(4.1)	(38)	(8)	(0.7)
<b>Total</b>	<b>\$ (4)</b>	<b>(0.1) %</b>	<b>\$ (66)</b>	<b>\$ 62</b>	<b>1.7 %</b>

Fiscal Three Months Ended December 29, 2024 vs December 31, 2023 <sup>(1)</sup>					
(Unaudited)	Reported Net sales change		Impact of foreign currency	Organic sales change	
				Price/Mix <sup>(2)</sup>	Volume
Self Care	2.1 %		(0.8) %	1.2 %	1.7 %
Skin Health and Beauty	1.0		(1.6)	0.5	2.1
Essential Health	(4.1)		(3.4)	1.2	(1.9)
<b>Total</b>	<b>(0.1) %</b>		<b>(1.8) %</b>	<b>1.0 %</b>	<b>0.7 %</b>

# Organic Sales Change

Fiscal Twelve Months Ended December 29, 2024 vs December 31, 2023 <sup>(1)</sup>					
(Unaudited; Dollars in Millions)	Reported Net sales change		Impact of foreign currency	Organic sales change	
	Amount	Percent	Amount	Amount	Percent
Self Care	\$ 76	1.2 %	\$ (44)	\$ 120	1.9 %
Skin Health and Beauty	(138)	(3.2)	(57)	(81)	(1.9)
Essential Health	73	1.6	(118)	191	4.1 %
<b>Total</b>	<b>\$ 11</b>	<b>0.1 %</b>	<b>\$ (219)</b>	<b>\$ 230</b>	<b>1.5 %</b>

Fiscal Twelve Months Ended December 29, 2024 vs December 31, 2023 <sup>(1)</sup>				
(Unaudited)	Reported Net sales change		Impact of foreign currency	Organic sales change
				Price/Mix <sup>(2)</sup> Volume
Self Care	1.2 %		(0.7) %	2.5 %      (0.6) %
Skin Health and Beauty	(3.2)		(1.3)	1.6      (3.5)
Essential Health	1.6		(2.5)	3.9      0.2
<b>Total</b>	<b>0.1 %</b>		<b>(1.4) %</b>	<b>2.7 %      (1.2) %</b>



# Total Segment Net Sales

(Unaudited; Dollars in Millions)	Net Sales		Net Sales	
	Fiscal Three Months Ended		Fiscal Twelve Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Self Care	1,569	1,537	6,527	6,451
Skin Health and Beauty	1,011	1,001	4,240	4,378
Essential Health	1,082	1,128	4,688	4,615
<b>Total segment net sales</b>	<b>\$ 3,662</b>	<b>\$ 3,666</b>	<b>\$ 15,455</b>	<b>\$ 15,444</b>

# Total Segment Adjusted Operating Income

(Unaudited; Dollars in Millions)	Adjusted Operating Income		Adjusted Operating Income	
	Fiscal Three Months Ended		Fiscal Twelve Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Self Care Adjusted operating income	481	537	2,173	2,299
Skin Health and Beauty Adjusted operating income	105	149	607	679
Essential Health Adjusted operating income	248	275	1,162	1,011
<b>Total<sup>(1)</sup></b>	<b>\$ 834</b>	<b>\$ 961</b>	<b>\$ 3,942</b>	<b>\$ 3,989</b>
Reconciliation to Adjusted operating income (non-GAAP):				
Depreciation <sup>(2)</sup>	91	94	329	305
General corporate/unallocated expenses	56	77	314	296
Other operating (income) expense, net	(3)	(3)	26	(10)
Other—impact of Deferred Markets	(12)	(1)	(59)	(34)
Litigation (expense) income	—	(5)	4	(25)
<b>Adjusted operating income (non-GAAP)</b>	<b>\$ 702</b>	<b>\$ 799</b>	<b>\$ 3,328</b>	<b>\$ 3,457</b>
Reconciliation to Income before taxes:				
Amortization of intangible assets	57	80	269	322
Separation-related costs <sup>(3)</sup>	65	135	296	468
Restructuring and operating model optimization initiatives	75	29	221	32
Conversion of stock-based awards	5	80	39	55
Other—impact of Deferred Markets	12	1	59	34
Founder Shares	5	9	29	9
Litigation expense (income)	—	5	(4)	25
Impairment charges	—	—	578	—
<b>Operating income</b>	<b>\$ 483</b>	<b>\$ 460</b>	<b>\$ 1,841</b>	<b>\$ 2,512</b>
Other expense, net	42	7	48	72
Interest expense, net	95	96	378	250
<b>Income before taxes</b>	<b>\$ 346</b>	<b>\$ 357</b>	<b>\$ 1,415</b>	<b>\$ 2,190</b>

<sup>(1)</sup> Effective in the fiscal three months ended September 29, 2024, the Company adjusted the allocation for certain brand marketing expenses within Selling, general, and administrative expenses to align with segment financial results as measured by the Company, including the chief operating decision maker (the “CODM”). Accordingly, the Company has updated its segment disclosures to reflect the updated presentation in all prior periods. Total Adjusted operating income did not change as a result of this update.

<sup>(2)</sup> Depreciation includes the amortization of integration and development costs capitalized in connection with cloud computing arrangements.

<sup>(3)</sup> Separation-related costs includes depreciation expense on Separation-related assets for the fiscal three and twelve months ended December 29, 2024.

# Non-GAAP Reconciliations (Q4 2024)

(Unaudited; Dollars in Millions)	Fiscal Three Months Ended December 29, 2024			
	As Reported	Adjustments	Reference	As Adjusted
<b>Net sales</b>	<b>\$ 3,662</b>	<b>—</b>		<b>\$ 3,662</b>
<b>Gross profit</b>	<b>\$ 2,070</b>	<b>81</b>	<b>(a)</b>	<b>\$ 2,151</b>
<i>Gross profit margin</i>	<i>56.5 %</i>			<i>58.7 %</i>
<b>Operating income</b>	<b>\$ 483</b>	<b>219</b>	<b>(a)-(c)</b>	<b>\$ 702</b>
<i>Operating income margin</i>	<i>13.2 %</i>			<i>19.2 %</i>
<b>Net income</b>	<b>\$ 293</b>	<b>206</b>	<b>(a)-(e)</b>	<b>\$ 499</b>
<i>Net income margin</i>	<i>8.0 %</i>			<i>13.6 %</i>
Interest expense, net	\$ 95			
Provision for taxes	\$ 53			
Depreciation and amortization	\$ 148			
<b>EBITDA (non-GAAP)</b>	<b>\$ 589</b>	<b>203</b>	<b>(b)-(d), (f)</b>	<b>\$ 792</b>
<i>EBITDA margin (non-GAAP)</i>	<i>16.1 %</i>			<i>21.6 %</i>

## Detail of Adjustments

	Cost of sales	SG&A/ Restructuring expenses	Other operating (income) expense, net	Other expense, net	Provision for taxes	Total
Amortization of intangible assets	\$ 57	\$ —	\$ —	\$ —	\$ —	\$ 57
Restructuring expenses	—	65	—	—	—	65
Operating model optimization initiatives	8	2	—	—	—	10
Separation-related costs (including conversion of stock-based awards and Founder Shares)	16	59	—	—	—	75
Impact of Deferred Markets—minority interest expense	—	—	4	—	—	4
Impact of Deferred Markets—provision for taxes	—	—	8	—	(8)	—
Losses on investments	—	—	—	41	—	41
Tax impact on special item adjustments	—	—	—	—	(46)	(46)
<b>Total</b>	<b>\$ 81</b>	<b>\$ 126</b>	<b>\$ 12</b>	<b>\$ 41</b>	<b>\$ (54)</b>	<b>\$ 206</b>
	(a)	(b)	(c)	(d)	(e)	

<b>Cost of sales less amortization</b>	<b>\$ 24</b>					
	(f)					

# Non-GAAP Reconciliations (Q4 2023)

(Unaudited; Dollars in Millions)	Fiscal Three Months Ended December 31, 2023			
	As Reported	Adjustments	Reference	As Adjusted
<b>Net sales</b>	<b>\$ 3,666</b>	<b>—</b>		<b>\$ 3,666</b>
<b>Gross profit</b>	<b>\$ 2,043</b>	<b>139</b>	<b>(a)</b>	<b>\$ 2,182</b>
<i>Gross profit margin</i>	<i>55.7 %</i>			<i>59.5 %</i>
<b>Operating income</b>	<b>\$ 460</b>	<b>339</b>	<b>(a)-(c)</b>	<b>\$ 799</b>
<i>Operating income margin</i>	<i>12.5 %</i>			<i>21.8 %</i>
<b>Net income</b>	<b>\$ 327</b>	<b>259</b>	<b>(a)-(d)</b>	<b>\$ 586</b>
<i>Net income margin</i>	<i>8.9 %</i>			<i>16.0 %</i>
Interest expense, net	\$ 96			
Provision for taxes	\$ 30			
Depreciation and amortization	\$ 174			
<b>EBITDA (non-GAAP)</b>	<b>\$ 627</b>	<b>259</b>	<b>(b)-(c), (e)</b>	<b>\$ 886</b>
<i>EBITDA margin (non-GAAP)</i>	<i>17.1 %</i>			<i>24.2 %</i>

## Detail of Adjustments

	Cost of sales	SG&A/ Restructuring expenses	Other operating (income) expense, net	Provision for taxes	Total
Amortization of intangible assets	\$ 80	\$ —	\$ —	\$ —	\$ 80
Operating model optimization initiatives	20	9	—	—	29
Separation-related costs (including conversion of stock-based awards and Founder Shares)	39	185	—	—	224
Impact of Deferred Markets—provision for taxes	—	—	1	(1)	—
Litigation expense	—	—	5	—	5
Tax impact on special item adjustments	—	—	—	(79)	(79)
<b>Total</b>	<b>\$ 139</b>	<b>\$ 194</b>	<b>\$ 6</b>	<b>\$ (80)</b>	<b>\$ 259</b>
	(a)	(b)	(c)	(d)	

<b>Cost of sales less amortization</b>	<b>\$ 59</b>				
	(e)				

# Non-GAAP Reconciliations (FY 2024)

(Unaudited; Dollars in Millions)	Fiscal Twelve Months Ended December 29, 2024			
	As Reported	Adjustments	Reference	As Adjusted
<b>Net sales</b>	<b>\$ 15,455</b>	<b>—</b>		<b>\$ 15,455</b>
<b>Gross profit</b>	<b>\$ 8,959</b>	<b>369</b>	<b>(a)</b>	<b>\$ 9,328</b>
<i>Gross profit margin</i>	<i>58.0 %</i>			<i>60.4 %</i>
<b>Operating income</b>	<b>\$ 1,841</b>	<b>1,487</b>	<b>(a)-(d)</b>	<b>\$ 3,328</b>
<i>Operating income margin</i>	<i>11.9 %</i>			<i>21.5 %</i>
<b>Net income</b>	<b>\$ 1,030</b>	<b>1,169</b>	<b>(a)-(f)</b>	<b>\$ 2,199</b>
<i>Net income margin</i>	<i>6.7 %</i>			<i>14.2 %</i>
Interest expense, net	\$ 378			
Provision for taxes	\$ 385			
Depreciation and amortization	\$ 598			
<b>EBITDA (non-GAAP)</b>	<b>\$ 2,391</b>	<b>1,269</b>	<b>(b)-(e), (g)</b>	<b>\$ 3,660</b>
<i>EBITDA margin (non-GAAP)</i>	<i>15.5 %</i>			<i>23.7 %</i>

## Detail of Adjustments

	Cost of sales	SG&A/ Restructuring expenses	Impairment charges	Other operating (income) expense, net	Other expense, net	Provision for taxes	Total
Amortization of intangible assets	\$ 269	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 269
Restructuring expenses	—	185	—	—	—	—	185
Operating model optimization initiatives	27	9	—	—	—	—	36
Separation-related costs (including conversion of stock-based awards and Founder Shares)	73	291	—	—	—	—	364
Impairment charges	—	—	578	—	—	(151)	427
Impact of Deferred Markets—minority interest expense	—	—	—	24	—	—	24
Impact of Deferred Markets—provision for taxes	—	—	—	35	—	(35)	—
Litigation income	—	—	—	(4)	—	—	(4)
Losses on investments	—	—	—	—	72	—	72
Tax indemnification release	—	—	—	—	(21)	—	(21)
Tax impact on special item adjustments	—	—	—	—	—	(183)	(183)
<b>Total</b>	<b>\$ 369</b>	<b>\$ 485</b>	<b>\$ 578</b>	<b>\$ 55</b>	<b>\$ 51</b>	<b>\$ (369)</b>	<b>\$ 1,169</b>
	(a)	(b)	(c)	(d)	(e)	(f)	
<b>Cost of sales less amortization</b>	<b>\$ 100</b>						
	(g)						

# Non-GAAP Reconciliations (FY 2023)

	Fiscal Twelve Months Ended December 31, 2023						
(Unaudited; Dollars in Millions)	As Reported	Adjustments		Reference		As Adjusted	
Net sales	\$ 15,444	—				\$ 15,444	
Gross profit	\$ 8,643	375		(a)		\$ 9,018	
Gross profit margin	56.0 %					58.4 %	
Operating income	\$ 2,512	945		(a)-(c)		\$ 3,457	
Operating income margin	16.3 %					22.4 %	
Net income	\$ 1,664	719		(a)-(f)		\$ 2,383	
Net income margin	10.8 %					15.4 %	
Interest expense, net	\$ 250						
Provision for taxes	\$ 526						
Depreciation and amortization	\$ 627						
EBITDA (non-GAAP)	\$ 3,067	630		(b)-(d), (g)		\$ 3,697	
EBITDA margin (non-GAAP)	19.9 %					23.9 %	
Detail of Adjustments							
	Cost of sales	SG&A/ Restructuring expenses	Other operating (income) expense, net	Other expense, net	Interest expense, net	Provision for taxes	Total
Amortization of intangible assets	\$ 322	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 322
Operating model optimization initiatives	21	11	—	—	—	—	32
Separation-related costs (including conversion of stock-based awards and Founder Shares)	32	500	—	—	—	—	532
Impact of Deferred Markets—minority interest expense	—	—	10	—	—	—	10
Impact of Deferred Markets—provision for taxes	—	—	24	—	—	(24)	—
Litigation expense	—	—	25	—	—	—	25
Losses on investments	—	—	—	7	—	—	7
Interest income from related party note	—	—	—	—	(33)	—	(33)
Tax impact on special item adjustments	—	—	—	—	—	(176)	(176)
Total	\$ 375	\$ 511	\$ 59	\$ 7	\$ (33)	\$ (200)	\$ 719
	(a)	(b)	(c)	(d)	(e)	(f)	
Cost of sales less amortization	\$ 53						
	(g)						



# Adjusted Effective Tax Rate

	Fiscal Three Months Ended		Fiscal Twelve Months Ended	
(Unaudited)	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
<b>Effective tax rate</b>	<b>15.3 %</b>	<b>8.4 %</b>	<b>27.2 %</b>	<b>24.0 %</b>
Adjustments:				
Tax-effect on special item adjustments	1.7	7.9	(2.6)	(1.0)
Dr.Ci:Labo® Impairment	—	—	0.3	—
Removal of tax benefits from carve out methodology	—	—	—	2.0
Taxes related to Deferred Markets	0.7	0.5	0.7	0.5
Valuation allowance on foreign tax credits due to interest expense	—	(0.6)	—	(2.4)
Other	—	(0.4)	(0.1)	0.3
<b>Adjusted Effective tax rate (non-GAAP)</b>	<b>17.7 %</b>	<b>15.8 %</b>	<b>25.5 %</b>	<b>23.4 %</b>

# Adjusted Effective Tax Rate

	Fiscal Year 2025
(Unaudited)	Forecast
Effective tax rate	28.0% - 29.0%
Adjustments:	
Tax-effect on special item adjustments	(3.2)
Taxes related to Deferred Markets	0.7
Other	—
Adjusted Effective tax rate (non-GAAP)	25.5% - 26.5%

# Adjusted Diluted Earnings Per Share

(Unaudited)	Fiscal Three Months Ended		Fiscal Twelve Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
<b>Diluted earnings per share</b>	<b>\$ 0.15</b>	<b>\$ 0.17</b>	<b>\$ 0.54</b>	<b>\$ 0.90</b>
Adjustments:				
Separation-related costs	0.03	0.07	0.15	0.25
Conversion of stock-based awards	—	0.04	0.02	0.03
Restructuring and operating model optimization initiatives	0.04	0.02	0.11	0.02
Impairment charges	—	—	0.30	—
Amortization of intangible assets	0.03	0.04	0.14	0.17
Losses on investments	0.02	—	0.04	—
Interest income from related party note	—	—	—	(0.02)
Tax impact on special item adjustments	(0.02)	(0.04)	(0.17)	(0.10)
Other	0.01	0.01	0.01	0.04
<b>Adjusted diluted earnings per share (non-GAAP)</b>	<b>\$ 0.26</b>	<b>\$ 0.31</b>	<b>\$ 1.14</b>	<b>\$ 1.29</b>

# Free Cash Flow

(Unaudited; Dollars in Billions)	Fiscal Twelve Months Ended	
	December 29, 2024	December 31, 2023
Net cash flows from operating activities	\$ 1.7	\$ 3.2
Purchases of property, plant, and equipment	(0.4)	(0.5)
<b>Free cash flow (non-GAAP)</b>	<b>\$ 1.3</b>	<b>\$ 2.7</b>

# 2025 Guidance Non-GAAP Reconciliations

Kenvue is not able to provide the most directly comparable GAAP measures or reconcile Adjusted diluted earnings per share or Adjusted operating income 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

(Unaudited; Dollars in Millions)	Fiscal Three Months Ended		Fiscal Twelve Months Ended	
	December 29, 2024	December 31, 2023	December 29, 2024	December 31, 2023
Research & Development	\$ 106	\$ 133	\$ 408	\$ 399



