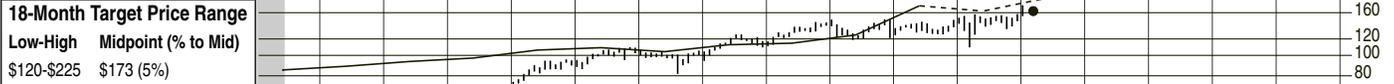


TIMELINESS 3 Lowered 2/12/21	High: 66.2 68.1 72.7 96.0 109.5 106.5 126.1 144.4 149.0 147.8 157.7 173.6	Low: 56.9 57.5 61.7 70.3 86.1 81.8 94.3 110.8 118.6 125.0 109.2 154.1	Target Price Range 2024 2025 2026
SAFETY 1 New 7/27/90	LEGENDS — 15.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession		320
TECHNICAL 4 Lowered 1/29/21			200
BETA .85 (1.00 = Market)			160



2024-26 PROJECTIONS			
High	Price	Gain	Ann'l Total Return
Low	245	(+50%)	13%
	200	(+25%)	8%
Institutional Decisions			
	1Q2020	2Q2020	3Q2020
to Buy	1311	1458	1441
to Sell	1419	1240	1226
Hld's(000)	1814	1781	7853
	1517	7782	80

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	% TOT. RETURN 1/21	© VALUE LINE PUB. LLC	24-26
16.98	18.43	21.51	23.02	22.47	22.49	23.87	24.19	25.28	26.71	25.44	26.56	28.50	30.64	31.17	31.40	35.25	37.10	Sales per sh ^A		42.55
4.25	4.60	5.23	5.70	5.69	5.92	6.25	6.48	7.08	7.26	6.95	7.50	7.64	8.35	11.52	10.85	13.20	13.20	"Cash Flow" per sh		15.75
3.50	3.76	4.15	4.57	4.63	4.76	5.00	5.10	5.52	5.70	5.48	5.93	5.41	5.61	8.68	8.03	9.50	10.15	Earnings per sh ^{A B}		12.25
1.28	1.46	1.62	1.80	1.93	2.11	2.25	2.40	2.59	2.76	2.95	3.15	3.32	3.54	3.75	3.98	4.25	4.60	Div's Decl'd per sh ^C		5.85
.88	.92	1.04	1.11	.86	.87	1.06	1.06	1.27	1.33	1.26	1.19	1.22	1.38	1.33	1.10	1.50	1.50	Cap'l Spending per sh		1.65
12.73	13.59	15.25	15.35	18.37	20.66	20.95	23.33	26.25	25.06	25.83	26.02	22.43	22.44	22.59	27.15	30.75	35.10	Book Value per sh ^D		49.50
2974.5	2893.2	2840.2	2769.2	2754.3	2738.1	2724.4	2778.5	2820.6	2783.3	2755.0	2706.5	2682.5	2662.3	2632.5	2630.0	2600.0	2580.0	Common Shs Outst'g ^E		2525.0
18.5	16.6	15.4	14.3	12.5	13.1	12.7	13.1	15.6	17.7	18.2	19.1	23.9	23.7	15.6	18.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio		18.0
.99	.90	.82	.86	.83	.83	.80	.83	.88	.93	.92	1.00	1.20	1.28	.83	.89			Relative P/E Ratio		1.00
2.0%	2.3%	2.5%	2.8%	3.3%	3.4%	3.5%	3.6%	3.0%	2.7%	3.0%	2.8%	2.6%	2.7%	2.8%	2.7%			Avg Ann'l Div'd Yield		2.6%

CAPITAL STRUCTURE as of 9/27/20				65030	67224	71312	74331	70074	71890	76450	81581	82059	82584	91650	95750	Sales (\$mill) ^A	107500
Total Debt \$37,758 mill. Due in 5 Yrs \$17,104 mill.	32.3%	35.7%	33.3%	33.7%	31.1%	34.6%	31.7%	33.1%	46.3%	42.0%	43.0%	43.5%	43.5%	43.5%	Operating Margin	44.0%	
LT Debt \$32,680 mill. LT Interest \$152.3 mill. (34% of Capital)	3158.0	3666.0	4104.0	3895.0	3746.0	3754.0	5642.0	6929.0	7009.0	7050	7250	7500	7500	7500	Depreciation (\$mill)	8250	
Leases, Uncapitalized Annual rentals \$215 mill.	13867	14345	15876	16323	15409	16540	14856	15297	23310	21433	25250	26500	26500	26500	Net Profit (\$mill)	31500	
Pension Assets-12/19 \$32.2 bill. Oblig. \$37.2 bill.	20.1%	23.1%	17.2%	20.6%	19.7%	16.5%	15.9%	15.0%	17.4%	17.5%	18.0%	17.5%	18.0%	17.5%	Income Tax Rate	19.0%	
Preferred Stock None	21.3%	21.3%	22.3%	22.0%	22.0%	23.0%	19.4%	18.8%	28.4%	26.0%	27.6%	27.7%	27.7%	27.7%	Net Profit Margin	29.3%	
Common Stock 2,632,542,672 shares as of 10/19/20	31505	21854	30732	34226	32463	38745	12551	14803	9310.0	19750	28500	34250	34250	34250	Working Cap'l (\$mill)	75000	
MARKET CAP: \$365 billion (Large Cap)	12969	11489	13328	15122	12857	22442	30675	27684	26494	32500	24000	23000	23000	23000	Long-Term Debt (\$mill)	20000	
CURRENT POSITION	57080	64826	74053	69752	71150	70418	60160	59752	59471	71400	80000	90500	90500	90500	Shr. Equity (\$mill)	125000	
Cash Assets	20.2%	19.1%	18.4%	19.5%	18.6%	18.2%	16.9%	18.1%	27.3%	21.0%	22.5%	23.0%	23.0%	23.0%	Return on Total Cap'l	20.0%	
Receivables	24.3%	22.1%	21.4%	23.4%	21.7%	23.5%	24.7%	25.6%	39.2%	30.0%	31.5%	29.5%	29.5%	29.5%	Return on Shr. Equity	25.0%	
Inventory (FIFO)	13.5%	11.9%	11.6%	12.3%	10.2%	11.2%	9.8%	9.7%	22.5%	17.0%	17.5%	16.0%	16.0%	16.0%	Retained to Com Eq	13.5%	
Other	44%	46%	46%	48%	53%	52%	60%	62%	43%	43%	44%	45%	45%	45%	All Div'ds to Net Prof	47%	

BUSINESS: Johnson & Johnson is engaged in the research & development, manufacture, and sale of a broad range of products in the healthcare field. It operates three business segments: Consumer (baby care, beauty, skin care, oral care, wound care, etc.), Pharmaceutical (anti-infective, antipsychotic, contraceptive, dermatology, gastrointestinal, etc.), and Medical Devices (orthopedic, surgery, interventional solutions, and eye health fields). Employs approximately 132,200. Officers & directors less than 1.0% of common stock; Vanguard Group, 8.7%; BlackRock, 7.3%; State Street, 5.8%. (3/20 Proxy). Chairman & CEO: Alex Gorsky. Inc.: NJ. Address: One Johnson & Johnson Plaza, New Brunswick, NJ 08933. Telephone: 732-524-0400. Internet: www.jnj.com.

Johnson & Johnson is making headlines. The company announced the much-anticipated results of its Phase III trial for its COVID-19 vaccine. This showed 66% overall efficacy in blocking moderate-to-severe forms of the disease and 85% efficacy in severe forms. While this comes up short of the efficacy shown by the Moderna and Pfizer/BioNTech vaccines, we view the data as favorable, especially when considering the overwhelming demand as well as the advantage that J&J's vaccine has of requiring only one shot. Wall Street did not seem to share our optimism, however, and the stock slipped on the news. Still, J&J planned to file in early February for emergency use authorization with the Food & Drug Administration.

The world's largest healthcare company reported better-than-expected fourth-quarter results. Share earnings came in at \$1.86, a couple of pennies off the year-earlier tally, but about a nickel ahead of the consensus estimate. Although margins remained under fairly heavy pressure, sales increased a better-than-anticipated 8.3%, roughly double our estimate, thanks to ongoing momentum from the Pharmaceutical business. **We've upped our 2021 estimates.** Guidance was solid, with management saying that it is looking for sales to tally between \$90.5 billion and \$91.7 billion for all of 2021, pointing to a 9.5%-11.0% rise. From a bottom-line perspective, it is now calling for EPS of \$9.40 to \$9.60. And this was before the release of the aforementioned results of the company's COVID-19 trials. Adding it all up, we currently look for J&J to earn \$9.50 a share, on an 11% uptick in sales. The company should continue to do well with its Pharmaceutical portfolio, and we expect the other businesses to gain traction as the year progresses. Too, we see margin improvement accelerating in the second half of the year. **The stock has done well since our November report despite the abovementioned pullback.** We continue to think that it offers worthwhile three- to five-year total return prospects, especially on a risk-adjusted basis. J&J's COVID-19 vaccine is a plus in our eyes, and investors should consider buying on dips. These shares are now an Average selection for Timeliness. *Andre J. Costanza February 12, 2021*

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '17-'19 to '24-'26	Past 10 Yrs.	Past 5 Yrs.	Est'd '17-'19 to '24-'26
of change (per sh)	3.0%	3.5%	5.0%
Sales	5.0%	5.5%	8.5%
"Cash Flow"	4.0%	4.0%	10.0%
Earnings	7.0%	6.5%	7.5%
Dividends	3.5%	-2.0%	11.0%
Book Value			

Cal-endar	QUARTERLY SALES (\$ mill.) ^A	Full Year
	Mar.Per Jun.Per Sep.Per Dec.Per	
2018	20009 20831 20348 20393	81581
2019	20021 20562 20729 20747	82059
2020	20691 18336 21082 22475	82584
2021	22000 22250 23500 23900	91650
2022	23000 23250 24500 25000	95750

Cal-endar	EARNINGS PER SHARE ^{AB}	Full Year
	Mar.Per Jun.Per Sep.Per Dec.Per	
2018	1.60 1.45 1.44 1.12	5.61
2019	2.10 2.58 2.12 1.88	8.68
2020	2.30 1.67 2.20 1.86	8.03
2021	2.40 2.40 2.40 2.30	9.50
2022	2.55 2.55 2.55 2.50	10.15

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