

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

THIRD QUARTER

	2021		2020		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 23,338	100.0	\$ 21,082	100.0	10.7
Cost of products sold	7,250	31.1	6,972	33.1	4.0
Gross Profit	16,088	68.9	14,110	66.9	14.0
Selling, marketing and administrative expenses	6,000	25.7	5,431	25.8	10.5
Research and development expense	3,422	14.7	2,840	13.5	20.5
In-process research and development	900	3.9	138	0.6	
Interest (income) expense, net	7	0.0	32	0.1	
Other (income) expense, net	1,850	7.9	1,200	5.7	
Restructuring	60	0.2	68	0.3	
Earnings before provision for taxes on income	3,849	16.5	4,401	20.9	(12.5)
Provision for taxes on income	182	0.8	847	4.0	(78.5)
Net earnings	\$ 3,667	15.7	\$ 3,554	16.9	3.2
Net earnings per share (Diluted)	\$ 1.37		\$ 1.33		3.0
Average shares outstanding (Diluted)	2,674.9		2,669.3		
Effective tax rate	4.7 %		19.2 %		

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

Earnings before provision for taxes on income	\$ 8,058	34.5	\$ 7,246	34.4	11.2
Net earnings	\$ 6,968	29.9	\$ 5,868	27.8	18.7
Net earnings per share (Diluted)	\$ 2.60		\$ 2.20		18.2
Effective tax rate	13.5 %		19.0 %		

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

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NINE MONTHS

	2021		2020		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 68,971	100.0	\$ 60,109	100.0	14.7
Cost of products sold	21,900	31.8	20,613	34.3	6.2
Gross Profit	47,071	68.2	39,496	65.7	19.2
Selling, marketing and administrative expenses	17,505	25.4	15,627	26.0	12.0
Research and development expense	9,994	14.5	8,127	13.5	23.0
In-process research and development	900	1.3	144	0.3	
Interest (income) expense, net	83	0.1	16	0.0	
Other (income) expense, net	480	0.7	545	0.9	
Restructuring	169	0.2	187	0.3	
Earnings before provision for taxes on income	17,940	26.0	14,850	24.7	20.8
Provision for taxes on income	1,798	2.6	1,874	3.1	(4.1)
Net earnings	\$ 16,142	23.4	\$ 12,976	21.6	24.4
Net earnings per share (Diluted)	\$ 6.04		\$ 4.86		24.3
Average shares outstanding (Diluted)	2,674.6		2,670.8		
Effective tax rate	10.0 %		12.6 %		
<b>Adjusted earnings before provision for taxes and net earnings <sup>(1)</sup></b>					
Earnings before provision for taxes on income	\$ 24,125	35.0	\$ 19,827	33.0	21.7
Net earnings	\$ 20,517	29.7	\$ 16,468	27.4	24.6
Net earnings per share (Diluted)	\$ 7.67		\$ 6.17		24.3
Effective tax rate	15.0 %		16.9 %		

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