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Signature Event

Joaquin Duato

Speaker

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Chairman and Chief Executive Officer
Johnson & Johnson

Interviewer

David M. Rubenstein,
Chairman
The Economic Club of Washington, D.C.

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DAVID M. RUBENSTEIN: When I was preparing for this I did some research. And I was disappointed to learn that the Band-Aids I've been using all these years are no longer owned by Johnson & Johnson. [Laughter.] What happened to the Band-Aids? I mean, I thought Band-Aids were Johnson & Johnson. And how come you became CEO and you got rid of the Band-Aids? [Laughter.]

JOAQUIN DUATO: So, it's not only you. I think many retirees of the company are sending me mail regarding that same feeling. [Laughter.] And many of them work in our consumer sector. And even today, when I tell people I'm the CEO of Johnson & Johnson, they tell me the baby shampoo company. [Laughter.] All the time. All the time.

MR. RUBENSTEIN: So you became the CEO, and then within a year or two of that you spun out your entire consumer division, all the kind of products that I'm the one that – I buy those things at the drugstore. And all those things you got rid of. Why did you do that?

MR. DUATO: Yeah. We wanted to be more focused on medical innovation. And the consumer business has departed from medical innovation. We were more on areas more connected with cosmetics or over-the-counter medication. And it didn't fit in the overall umbrella on trying to bring medical innovation to treat tough, difficult conditions – like oncology, cardiovascular, or dementia. So we wanted to be a more focused company dedicated to medical innovation. And we were deliberate about separating the consumer company. And it's good for companies like Johnson & Johnson to reinvent ourselves.

MR. RUBENSTEIN: OK. All right. Since you did that, has your stock gone up or gone down?

MR. DUATO: It's gone up. You know, as a matter of fact, last year, in 2025, was one of the best years for Johnson & Johnson history in terms of total shareholder return. We had 47 percent return in 2025. [Applause.]

MR. RUBENSTEIN: That's pretty good. Now, I can tell from your accent that you're not from Mississippi. [Laughter.]

MR. DUATO: No. No, no. No, no, I am not from Mississippi.

MR. RUBENSTEIN: You're from Alabama or Florida?

MR. DUATO: Nearby. Nearby. Nearby. Missouri. [Laughter.]

MR. RUBENSTEIN: Now you are – you're from – you're native of Spain. So, how did a native of Spain rise up to be the CEO of an American company that is the largest, by revenue, healthcare company in the entire world? It's not impossible to do that, but what was – let's talk about your story. You're born in Spain, in what city?

MR. DUATO: I was born in Spain, in Valencia. I'm the son of an engineer and a nurse. So, I had the medical side in my family and also the entrepreneurial side. And I grew up in a large family. In my family, my dad had nine brothers and sisters. So, I have, like, 40 cousins. And I was in the middle. So I realized at the beginning that I needed to have a strong voice in order to be heard, otherwise nobody was paying attention to me in my family.

MR. RUBENSTEIN: Now, your parents are both alive, right?

MR. DUATO: Yeah, my parents are both alive.

MR. RUBENSTEIN: Do they ask you about the Band-Aids too? [Laughter.]

MR. DUATO: Yeah, no, but, you know, they ask me questions about Johnson & Johnson, and how am I doing, and things like that.

MR. RUBENSTEIN: OK, so now, as I understand it, you went to college in Spain initially.

MR. DUATO: Yeah.

MR. RUBENSTEIN: And then after you graduated from college, you applied for a job at Johnson & Johnson and got turned down.

MR. RUBENSTEIN: Yeah. I got an interview. And I didn't make it to the second interview. [Laughter.]

MR. RUBENSTEIN: So, what happened to the person who turned you down? Is he still there? [Laughter.]

MR. DUATO: He worked in the consumer business, and look what happened with consumers. [Laughter, applause.]

MR. RUBENSTEIN: I see. OK. All right. So, now you worked your way up. Over how many years have you been at Johnson & Johnson?

MR. DUATO: I've been at Johnson & Johnson – it goes fast – 37 years, this year.

MR. RUBENSTEIN: Thirty seven years.

MR. DUATO: Thirty-seven years.

MR. RUBENSTEIN: Wow. You're, like, a long-term relationship. How long have you been married?

MR. DUATO: Yeah, yeah. I've been married 35. So Johnson & Johnson, longer than I've been married.

MR. RUBENSTEIN: Thirty-five years. So, you stay with whoever you go with initially, right? [Laughter.]

MR. DUATO: I'm a loyal person. [Laughs.]

MR. RUBENSTEIN: I can see. OK.

MR. DUATO: In every – in every aspect, I'm a loyal person.

MR. RUBENSTEIN: OK. All right. So, to be very serious, how did somebody from Spain, who – you know, nothing wrong with Spain, it's a great country, and all that – but, I mean, they financed Christopher Columbus to come here, right? [Laughter.]

MR. DUATO: It's true.

MR. RUBENSTEIN: So, a great country. But how did somebody from Spain rise up to be the CEO of the typical American healthcare company? Not that it's impossible, as I said earlier, but what was your skillset? Were you a salesman? Were you a product person? What did you have as your skillset?

MR. DUATO: My skillset at Johnson & Johnson is that I never said no. So, all the opportunities that the company put in front of me, I took them. They moved me to different countries. I came to the U.S. I worked in the medical device division, in the consumer division, in the pharmaceutical division. I worked in supply chain. I even was the chief information officer for a while. So, I did many jobs at Johnson & Johnson. And I think that those opportunities that the company gave me gave me the opportunity to be who I am now. Johnson & Johnson is a build company. So, we build – we build talent from the inside. The average seniority of a Johnson & Johnson employee in the U.S. is more than 10 years.

MR. RUBENSTEIN: All right. Who were Johnson & Johnson? Were they brothers or mothers, or father and son? Who were Johnson & Johnson?

MR. DUATO: Two brothers. They were two brothers from Pennsylvania that went into the Philadelphia Fair in 1884, I think it was. And they saw a presentation from a British surgeon called Joseph Lister, that was talking about the germ theory in infections during surgery. And they decided that that was the way to go. And they created a company that did surgical dressings, aseptic surgical dressings. And from there we went to the Band-Aids. [Laughter.]

MR. RUBENSTEIN: Now, as I understand it, there were actually three brothers.

MR. DUATO: There were three brothers, yes.

MR. RUBENSTEIN: Why didn't they call it Johnson & Johnson & Johnson? Why is it just Johnson & Johnson?

MR. DUATO: I think another one created a separate company. So, he was not part of the Johnson & Johnson.

MR. RUBENSTEIN: Oh, I see. OK. So, what did Johnson & Johnson do, to be very serious, to enable it to grow to be the largest revenue company in the world, in terms of healthcare companies? What do they actually do? Do they make better products, are they harder working? What do they actually do?

MR. DUATO: They are a great American story of ingenuity and creativity. So, they started as a surgical dressing company, and from there they went into the consumer side with the Band-Aids. And in the '50s we went into pharmaceuticals for the first time. And they had a philosophy that was based on integrity. Our credo of Johnson & Johnson was written by one of the family members more than 80 years ago, in 1943. And it was based also on decentralization. They wanted their managers to run their businesses as if they were their own companies. So they were very successful on that, and created the largest, most diversified healthcare company in the world, that still to this day we're the largest healthcare company in revenue.

MR. RUBENSTEIN: Now, the owner of the New York Jets is Woody Johnson. He's a member of the Johnson family.

MR. DUATO: Correct.

MR. RUBENSTEIN: Are there any other members of the Johnson family, or any members of Johnson family, who are still involved in the company?

MR. DUATO: There's no member of the Johnson family involved in the company. The last member of the Johnson family working in the company as a CEO finished his job in the '60s. So today we don't have any member of the Johnson family working in the company. We honor the Johnson family. And once a year, with the annual meeting, we meet with many members, and we tell them how the company is doing. But at this point, no member of the Johnson family is in the company.

MR. RUBENSTEIN: The company was started in what city?

MR. DUATO: The company is in New Brunswick. We started in New Brunswick, New Jersey, 140 years ago, in 1886. And we are in the same place. When I go to drive every day, I go to the same place in which Johnson & Johnson started.

MR. RUBENSTEIN: You said New Brunswick?

MR. DUATO: New Brunswick, New Jersey. Great town.

MR. RUBENSTEIN: OK. How many employees does Johnson & Johnson have?

MR. DUATO: We have 140,000 employees globally.

MR. RUBENSTEIN: How many in the United States?

MR. DUATO: We have about 60,000 in the U.S., 80,000 globally.

MR. RUBENSTEIN: And what are the revenues of Johnson & Johnson now?

MR. DUATO: Our guidance this year is going to be some somewhere north of $100 billion.

MR. RUBENSTEIN: A $100 billion dollars?

MR. DUATO: Yeah.

MR. RUBENSTEIN: And what are the – what's the market capitalization of the company?

MR. DUATO: The market capital – it varies every day, as you know very well, but it's about $570 billion.

MR. RUBENSTEIN: Five hundred and seventy billion?

MR. DUATO: Billion, yeah.

MR. RUBENSTEIN: That's a lot. [Laughter.] So, now in the United States, there are only two companies that have a AAA credit rating. Does anybody else know what – one is Johnson & Johnson. Anybody else know what the other one is, that is the only other company in the United States, publicly traded company, that has a AAA credit rating? Anybody? Microsoft is the company.

MR. DUATO: Microsoft, yeah. Microsoft and Johnson & Johnson. So, we're proud to have a AAA credit rating. I think it's a better credit rating than the U.S. government. [Laughter.] And we are – it's a sign of our financial discipline and our trajectory over a long period of time. And, you know, many investors ask me why having a AAA credit rating, you could be more leveraged? I say, look, it's a sign of our financial discipline. We are not married to the AAA credit rating. If a good opportunity would come along, we would be happy not to have a AAA credit rating. But it's a sign of our financial discipline. And our investors like it.

MR. RUBENSTEIN: For 15 years in a row you've had an annual dividend that has increased, is that right?

MR. DUATO: More than 50 years.

MR. RUBENSTEIN: More than 50 years.

MR. DUATO: More than 50 years we increase our dividend, yeah.

MR. RUBENSTEIN: So, that's pretty good. Do you try very hard to make sure you do that every year?

MR. DUATO: That's sacrosanct. You know, when investors ask me, what about the dividend? I'd say that's always going to be there. You can bet that you will have a dividend growth if you are investing in Johnson & Johnson.

MR. RUBENSTEIN: All right. So, if you've got a market capitalization of over $500 billion, of course, if you had Band-Aids you'd have even more, but you don't have the Band-Aids anymore. So, what are the products – you're in two businesses. You're in pharmaceuticals and you're in medical devices. Let's talk about pharmaceuticals. What is your biggest pharmaceutical product?

MR. DUATO: Our biggest pharmaceutical product is a drug for multiple myeloma, called Darzalex. Multiple myeloma is a blood cancer that has improved significantly in the last decade. The life expectancy of a multiple myeloma patient was about single years. Now a multiple myeloma patient can expect to live more than 10 years. And in some ways we're turning multiple myeloma into a chronic disease. So, Darzalex is our largest product.

MR. RUBENSTEIN: In the United States – [applause] – in the United States, if you develop a product – let's say a pharmaceutical product like the one you just talked about for multiple myeloma – you have roughly 17 years before that goes off patent.

MR. DUATO: Yeah.

MR. RUBENSTEIN: And so you have a 17-year period of time before it becomes a so-called generic. And so, is that a risky kind of venture for you, where you've got to develop these products, and then after you develop them 17 years later, they're gone?

MR. DUATO: I think it's a good system. On one hand, it rewards the investment that you do in innovation by giving you a period of exclusivity. And on the other hand, after a number of years, then those medicines are very cheap and available. Keep in mind that 90 percent of the medicines prescribed in the U.S. are generics. So, the majority of the medications that you get in your pharmacy most likely are generic medication. So, it helps in the affordability aspect.

MR. RUBENSTEIN: Now, you have the highest revenue of any healthcare company in the world, but there's one healthcare company has a higher market capitalization than you, which is Eli Lilly. And that's about roughly a trillion dollars, because they have a GLP-1 drug. How come you don't have a GLP-1 drug? [Laughter.]

MR. DUATO: That's a good question. [Laughter.] We were focused on a different area. We were not focused on obesity, on diabetes, like Eli Lilly was. And great for them that they were able to identify this transformational medicine, GLP-1s. There's going to be more GLP-1s coming through the pipe. Multiple companies have GLP-1s. So, it's good that they were able to identify that – advance that progress. We have other things to pay attention to, like trying to cure cancer, or address dementia, which are real social problems and real issues that we want to pursue. But, no, we are not going to be in the GLP-1 area.

MR. RUBENSTEIN: So, there are – you know, the things that you're focused on, most people – like, in my age I'm focused on drugs that are Alzheimer's related. Is that something you're focused on?

MR. DUATO: Yeah.

MR. RUBENSTEIN: Because that's going to be a big thing, right?

MR. DUATO: I think the biggest challenge for the healthcare industry, and for the pharmaceutical and medical device industry, is to address the issue of neurodegeneration and dementia. I mean, it's a real social problem that your chances of having some type of cognitive impairment increase as you age. And as we are increasing our age, the likelihood of having more people with dementia is higher. So, I think this is the most important problem, in my view, that the industry can address. And we are working on that at Johnson & Johnson in trying to identify that. We're trying. We fail. And we come back again.

MR. RUBENSTEIN: The greatest cause of death in the United States, I assume, is cardiovascular?

MR. DUATO: Correct.

MR. RUBENSTEIN: So, are you doing anything on cardiovascular?

MR. DUATO: Yeah. We work in cardiovascular disease, in the area of heart failure, also in the area of atrial fibrillation, which is a common problem of cardiac rhythm, and also in an area we call circulatory restoration. So, we work in cardiovascular disease in areas that are quite specialized, specifically in our medical device sector.

MR. RUBENSTEIN: What about cancer?

MR. DUATO: Cancer, we aim to be the number-one company in cancer. Our goal is to be number-one by 2030. Perhaps it's the best sign of where the company is heading, what is the new Johnson & Johnson about is trying to eliminate cancer. The basic areas that we're working, I mentioned multiple myeloma. We're also working in lung cancer, bladder cancer, prostate cancer, colorectal cancer, head and neck cancer. So, we have multiple medicines to address a number of cancers that have common oncogenic drivers. Cancer is an area in which progress is occurring at an accelerated pace. On one hand we understand better the biology of the disease, and on the other hand we have better technologies to kill cancer cells.

MR. RUBENSTEIN: You doing anything for people with teeth that don't work as well as they used to? [Laughter.]

MR. DUATO: That's something –

MR. RUBENSTEIN: Can you talk about that one?

MR. DUATO: No, no, we don't – we have not gotten there. But there's companies in medical devices that work in that area, yeah.

MR. RUBENSTEIN: Yeah. All right. Let me know when you get something there. Now you have – medical devices is another thing. Pharmaceutical is one thing, medical devices. What is your most important medical device that you have?

MR. DUATO: Look, let me tell you why we have medical devices and pharmaceuticals. It's because I think it gives us a long-term competitive advantage, because we can span the entire patient journey. Let's say cancer. Let's take lung cancer. We have systems to do bronchoscopy and do diagnosis there, robotic-assisted bronchoscopy. We have medicines to treat lung cancer. We also have the instruments that are used for the surgery in lung cancer. And we are working on a radiotherapy in cancer. And radiotherapy is an important therapeutic modality for local control of lung cancer. So, we can span the entire patient journey.

What I'm more excited about medical devices right now is that we can use technology to make our medical devices smarter. And the most important product that we are about to get approval from the FDA is a robotic surgical system. So, most of the surgery, it's going to have a robotic component that's going to help improve the level of surgery and have better outcomes. I'm sure in this audience everybody has had surgery sometime. And it's very important to have good outcomes in surgery, because still we have some complications.

MR. RUBENSTEIN: Now some people say that the United States is very good at healthcare when you have a problem. We have all kinds of drugs for things when you have a problem. But what about prevention? We're not thought to be as good in preventing healthcare problems as solving them once you have them. What do you think about that argument or criticism?

MR. DUATO: I think that we could do better, as a country, in prevention. And I think that everything we can do to improve our diet, our exercise, our lifestyle is going to be good. And everything we can do to improve the primary care side of healthcare in the U.S. will help in the prevention side. Primary care is the – is the first defense in healthcare. And improving primary care, it's an important element. Now, I tell you, when it comes to specialized care, clearly the U.S. is the lead in the world. Everywhere I go when somebody has a serious disease, they think about coming to the U.S. because we have the best medicine in the world.

MR. RUBENSTEIN: OK. Now, number of years ago, the Affordable Care Act was passed by Congress, and it was heavily criticized by some but supported by others. Do you think the Affordable Care Act has been helpful to the U.S. healthcare system? How does it help you? And how would you change it, if you could change it?

MR. DUATO: My principle, our principle as a company, is the more people that have health coverage, the better for this country. So, anything that improves health coverage and more people covered, the better for this country. It's important for a country as rich as the U.S. that we have healthcare extended to as many people as possible. So, in that regard, I think that's good. And that's going to help in the areas of prevention that you were mentioning. That's going to help in life expectancy. That's good for the country. All investments in healthcare are investments in productivity. And a country with good health is a more productive country.

MR. RUBENSTEIN: Now, it may not be a surprise to you, but a lot of people in this country don't think that pharmaceutical companies are very good. They charge high prices and things like that. You're aware of this concern?

MR. DUATO: I'm aware. [Laughter.]

MR. RUBENSTEIN: What are you trying to do in the pharmaceutical industry to make people like you more?

MR. DUATO: Look, I can tell you something. And I am on the road a lot. Every time I talk to a patient that is using one of our medicines and has a serious condition, they like Johnson & Johnson. And they like the pharmaceutical industry. And they are grateful. And we do that a lot. I mean, we bring a lot of patients to our offices, we bring patients to our manufacturing sites, so our people working the company can connect what they do every day with the impact those medicines have on patients or those medical devices. So, yes, we have a reputation, depending. But where we have a good reputation is in the patients that use our medicines and medical technologies.

MR. RUBENSTEIN: How many different products do you have in the pharmaceutical, and how many do you have in the devices? How many different?

MR. DUATO: We have dozens of products on both sides, yes.

MR. RUBENSTEIN: How much?

MR. DUATO: Dozens of products.

MR. RUBENSTEIN: OK. So, how do you keep up with all of them? And when somebody comes along and says, we have a new product, do you actually test the product yourself? Or how do you decide whether you're going to go ahead and use this product or not?

MR. DUATO: Yeah. We have a large – we have a $15 billion research and development budget, and thousands of scientists working at Johnson & Johnson. I don't make those decisions. I trust the scientists working at Johnson & Johnson to help me in identifying and making the decision of what's going to have a bigger impact on patients. And our standard is, what is going to have a bigger impact on patients? What is going to clearly improve the standard of care of that particular disease? That's what we try to do every day.

MR. RUBENSTEIN: Now some people say that in China they take American healthcare products that are patented, and then they kind of copy them, counterfeit them, and sell them. Is there any evidence of that?

MR. DUATO: China is making a lot of strides in healthcare. And everything is incremental. At the beginning, do you start coping, but gradually you start improving, and you start discovering new things yourself too. So I think clearly we have competition from China when it comes to innovation. I don't think China is at the level of breakthrough innovation that the U.S. is. China didn't discover the GLP-1s, or didn't discover the CAR T-cell therapy, or the immunotherapy in cancer.

But they are good in being fast followers. And that only has to stimulate the U.S., that has the best ecosystem, in order to be able to invest more in healthcare. We have to invest more in research. We have to continue to protect the intellectual property. We have to attract the best talent. We have to have a good market. And if we do that, we're going to continue being the number-one country in life science innovation, which is good economically, and it's also good for the patients here.

MR. RUBENSTEIN: OK, so, when you want to get a new product – let's say in Alzheimer's or cancer – you can develop it yourself in terms of your own lab. And that might take 15 years or so. Or you can go buy it from somebody else. What percentage of your products that you now sell in pharmaceutical and in medical devices did you actually develop yourself? And what percentage did you actually buy from somebody else?

MR. DUATO: So, we always aim to have a happy mix of 50/50 internal and external. It's not realistic for a company to think that all the best things are going to occur in your labs. You have to be aware that some of the best science is not going to be occurring in the world of Johnson & Johnson. So, we have a very sophisticated system of scientific scouts identifying external innovation. Most of the time, we identify things that are quite early on that will still take many years to get into the market.

For example, we just bought a company that has a system to kill cancer cells. I think the first medicine coming from that company may come mid-'30s. So is that internal or external? Because for us to get that medicine into the market, we have to do some adjustments in the chemical structure, we have to be able to develop and do all the clinical development and develop all the manufacturing process and bring it to market. So, we have a happy 50/50 external and internal innovation. For a company that is focused on medical breakthroughs, having a good system of external innovation is fundamental.

MR. RUBENSTEIN: How much of your time do you spend on the road?

MR. DUATO: I would say 75 percent.

MR. RUBENSTEIN: Seventy-five percent?

MR. DUATO: Yeah.

MR. RUBENSTEIN: So who's watching the store back in New Brunswick?

MR. DUATO: Look, now with – I mean, I have a lot of people back in the store so that is watching for me. [Laughter.] And it's important for me to be connected. I have to be connected to the physicians that use our medicines and medical technologies. I have to be connected with our employees here in the U.S. and elsewhere. I have to have a pulse on the company. I cannot have a pulse on the company if I am at New Brunswick.

MR. RUBENSTEIN: And when you're in Washington, D.C., I assume you meet with regulators and members of Congress. Is that an enjoyable experience for you? [Laughter.]

MR. DUATO: Look, I always – I like people. So, you know, regulators or members of Congress is always a good experience for me. I always learn from that. And it's always my job, trying to educate people about what we do as a company, and try to help me having the right policies for innovation.

MR. RUBENSTEIN: But you must do consumer surveys. What is the most popular thing that people tell you about what they like about your company, what they don't like?

MR. DUATO: What they like about our company is normally the trust that our medicines and medical technologies have on them. So when they think Johnson & Johnson, they think it's a trust mark. What they don't like about our company are the prices, as usual.

MR. RUBENSTEIN: OK. And what are you going to do about the prices?

MR. DUATO: Look, there's always going to be a tension between innovation and affordability, because innovation is expensive, it's high risk, and we want to make that that innovation gets to everybody in this country. So we are always trying to price our medicines in a way that is consistent with the benefit they bring. In this country, we have to – we can work in different areas in order to improve affordability. One area is trying to – trying to take some of the percentage that the middlemen get in pharmaceuticals, try to get back to the patient. We can also – we should be doing that. We can also have other countries that are developed countries paying their fair share for research and development. All these things will help in making medicines for Americans more affordable.

MR. RUBENSTEIN: It may be an urban legend, but people say that sometimes the drugs in Canada or England are cheaper than they are in the United States for the same drug. Have you ever heard of that?

MR. DUATO: It's true. It's not an urban legend. It's true.

MR. RUBENSTEIN: What are we going to do about that?

MR. DUATO: Yeah. We are working in order to have the right recognition there. But keep in mind that we are – we are working with countries that have a national healthcare system that has a monopoly on that. And we have to – we have to obey for some of these regulations, unless we don't want these patients to have that medicine.

MR. RUBENSTEIN: Now a lot of people coming out of colleges today are looking for jobs. It's harder, some people say, to get them. Why should somebody want to work in a healthcare company like Johnson & Johnson? What's the argument you would tell a young college person why they should come work for you?

MR. DUATO: I mean, the first one is because we have a mission that is worth. I mean, we have a mission to address serious diseases, like oncology, cardiovascular, dementia. And people are attracted to be able to contribute to that. And the second thing is because we are a great company that builds careers, not only jobs. And I am a good role model of that, you know? So many people in the company is like that. And the third one, because our workforce is highly engaged. I mean, when we do surveys of engagement in our company, we are north of 90 percent of the company telling us that they are going to remain at Johnson & Johnson, and that they would recommend Johnson & Johnson to a friend. So it's a company in which people can develop a full career and can have a real opportunity to developing skills.

MR. RUBENSTEIN: The most commonly asked question of CEOs today is, how is your company being affected by AI and what are you doing to take advantage of AI? So how are you being affected by AI and how are you taking advantage of AI?

MR. DUATO: So, on the positive, you know, AI for us is a force multiplier because AI, it's going to help life science companies like Johnson & Johnson to be able to develop better medicines and medical technology. So we have to embrace AI. AI is going to accelerate discovery of new medicines. AI is going to make medical devices smarter, be able to navigate the body better. So I think AI is something that a company like Johnson & Johnson has to embrace. Now, we have to help all our employees to amplify what they do with AI. And we are training all our employees in AI because we want to bring everybody in the journey. You know, AI is not going to take your job, but somebody with AI skills may take your job.

MR. RUBENSTEIN: Are you spending a lot of money now on AI?

MR. DUATO: We are investing in AI too, in programs that are going to improve the operations of the company, in areas like drug discovery where I think AI is going to have a big impact, in areas like making our medical devices smarter, our robotic system. So we are investing in AI.

MR. RUBENSTEIN: Anybody ever told you that you could increase the market value of your company by calling it Johnson & Johnson AI?

MR. DUATO: I think they will see me coming, so I'm not even trying, you know? [Laughter.]

MR. RUBENSTEIN: So, now, if you were –

MR. DUATO: But I mean, the value of AI would be realized by companies like us deploying the AI technology into what we do every day.

MR. RUBENSTEIN: Now, when you had a litigation issue years ago, where I think some kind of baby talc was said to be carcinogenic, maybe it was, I don't know. But then when you spun it off, your consumer division, you still kept the talc litigation. What's the status of that litigation?

MR. DUATO: Yeah, so let me say, first, you know, studies, regulatory agencies have never found a causal relation between talc and cancer. So we stand behind that. And that's why we defend our position there. And we litigate every single case that comes with talc. This is – taking a step back – this is a system here for civil litigation, for tort, that needs to be reformed. There's a combination of third-party litigation funders that invest in litigation, like if you were working in infrastructure or if you were investing in technology. And they fund these litigations, building pseudoscientific arguments, and try to prey on companies like us. That's the business model that exists here. So we are litigating every single case. We are winning. And at the same time, we are also trying to introduce modifications in civil justice in order to make the system more fair.

MR. RUBENSTEIN: Sometimes I see, let's say, a cardiologist, and he might be overweight. And always gets me nervous if the cardiologist is overweight. [Laughter.] Now, so if you're the healthcare CEO of the biggest healthcare company in the world, you should be really fit. And you seem like you're fit. But what do you –

MR. DUATO: I'm trying. I'm trying.

MR. RUBENSTEIN: What do you do to stay – I mean, do you exercise every day? Do you have an instructor to teach you how to make sure you look fit and are fit?

MR. DUATO: So I exercise a couple of days a week. And then I play tennis over the weekend. And they say tennis is the best sport in order to be fit, because you have to exercise your mind and your body. And there is many studies that show that tennis is the one that creates more longevity. So that's why I'm –

MR. RUBENSTEIN: So do you play with Rafael Nadal, or?

MR. DUATO: I wish. I wish. You know, I play with a coach. And I plan that. I play twice a week. And I really love it.

MR. RUBENSTEIN: So when you walk in the streets, and when you go to a restaurant in – let's say, in Spain – people recognize you, I assume?

MR. DUATO: No. Nobody recognizes me. No, no.

MR. RUBENSTEIN: They don't?

MR. DUATO: No. I'm totally anonymous there. No. In Spain – I left Spain, you know, more than 30 years ago. And people do not recognize me.

MR. RUBENSTEIN: What about in New Brunswick? When you sit there – you're at a restaurant –

MR. DUATO: Yeah, that's a higher – in New Brunswick, there's a higher chance that I would be recognized. Much higher chance. [Laughter.]

MR. RUBENSTEIN: So today –

MR. DUATO: Or in Bucks County, where I live, a high chance that I will be recognized. [Laughter.]

MR. RUBENSTEIN: What is the hardest part about being CEO of Johnson & Johnson? What's the biggest challenge you face?

MR. DUATO: The biggest challenge is to be able to continue to improve this company every day. I mean, these companies as big as Johnson & Johnson, we need to have attention to improvement, to reinvent ourselves. So, you know, the biggest challenge for a CEO is to break the inertia and to make the company every day more competitive. And that's what I'm trying every day.

MR. RUBENSTEIN: Now I noticed that your person in Washington, Jane – where's Jane? [Cheers, applause.] She's done a very good job. And her first initial is J. [Laughter.] Your first initial is J. So to get a Johnson & Johnson, do you have to have a J in your name or something?

MR. DUATO: It helps a lot.

MR. RUBENSTEIN: Does it help a lot? [Laughter.]

MR. DUATO: And if your last name also starts with J, you have double points there. [Laughter.]

MR. RUBENSTEIN: OK. OK. So today, if the president of United States called you up, or any president, not just this one but any future president, and said, you did a great job running Johnson & Johnson and your country needs you to come in and serve in the federal government in some important job, would you ever consider going into the federal service?

MR. DUATO: Nobody has called me yet, but if they do call me once I retire from Johnson & Johnson – I would pay attention to that. Why not?

MR. RUBENSTEIN: All right. Now, do you have children who want to be in the healthcare world?

MR. DUATO: I have a daughter who is in medical school. And I have a son who is a mechanical engineer. But, yeah, I have a – I have a tradition in my family. As I told you, my mom was a nurse. My grandmother was a pharmacist. My grandfather a pediatrician. And I spent a lot of my childhood in Valencia, my hometown, in my grandmother's pharmacy. She had a retail pharmacy. And when my mom was doing errands in town, she would – she would leave me in the pharmacy waiting with my grandmother, because she was manning the pharmacy herself. And she was talking to patients coming to refill prescriptions all the time. And I would always complain, Grandma, why do you talk to people so much? Why do you spend so much time with the people? And she told me, I remember, that, Joaquin, the important thing is not the medicine. It's the person. So I always retained that to myself. It's not the medicine. It's the person. [Applause.]

MR. RUBENSTEIN: OK. So now you're, I assume, a Spain World Cup fan.

MR. DUATO: I am.

MR. RUBENSTEIN: You're an American supporter as well.

MR. DUATO: A disappointed Spain World Cup fan. [Laughter.]

MR. RUBENSTEIN: But what happened to the Spain team the other day?

MR. DUATO: Maybe complacency. Maybe complacency. Now they got a beating, and they need to pick up and come back. I mean, it's been traditional that the team that that wins the World Cup loses the first match. Argentina lost in the Qatar. They lost to Saudi Arabia. And Spain, when we won in 2010, we lost the first match too. So it may be a good omen. You never know. [Laughter.]

MR. RUBENSTEIN: Now, when you started the – when you started –

MR. DUATO: I'm an optimist guy. Very optimistic.

MR. RUBENSTEIN: When you joined Johnson & Johnson after having been rejected initially, you got a job later, did you ever think you could rise up to be the CEO?

MR. DUATO: Never. I never thought I was going to be the CEO. I tell you how I – how I realized I could be the CEO. Because I was getting different jobs. And every time I got that job, I thought, you know what, I can do the next one. And then next job, I could do the next one, I could do the next one. Until I became vice chair, and I said, I think I can be CEO.

MR. RUBENSTEIN: When did they tell you, like, three years in advance, four years in advance? Did they tell you, hey, don't do anything bad and you'll wind up as CEO? [Laughter.]

MR. DUATO: Yeah. No, they told me maybe a year and a half in advance. They told me, you are going to be a candidate to be CEO. And I had to go through a process in order to become the CEO.

MR. RUBENSTEIN: And did you tell them what was wrong with all the other candidates, or you didn't tell them that? [Laughter.]

MR. DUATO: They didn't tell me anything. They just told me, you're going to be the next one, yeah.

MR. RUBENSTEIN: OK. So today if I wanted to buy a stock in a healthcare company, would Johnson & Johnson be a good stock to buy?

MR. DUATO: David, you're a smart man. It would be the best stock to buy, Johnson & Johnson. [Laughter.] No question. I'm going to give you some reasons why.

MR. RUBENSTEIN: Your stock has gone up – since you've been the CEO, your stock is up by?

MR. DUATO: We are just at the beginning. This is just the initial innings of a cycle of growth for Johnson & Johnson. We were saying that we have line of sight to double digit growth by the end of the decade. And that's remarkable for a company which is more than $100 billion. And you know why? We are not a one trick pony company. We have a whole stable of medicines and medical devices. We have 28 platforms of more than a billion dollars. So we don't depend on a single platform. And that creates much more optionality to be able to bring breakthroughs and, at the same time, to create more revenue.

MR. RUBENSTEIN: OK. If I had bought your stock the day you became the CEO, and then you spun off the Band-Aids, I would have been upset.

MR. DUATO: Yeah.

MR. RUBENSTEIN: So are you going to spin off anything else, or you're going to be –

MR. DUATO: I think we are in the right areas right now. I mean, we are in three areas in pharmaceuticals, which are oncology, immunology, and neuroscience, and three areas in medical devices, vision, surgery, and cardiovascular. We are actually spinning out one of our medical device businesses, which is the orthopedics business, which is the largest orthopedic business in the world. It's called DePuy Synthes. And we're in the process of spinning out that part of the business.

MR. RUBENSTEIN: So since you've been in the healthcare world, what do you think is the single-greatest healthcare invention or creation? Is it this discovery of certain kind of drugs? What do you think has changed the world of healthcare more than anything else in the years that you've been in the healthcare world?

MR. DUATO: I mean, I have seen a lot of progress. I mean, I've seen how life expectancy increased in the 20th century in more than 30 years. I have seen how HIV got to be a curable disease. I have seen how we develop vaccines that have been extremely positive preventive tools. I have seen how we have improved cardiovascular mortality and morbidity through multiple prevention in hypertension, in statins. So I have seen many, many positive things. Perhaps the most positive things that I'm seeing now is how we are improving our treatment of cancer. The cancer death rates are coming down. We are much better, as a country, than any other country in the world. And we have the ambition to eliminate cancer.

MR. RUBENSTEIN: Now I've observed that people my age increasingly are worried about longevity, because as you get older you want to live longer. And is longevity something you're focused on, and how to get people to live longer? Is that part of your product base?

MR. DUATO: Everything we do tries to get people to live longer. The important thing is to live longer, but with high quality of life. And that's what we aim to do. We want to live longer. Life expectancy is increasing. But we need high quality of life. And that's where the fight against neurodegeneration and dementia comes into play. That's why this is one of the biggest challenges and opportunities for life science companies like Johnson & Johnson.

MR. RUBENSTEIN: Well, so what do you do on the outside? Do you have philanthropic interests, or do you have other things you do? You've been married a long time. Your wife and you have things you do together, hobbies or things like that? Or what do you do on the outside when you're not worried about healthcare?

MR. DUATO: So when I am a reader. I like to read. I like to – I like movies. I like traveling. I have been associated with multiple not-for-profits, Save the Children and UNICEF. So I like to dedicate my time also to other causes. And then I support my kids. That is also a full-time job, as you know. And I do that very often.

MR. RUBENSTEIN: So your stock is up a fair bit since you took over. And I guess if somebody were to buy your stock now, you would say it probably will still go up, right?

MR. DUATO: Absolutely. I think, as I said, we are at the early innings of a new cycle of growth. In reality, we are just catching up. I think that you're going to see the stock of Johnson & Johnson continue to go up, based on the revenue that we provide and the number of opportunities that we have to improve the standard of care.

MR. RUBENSTEIN: And you wouldn't call it Johnson & Johnson X?

MR. DUATO: No. Not so far. No. [Laughter.]

MR. RUBENSTEIN: No?

MR. DUATO: No. Now, if we can have an IPO of $1.7 billion I might think about that.

MR. RUBENSTEIN: Look, you've done a great job in a relatively short period of time. And I would say it's really amazing that you came from a different country, and not that other countries – other people don't rise up. But, you know, it's a big company, so much competition. So to become the CEO and doing the job you've done, it's very impressive. So thank you for coming here today.

And I guess final question for you is, what do you think people should know about healthcare that they don't know as much as they should know about? In other words, if you were to educate somebody, to this audience, and you say, here's what something you should know about healthcare that you really don't know, or you should know more about, what would that be?

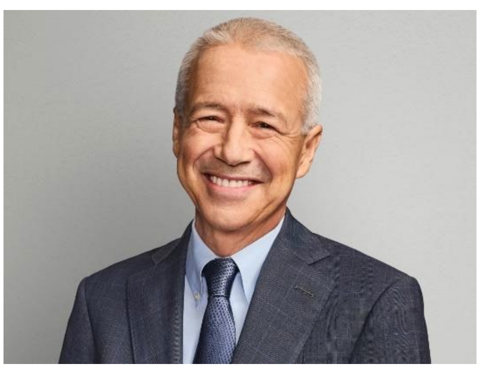
MR. DUATO: Yeah. So I would say, first, in becoming CEO of Johnson & Johnson, I think this is a sign of the opportunities that exist in this country. I think the U.S. is a great country. It's a land of opportunity. And, look, I was born in Spain, but I am more an American from a professional perspective. I love the sense of opportunity of this country. I love the opportunity to progress and make your dreams come true, like me becoming CEO of Johnson & Johnson. So as a U.S. citizen that was not born in the U.S., I have to say this is a wonderful country. And sometimes you have to be from outside to appreciate what a great country this is. So I'm very grateful for this country and the opportunities they gave me.

So as far as what I would say in healthcare, I would say trust your doctor. I think doctors and nurses and healthcare workers are really the frontline of our health. And I think that trusting your doctor, your nurse, is a very important thing for us. That's why at Johnson & Johnson our focus in terms of our philanthropic activities is in frontline healthcare workers, is in nurses. We think that's the frontline of healthcare. And my advice is, trust them.

MR. RUBENSTEIN: Very impressive career. Thank you very much for being here.
[Applause.]

MR. DUATO: Thank you.

[Applause.]



Joaquin Duato
Chairman and Chief Executive Officer
Johnson & Johnson

Since becoming CEO in January 2022, Joaquín Duato has led a global workforce of more than 130,000 employees working to develop medicines and medical technologies for patients around the world.

Johnson & Johnson is focused on improving health outcomes by innovating in areas like cancer, immune diseases, brain health, heart care, surgery, and vision.

Under Duato's leadership, the company separated its consumer health business into Kenvue in 2023, allowing more focus on pharmaceuticals and medical devices.

With more than 30 years at Johnson & Johnson, Duato has built his career across different countries and parts of the business, including pharmaceuticals, supply chain, and technology.

Before becoming CEO, he served as Vice Chairman of the Executive Committee, where he led the pharmaceutical and consumer health segments and helped guide company strategy.

Duato started his career at Johnson & Johnson in 1989 in Spain, working in its pharmaceutical division. He holds an MBA from ESADE Business School and a master's degree from Thunderbird School of Global Management and is a dual citizen of Spain and the United States.