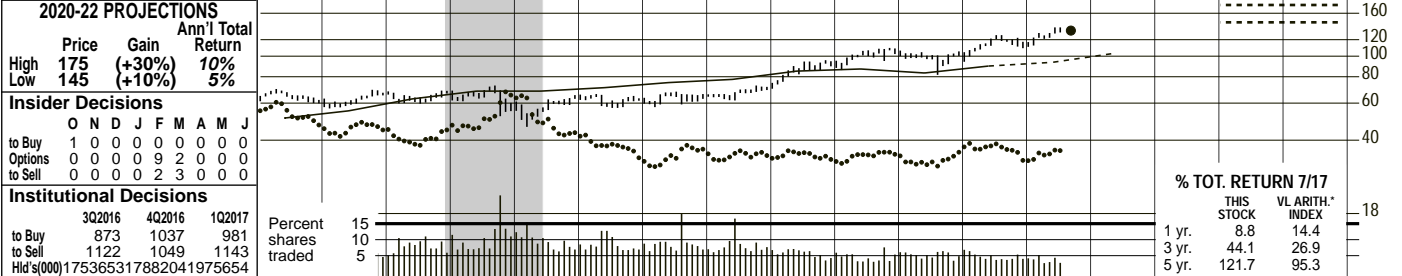


TIMELINESS 3 Lowered 1/6/17	High: 69.4 68.8 72.8 65.4 66.2 68.1 72.7 96.0 109.5 106.5 126.1 137.1	LEGENDS — 12.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession	Target Price Range 2020 2021 2022 320 200 160 120 100 80 60 40 18
SAFETY 1 New 7/27/90	Low: 56.7 59.7 52.1 46.3 56.9 57.5 61.7 70.3 86.1 81.8 94.3 110.8		
TECHNICAL 2 Raised 8/4/17			
BETA .85 (1.00 = Market)			



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
10.83	12.23	14.10	15.94	16.98	18.43	21.51	23.02	22.47	22.49	23.87	24.19	25.28	26.71	25.44	26.56	28.05	29.20	Sales per sh ^A	39.05
2.46	2.85	3.36	3.84	4.25	4.60	5.23	5.70	5.69	5.92	6.25	6.48	7.08	7.26	6.95	7.50	7.70	8.65	"Cash Flow" per sh	11.95
1.91	2.23	2.70	3.10	3.50	3.76	4.15	4.57	4.63	4.76	5.00	5.10	5.52	5.70	5.48	5.93	6.35	7.25	Earnings per sh ^{A B}	9.90
.70	.80	.92	1.10	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	3.52	Div's Decl'd per sh ^C	4.90
.57	.71	.76	.73	.88	.92	1.04	1.11	.86	.87	1.06	1.06	1.27	1.33	1.26	1.19	1.20	1.20	Cap'l Spending per sh	1.15
7.95	7.65	9.05	10.71	12.73	13.59	15.25	15.35	18.37	20.66	20.95	23.33	26.25	25.06	25.83	26.02	30.05	33.50	Book Value per sh ^D	43.70
3047.2	2968.3	2968.0	2971.0	2974.5	2893.2	2840.2	2769.2	2754.3	2738.1	2724.4	2778.5	2820.6	2783.3	2755.0	2706.5	2700.0	2700.0	Common Shs Outst'g ^E	2700.0
27.2	25.9	19.4	18.1	18.5	16.6	15.4	14.3	12.5	13.1	12.7	13.1	15.6	17.7	18.2	19.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
1.39	1.41	1.11	.96	.99	.90	.82	.86	.83	.83	.80	.83	.88	.93	.92	1.01			Relative P/E Ratio	1.00
1.3%	1.4%	1.8%	2.0%	2.0%	2.3%	2.5%	2.8%	3.3%	3.4%	3.5%	3.6%	3.0%	2.7%	3.0%	2.8%			Avg Ann'l Div'd Yield	3.1%

CAPITAL STRUCTURE as of 7/21/17				61095	63747	61897	61587	65030	67224	71312	74331	70074	71890	75750	78900	Sales (\$mill) ^A	105500		
Total Debt \$34,572 mill. Due in 5 Yrs \$8,227 mill.				29.4%	29.5%	31.6%	31.4%	32.3%	35.7%	33.3%	33.7%	31.1%	34.6%	35.0%	36.0%	Operating Margin	37.0%		
LT Debt \$27,363 mill. LT Interest \$855.0 mill. (28% of Capital)				2777.0	2832.0	2774.0	2939.0	3158.0	3666.0	4104.0	3895.0	3746.0	3754.0	3675	3800	Depreciation (\$mill)	5550		
Leases, Uncapitalized Annual rentals \$216 mill.				12085	12949	12906	13279	13867	14345	15876	16323	15409	16540	17145	19575	Net Profit (\$mill)	26730		
Pension Assets-12/16 \$23.6 bill. Oblig. \$28.1 bill.				22.1%	23.5%	22.0%	21.1%	20.1%	23.1%	21.7%	20.6%	19.7%	16.5%	19.0%	20.0%	Income Tax Rate	20.0%		
Preferred Stock None				19.8%	20.3%	20.9%	21.6%	21.3%	21.3%	22.3%	22.0%	22.0%	23.0%	22.6%	24.8%	Net Profit Margin	25.8%		
Common Stock 2,683,999,728 shares as of 7/28/17				10108	13525	17810	24235	31505	21854	30732	34226	32463	38745	38000	40000	Working Cap'l (\$mill)	40000		
MARKET CAP: \$355 billion (Large Cap)				7074.0	8120.0	8223.0	9156.0	12969	11489	13328	15122	12857	22442	23000	23000	Long-Term Debt (\$mill)	25000		
CURRENT POSITION				43319	42511	50588	56579	57080	64826	74053	69752	71150	70418	80710	90500	Shr. Equity (\$mill)	118000		
Cash Assets				24.1%	26.0%	22.3%	20.6%	20.2%	19.1%	18.4%	19.5%	18.6%	18.2%	17.0%	17.0%	Return on Total Cap'l	19.0%		
Receivables				27.9%	30.5%	25.5%	23.5%	24.3%	22.1%	21.4%	23.4%	21.7%	23.5%	21.0%	21.5%	Return on Shr. Equity	22.5%		
Inventory (FIFO)				17.1%	18.6%	15.0%	13.2%	13.5%	11.9%	11.6%	12.3%	10.2%	11.2%	10.0%	11.0%	Retained to Com Eq	11.5%		
Other				39%	39%	41%	44%	44%	46%	46%	48%	53%	52%	52%	49%	All Div'ds to Net Prof	49%		
Current Assets				BUSINESS: Johnson & Johnson is engaged in the research & development, manufacture, and sale of a broad range of products in the healthcare field. Has three business segments: Consumer (baby care, skin care, oral care, wound care, etc.), Pharmaceutical (anti-infective, antipsychotic, contraceptive, dermatology, gastrointestinal, etc.), and Medical Devices & Diagnostics (electrophysiology, circulatory disease management, orthopedic joint reconstruction, etc.). Employs about 126,400. Officers & directors own about .2% of common stock; Vanguard Group, 7.0%; BlackRock, 6.3%; State Street, 5.7%. (4/17 Proxy). Chairman & CEO: Alex Gorsky. Inc.: NJ. Address: One Johnson & Johnson Plaza, New Brunswick, NJ 08933. Telephone: 732-524-0400. Internet: www.jnj.com.															
Accts Payable				Johnson & Johnson's key Pharmaceutical segment continues to post mixed results. In the second quarter, this sector was responsible for 45% of the company's total business activity. Domestic sales decreased 2.6%, however, while foreign revenues rose a healthy 6.1% before currency adjustments. Of the segment's five categories (not counting the newly added Pulmonary Hypertension) four posted declines. The top line was down 7% in Neuroscience, 5.5% in Cardiovascular; 3.4% in Infectious Diseases; and 1.9% in Immunology. Only a very strong showing by Oncology (+19.2%) enabled the Pharma group's revenues to eke out a 1% increase. Is there cause for concern at the Consumer segment? JNJ has some of the most iconic brand names in consumer products. While some brands did well last quarter (NEUTROGENA, TYLENOL), others in Oral Care, Baby Care, and Women's Health all posted lower sales. As of now, we are not sure if this is a cyclical situation, where people are temporarily looking to save money by purchasing lower-priced store brands, or if this is the beginning of a secular trend.															
Debt Due				The company's future hinges to a certain degree on the drug pipeline. Johnson & Johnson was recently granted approval by the FDA for INVOKAMET and STELARA . Management believes that these two drugs together with several promising new submissions, provides the company with 10 new pharmaceutical products that have a chance to generate \$1 billion in sales each by 2019. Not all of these drugs have to be blockbusters, but JNJ could surely use a few to help offset some of the competition it is seeing from generics and biosimilars. These high-quality shares are neutral-ranked for Timeliness. JNJ has been on a nice run of late, even though some of its operations have not performed well. Investors are possibly willing to pay more for blue-chip companies as the market indexes continue to hit new highs. And though the equity's total return potential out to 2020-2022 is unexciting, very conservative investors may still be drawn to this stock because of its Highest Safety rank (1) and very high scores for Price Stability and Earnings Predictability. <i>James A. Flood August 18, 2017</i>															
Other																			
Current Liab.																			

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22	Full Year
of change (per sh)				
Sales	4.5%	2.5%	6.5%	74331
"Cash Flow"	5.5%	4.0%	8.5%	70074
Earnings	5.0%	3.5%	9.5%	71890
Dividends	8.5%	7.0%	9.0%	75750
Book Value	7.5%	5.0%	9.5%	78900

Cal-endar	QUARTERLY SALES (\$mill.) ^A				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2014	18115	19495	18467	18254	74331
2015	17374	17787	17102	17811	70074
2016	17482	18482	17820	18106	71890
2017	17766	18839	19085	20060	75750
2018	19150	20100	19550	20100	78900

Cal-endar	EARNINGS PER SHARE ^{AB}				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2014	1.64	1.51	1.66	.89	5.70
2015	1.53	1.60	1.20	1.15	5.48
2016	1.54	1.48	1.53	1.38	5.93
2017	1.61	1.40	1.70	1.64	6.35
2018	1.80	1.85	1.90	1.70	7.25

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.61	.66	.66	.66	2.59
2014	.66	.70	.70	.70	2.76
2015	.70	.75	.75	.75	2.95
2016	.75	.80	.80	.80	3.15
2017	.80	.84			

(A) Years end on the last Sunday in December. (B) Diluted earnings. Excludes nonrecurring: '01, d7c; '02, d7c; '03, d30c; '04, d26c; '05, d4c; '06, d3c; '07, d52c; '09, d23c; '10, 2c; '11, d\$1.51; '12, d\$1.24; '13, d71c. GAAP as of 2015. Next earnings report due late October. (C) Dividends historically paid: March, June, September, and December. ■ Dividend reinvestment plan available. (D) Includes intangibles. On 7/2/17: \$86.2 billion, \$32.12 a share. (E) In millions.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	65
Earnings Predictability	95