

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2019		2018		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 20,562	100.0	\$ 20,830	100.0	(1.3)
Cost of products sold	6,940	33.8	6,927	33.3	0.2
Gross Profit	13,622	66.2	13,903	66.7	(2.0)
Selling, marketing and administrative expenses	5,546	27.0	5,743	27.5	(3.4)
Research and development expense	2,666	13.0	2,639	12.7	1.0
Interest (income) expense, net	(5)	0.0	127	0.6	
Other (income) expense, net	(1,683)	(8.2)	364	1.7	
Restructuring	57	0.2	57	0.3	
Earnings before provision for taxes on income	7,041	34.2	4,973	23.9	41.6
Provision for taxes on income	1,434	6.9	1,019	4.9	40.7
Net earnings	\$ 5,607	27.3	\$ 3,954	19.0	41.8
Net earnings per share (Diluted)	\$ 2.08		\$ 1.45		43.4
Average shares outstanding (Diluted)	2,691.7		2,721.3		
Effective tax rate	20.4 %		20.5 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 8,614	41.9	\$ 7,014	33.7	22.8
Net earnings	\$ 6,950	33.8	\$ 5,718	27.5	21.5
Net earnings per share (Diluted)	\$ 2.58		\$ 2.10		22.9
Effective tax rate	19.3 %		18.5 %		

(1) See Reconciliation of Non-GAAP Financial Measures.

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Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SIX MONTHS

	2019		2018		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 40,583	100.0	\$ 40,839	100.0	(0.6)
Cost of products sold	13,555	33.4	13,541	33.2	0.1
Gross Profit	27,028	66.6	27,298	66.8	(1.0)
Selling, marketing and administrative expenses	10,765	26.5	11,006	27.0	(2.2)
Research and development expense	5,524	13.6	5,043	12.3	9.5
In-process research and development	890	2.2	-	-	
Interest (income) expense, net	(2)	0.0	272	0.7	
Other (income) expense, net	(1,705)	(4.2)	424	1.0	
Restructuring	93	0.3	99	0.2	
Earnings before provision for taxes on income	11,463	28.2	10,454	25.6	9.7
Provision for taxes on income	2,107	5.1	2,133	5.2	(1.2)
Net earnings	\$ 9,356	23.1	\$ 8,321	20.4	12.4
Net earnings per share (Diluted)	\$ 3.47		\$ 3.05		13.8
Average shares outstanding (Diluted)	2,697.0		2,728.5		
Effective tax rate	18.4 %		20.4 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 15,481	38.1	\$ 13,872	34.0	11.6
Net earnings	\$ 12,611	31.1	\$ 11,353	27.8	11.1
Net earnings per share (Diluted)	\$ 4.68		\$ 4.16		12.5
Effective tax rate	18.5 %		18.2 %		

(1) See Reconciliation of Non-GAAP Financial Measures.