

Johnson & Johnson and Subsidiaries

Condensed Consolidated Statement of Earnings

(Unaudited; in Millions Except Per Share Figures)

THIRD QUARTER

	2020		2019		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 21,082	100.0	\$ 20,729	100.0	1.7
Cost of products sold	6,972	33.1	6,867	33.1	1.5
Gross Profit	14,110	66.9	13,862	66.9	1.8
Selling, marketing and administrative expenses	5,431	25.8	5,374	26.0	1.1
Research and development expense	2,840	13.5	2,599	12.5	9.3
In-process research and development	138	0.6	-	-	
Interest (income) expense, net	32	0.1	(41)	(0.2)	
Other (income) expense, net	1,200	5.7	4,214	20.3	
Restructuring	68	0.3	69	0.4	
Earnings before provision for taxes on income	4,401	20.9	1,647	7.9	167.2
Provision for/(Benefit from) taxes on income	847	4.0	(106)	(0.6)	
Net earnings	\$ 3,554	16.9	\$ 1,753	8.5	102.7
Net earnings per share (Diluted)	\$ 1.33		\$ 0.66		101.5
Average shares outstanding (Diluted)	2,669.3		2,669.9		
Effective tax rate	19.2 %		(6.4) %		
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 7,246	34.4	\$ 7,116	34.3	1.8
Net earnings	\$ 5,868	27.8	\$ 5,672	27.4	3.5
Net earnings per share (Diluted)	\$ 2.20		\$ 2.12		3.8
Effective tax rate	19.0 %		20.3 %		

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

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NINE MONTHS

	2020		2019		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 60,109	100.0	\$ 61,312	100.0	(2.0)
Cost of products sold	20,613	34.3	20,422	33.3	0.9
Gross Profit	39,496	65.7	40,890	66.7	(3.4)
Selling, marketing and administrative expenses	15,627	26.0	16,139	26.3	(3.2)
Research and development expense	8,127	13.5	8,123	13.3	0.0
In-process research and development	144	0.3	890	1.4	
Interest (income) expense, net	16	0.0	(43)	(0.1)	
Other (income) expense, net	545	0.9	2,509	4.1	
Restructuring	187	0.3	162	0.3	
Earnings before provision for taxes on income	14,850	24.7	13,110	21.4	13.3
Provision for taxes on income	1,874	3.1	2,001	3.3	(6.3)
Net earnings	\$ 12,976	21.6	\$ 11,109	18.1	16.8
Net earnings per share (Diluted)	\$ 4.86		\$ 4.13		17.7
Average shares outstanding (Diluted)	2,670.8		2,688.1		
Effective tax rate	12.6 %		15.3 %		
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 19,827	33.0	\$ 22,597	36.9	(12.3)
Net earnings	\$ 16,468	27.4	\$ 18,283	29.8	(9.9)
Net earnings per share (Diluted)	\$ 6.17		\$ 6.80		(9.3)
Effective tax rate	16.9 %		19.1 %		

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