

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

FOURTH QUARTER

	2021		2020		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 24,804	100.0	\$ 22,475	100.0	10.4
Cost of products sold	7,955	32.1	7,814	34.8	1.8
Gross Profit	16,849	67.9	14,661	65.2	14.9
Selling, marketing and administrative expenses	7,154	28.9	6,457	28.7	10.8
Research and development expense	4,720	19.0	4,032	17.9	17.1
In-process research and development	0	0.0	37	0.2	
Interest (income) expense, net	47	0.2	74	0.3	
Other (income) expense, net	9	0.0	2,354	10.5	
Restructuring	83	0.3	60	0.3	
Earnings before provision for taxes on income	4,836	19.5	1,647	7.3	193.6
Provision for/(Benefit from) taxes on income	100	0.4	(91)	(0.4)	(209.9)
Net earnings	\$ 4,736	19.1	\$ 1,738	7.7	172.5
Net earnings per share (Diluted)	\$ 1.77		\$ 0.65		172.3
Average shares outstanding (Diluted)	2,670.2		2,669.2		
Effective tax rate	2.1 %		(5.5) %		

Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup>

Earnings before provision for taxes on income	\$ 6,339	25.6	\$ 5,601	24.9	13.2
Net earnings	\$ 5,678	22.9	\$ 4,965	22.1	14.4
Net earnings per share (Diluted)	\$ 2.13		\$ 1.86		14.5
Effective tax rate	10.4 %		11.4 %		

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

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TWELVE MONTHS

	2021		2020		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 93,775	100.0	\$ 82,584	100.0	13.6
Cost of products sold	29,855	31.8	28,427	34.4	5.0
Gross Profit	63,920	68.2	54,157	65.6	18.0
Selling, marketing and administrative expenses	24,659	26.3	22,084	26.8	11.7
Research and development expense	14,714	15.7	12,159	14.7	21.0
In-process research and development	900	1.0	181	0.2	
Interest (income) expense, net	130	0.1	90	0.1	
Other (income) expense, net	489	0.5	2,899	3.5	
Restructuring	252	0.3	247	0.3	
Earnings before provision for taxes on income	22,776	24.3	16,497	20.0	38.1
Provision for taxes on income	1,898	2.0	1,783	2.2	6.4
Net earnings	\$ 20,878	22.3	\$ 14,714	17.8	41.9
Net earnings per share (Diluted)	\$ 7.81		\$ 5.51		41.7
Average shares outstanding (Diluted)	2,674.0		2,670.7		
Effective tax rate	8.3 %		10.8 %		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
Earnings before provision for taxes on income	\$ 30,464	32.5	\$ 25,428	30.8	19.8
Net earnings	\$ 26,195	27.9	\$ 21,433	26.0	22.2
Net earnings per share (Diluted)	\$ 9.80		\$ 8.03		22.0
Effective tax rate	14.0 %		15.7 %		

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