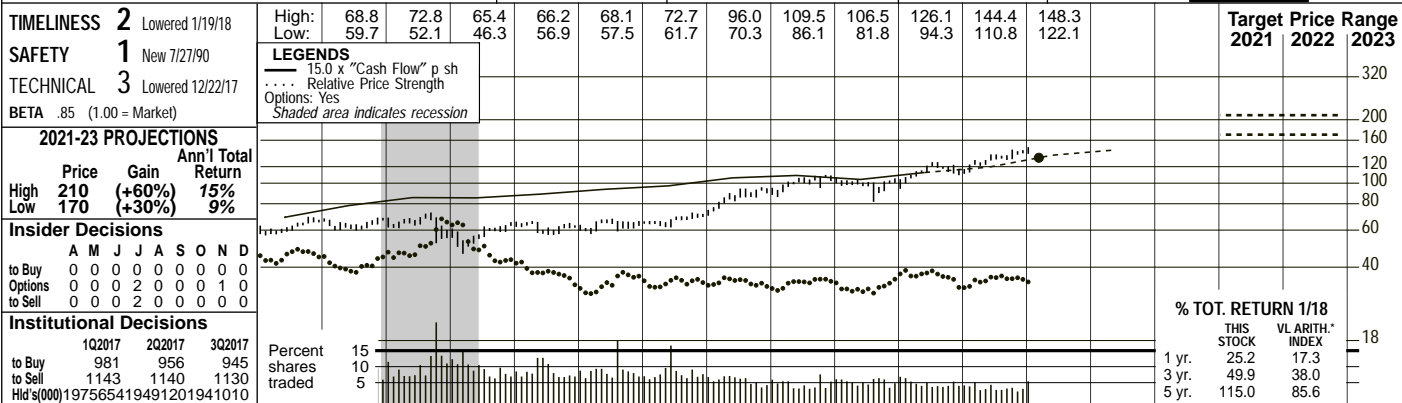


JOHNSON & JOHNSON NYSE-JNJ

RECENT PRICE **131.83** P/E RATIO **16.6** (Trailing: .86 Median: 15.0) RELATIVE P/E RATIO **.86** DIV'D YLD **2.7%** **VALUE LINE**



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	28.40	30.55	31.60	Sales per sh ^A	38.15
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	7.95	9.05	9.60	"Cash Flow" per sh	12.70
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	6.20	7.50	8.00	Earnings per sh ^{A B}	10.50
.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	3.75	Div'ds Decl'd per sh ^C	5.05
.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	1.25	Cap'l Spending per sh	1.15
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	23.40	27.60	31.65	Book Value per sh ^D	43.90
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	2690.0	2650.0	2700.0	Common Shs Outst'g ^E	2700.0
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	20.9	20.0	20.0	Avg Ann'l P/E Ratio	18.0
1.41	1.11	.96	.99	.90	.82	.86	.83	.83	.80	.83	.88	.93	.92	1.00	1.02	1.02	1.02	Relative P/E Ratio	1.00
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%	2.6%	2.8%	2.6%	Avg Ann'l Div'd Yield	2.7%

CAPITAL STRUCTURE as of 10/1/17																								
Total Debt \$35,166 mill. Due in 5 Yrs \$8,227 mill.																			Sales (\$mill) ^A		103000			
LT Debt \$26,675 mill. LT Interest \$835.0 mill.																			Operating Margin		37.5%			
(27% of Capital)																			Depreciation (\$mill)		6000			
Leases, Uncapitalized Annual rentals \$216 mill.																			Net Profit (\$mill)		28350			
Pension Assets-12/16 \$23.6 bill. Oblig. \$28.1 bill.																			Income Tax Rate		20.0%			
Preferred Stock None																			Net Profit Margin		27.5%			
Common Stock 2,686,520,050 shares as of 10/27/17																			Working Cap'l (\$mill)		30000			
MARKET CAP: \$354 billion (Large Cap)																			Long-Term Debt (\$mill)		35000			
CURRENT POSITION				2015	2016	10/1/17																Shr. Equity (\$mill)		118500
(SMILL.)																			Return on Total Cap'l		19.0%			
Cash Assets				38376	41907	16231																Return on Shr. Equity		24.0%
Receivables				10734	11699	13155																Retained to Com Eq		12.5%
Inventory (FIFO)				8053	8144	9521																All Div'ds to Net Prof		48%
Other				3047	3282	2922																		
Current Assets				60210	65032	41829																		
Accts Payable				6668	6918	4684																		
Debt Due				7004	4684	8491																		
Other				14075	14685	18631																		
Current Liab.				27747	26287	31806																		

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.

ANNUAL RATES				Past 10 Yrs	Past 5 Yrs	Est'd '14-'16 to '21-'26															
of change (per sh)				4.5%	2.5%	5.5%															
Sales				5.5%	4.0%	8.5%															
"Cash Flow"				5.0%	3.5%	9.0%															
Earnings				8.5%	7.0%	8.0%															
Dividends				7.5%	5.0%	8.0%															
Book Value																					

Cal-endar	QUARTERLY SALES (\$mill.) ^A				Full Year															
	Mar.Per	Jun.Per	Sep.Per	Dec.Per																
2015	17374	17787	17102	17811	70074															
2016	17482	18482	17820	18106	71890															
2017	17766	18839	19650	20195	76450															
2018	19650	20000	20550	20800	81000															
2019	20500	21500	21500	21800	85300															

Cal-endar	EARNINGS PER SHARE ^{AB}				Full Year															
	Mar.Per	Jun.Per	Sep.Per	Dec.Per																
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	1.45	1.74	6.20															
2018	1.85	1.85	1.90	1.90	7.50															
2019	1.95	2.00	2.10	1.95	8.00															

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year															
	Mar.31	Jun.30	Sep.30	Dec.31																
2014	.66	.70	.70	.70	2.76															
2015	.70	.75	.75	.75	2.95															
2016	.75	.80	.80	.80	3.15															
2017	.80	.84	.84	.84	3.32															

(A) Years end on the last Sunday in December. (B) Diluted earnings. Excludes nonrecurring: '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; 4th qtr. '17, d\$5.73. GAAP as of 2015. Next earnings report due late April. (C) Dividends historically paid: March, June, September, and December. (D) Includes intangibles. On 10/1/17: \$85.9 billion, \$31.97 a share. (E) In millions.

create their share of the market. **The vaulted Consumer segment is struggling.** Home to some of the most iconic brands in the world, operational growth here was up a meager 0.4% in the last quarter. Of the six divisions, four had posted sales declines. This troubling trend might signal that a secular shift is under way as consumers seem to be opting for cheaper store brands (often with the same ingredients that are found in the brand names). **The earnings picture has improved.** Thanks to greater activity in the Medical Device and Vision Care segments, we think that the company's share earnings will be \$7.50 this year. Based on our assumption of the drug business doing well once again, J&J's share net could climb 7% in 2019, to \$8.00. **These timely shares should interest both short- and long-term investors.** Despite good news on the operational front, JNJ is trading well off its high. In addition, this high-quality equity has attractive total return potential out to 2021-2023, on an risk-adjusted basis. *James A. Flood* February 16, 2018

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