

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

SECOND QUARTER

	2020		2019		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,336	100.0	\$ 20,562	100.0	(10.8)
Cost of products sold	6,579	35.9	6,940	33.8	(5.2)
Gross Profit	11,757	64.1	13,622	66.2	(13.7)
Selling, marketing and administrative expenses	4,993	27.2	5,546	27.0	(10.0)
Research and development expense	2,707	14.8	2,666	13.0	1.5
In-process research and development	6	0.0	-	-	
Interest (income) expense, net	26	0.2	(5)	0.0	
Other (income) expense, net	24	0.1	(1,683)	(8.2)	
Restructuring	61	0.3	57	0.2	
Earnings before provision for taxes on income	3,940	21.5	7,041	34.2	(44.0)
Provision for taxes on income	314	1.7	1,434	6.9	(78.1)
Net earnings	\$ 3,626	19.8	\$ 5,607	27.3	(35.3)
Net earnings per share (Diluted)	\$ 1.36		\$ 2.08		(34.6)
Average shares outstanding (Diluted)	2,665.5		2,691.7		
Effective tax rate	8.0 %		20.4 %		
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 5,337	29.1	\$ 8,614	41.9	(38.0)
Net earnings	\$ 4,446	24.2	\$ 6,950	33.8	(36.0)
Net earnings per share (Diluted)	\$ 1.67		\$ 2.58		(35.3)
Effective tax rate	16.7 %		19.3 %		

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

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(Unaudited; in Millions Except Per Share Figures)

SIX MONTHS

	2020		2019		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 39,027	100.0	\$ 40,583	100.0	(3.8)
Cost of products sold	13,641	35.0	13,555	33.4	0.6
Gross Profit	25,386	65.0	27,028	66.6	(6.1)
Selling, marketing and administrative expenses	10,196	26.1	10,765	26.5	(5.3)
Research and development expense	5,287	13.5	5,524	13.6	(4.3)
In-process research and development	6	0.0	890	2.2	
Interest (income) expense, net	(16)	0.0	(2)	0.0	
Other (income) expense, net	(655)	(1.7)	(1,705)	(4.2)	
Restructuring	119	0.3	93	0.3	
Earnings before provision for taxes on income	10,449	26.8	11,463	28.2	(8.8)
Provision for taxes on income	1,027	2.7	2,107	5.1	(51.3)
Net earnings	\$ 9,422	24.1	\$ 9,356	23.1	0.7
Net earnings per share (Diluted)	\$ 3.53		\$ 3.47		1.7
Average shares outstanding (Diluted)	2,671.0		2,697.0		
Effective tax rate	9.8 %		18.4 %		
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 12,581	32.2	\$ 15,481	38.1	(18.7)
Net earnings	\$ 10,600	27.2	\$ 12,611	31.1	(15.9)
Net earnings per share (Diluted)	\$ 3.97		\$ 4.68		(15.2)
Effective tax rate	15.7 %		18.5 %		

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