

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

FOURTH QUARTER

	2020		2019		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 22,475	100.0	\$ 20,747	100.0	8.3
Cost of products sold	7,814	34.8	7,134	34.4	9.5
Gross Profit	14,661	65.2	13,613	65.6	7.7
Selling, marketing and administrative expenses	6,457	28.7	6,039	29.1	6.9
Research and development expense	4,032	17.9	3,232	15.6	24.8
In-process research and development	37	0.2	-	-	
Interest (income) expense, net	74	0.3	4	0.0	
Other (income) expense, net	2,354	10.5	16	0.1	
Restructuring	60	0.3	104	0.5	
Earnings before provision for taxes on income	1,647	7.3	4,218	20.3	(61.0)
Provision for/(Benefit from) taxes on income	(91)	(0.4)	208	1.0	(143.8)
Net earnings	\$ 1,738	7.7	\$ 4,010	19.3	(56.7)
Net earnings per share (Diluted)	\$ 0.65		\$ 1.50		(56.7)
Average shares outstanding (Diluted)	2,669.2		2,669.1		
Effective tax rate	(5.5) %		4.9 %		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
Earnings before provision for taxes on income	\$ 5,601	24.9	\$ 5,628	27.1	(0.5)
Net earnings	\$ 4,965	22.1	\$ 5,027	24.2	(1.2)
Net earnings per share (Diluted)	\$ 1.86		\$ 1.88		(1.1)
Effective tax rate	11.4 %		10.7 %		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures.

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

TWELVE MONTHS

	2020		2019		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 82,584	100.0	\$ 82,059	100.0	0.6
Cost of products sold	28,427	34.4	27,556	33.6	3.2
Gross Profit	54,157	65.6	54,503	66.4	(0.6)
Selling, marketing and administrative expenses	22,084	26.8	22,178	27.0	(0.4)
Research and development expense	12,159	14.7	11,355	13.8	7.1
In-process research and development	181	0.2	890	1.1	
Interest (income) expense, net	90	0.1	(39)	0.0	
Other (income) expense, net	2,899	3.5	2,525	3.1	
Restructuring	247	0.3	266	0.3	
Earnings before provision for taxes on income	16,497	20.0	17,328	21.1	(4.8)
Provision for taxes on income	1,783	2.2	2,209	2.7	(19.3)
Net earnings	\$ 14,714	17.8	\$ 15,119	18.4	(2.7)
Net earnings per share (Diluted)	\$ 5.51		\$ 5.63		(2.1)
Average shares outstanding (Diluted)	2,670.7		2,684.3		
Effective tax rate	10.8 %		12.7 %		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
Earnings before provision for taxes on income	\$ 25,428	30.8	\$ 28,225	34.4	(9.9)
Net earnings	\$ 21,433	26.0	\$ 23,310	28.4	(8.1)
Net earnings per share (Diluted)	\$ 8.03		\$ 8.68		(7.5)
Effective tax rate	15.7 %		17.4 %		

<sup>(1)</sup> See Reconciliation of Non-GAAP Financial Measures.