

**Johnson & Johnson and Subsidiaries**  
**Condensed Consolidated Statement of Earnings**

(Unaudited; in Millions Except Per Share Figures)

THIRD QUARTER

	2019		2018		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,729	100.0	\$ 20,348	100.0	1.9
Cost of products sold	6,867	33.1	6,589	32.4	4.2
Gross Profit	13,862	66.9	13,759	67.6	0.7
Selling, marketing and administrative expenses	5,374	26.0	5,543	27.3	(3.0)
Research and development expense	2,599	12.5	2,508	12.3	3.6
In-process research and development	-	-	1,126	5.6	
Interest (income) expense, net	(41)	(0.2)	68	0.3	
Other (income) expense, net	4,214	20.3	3	0.0	
Restructuring	69	0.4	88	0.4	
Earnings before provision for taxes on income	1,647	7.9	4,423	21.7	(62.8)
Provision for/(Benefit from) taxes on income	(106)	(0.6)	489	2.4	(121.7)
Net earnings	\$ 1,753	8.5	\$ 3,934	19.3	(55.4)
Net earnings per share (Diluted)	\$ 0.66		\$ 1.44		(54.2)
Average shares outstanding (Diluted)	2,669.9		2,727.6		
Effective tax rate	(6.4) %		11.1 %		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
Earnings before provision for taxes on income	\$ 7,116	34.3	\$ 6,780	33.3	5.0
Net earnings	\$ 5,672	27.4	\$ 5,590	27.5	1.5
Net earnings per share (Diluted)	\$ 2.12		\$ 2.05		3.4
Effective tax rate	20.3 %		17.6 %		

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

2019 has been updated in accordance with the Form 8-K filed on October 23, 2019

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**(Unaudited; in Millions Except Per Share Figures)**

**NINE MONTHS**

	2019		2018		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 61,312	100.0	\$ 61,187	100.0	0.2
Cost of products sold	20,422	33.3	20,130	32.9	1.5
<b>Gross Profit</b>	<b>40,890</b>	<b>66.7</b>	<b>41,057</b>	<b>67.1</b>	<b>(0.4)</b>
Selling, marketing and administrative expenses	16,139	26.3	16,549	27.1	(2.5)
Research and development expense	8,123	13.3	7,551	12.3	7.6
In-process research and development	890	1.4	1,126	1.8	
Interest (income) expense, net	(43)	(0.1)	340	0.6	
Other (income) expense, net	2,509	4.1	427	0.7	
Restructuring	162	0.3	187	0.3	
Earnings before provision for taxes on income	13,110	21.4	14,877	24.3	(11.9)
Provision for taxes on income	2,001	3.3	2,622	4.3	(23.7)
<b>Net earnings</b>	<b>\$ 11,109</b>	<b>18.1</b>	<b>\$ 12,255</b>	<b>20.0</b>	<b>(9.4)</b>
<b>Net earnings per share (Diluted)</b>	<b>\$ 4.13</b>		<b>\$ 4.49</b>		<b>(8.0)</b>
<b>Average shares outstanding (Diluted)</b>	<b>2,688.1</b>		<b>2,729.6</b>		
<b>Effective tax rate</b>	<b>15.3 %</b>		<b>17.6 %</b>		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
Earnings before provision for taxes on income	\$ 22,597	36.9	\$ 20,652	33.8	9.4
Net earnings	\$ 18,283	29.8	\$ 16,943	27.7	7.9
Net earnings per share (Diluted)	\$ 6.80		\$ 6.21		9.5
Effective tax rate	19.1 %		18.0 %		

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

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