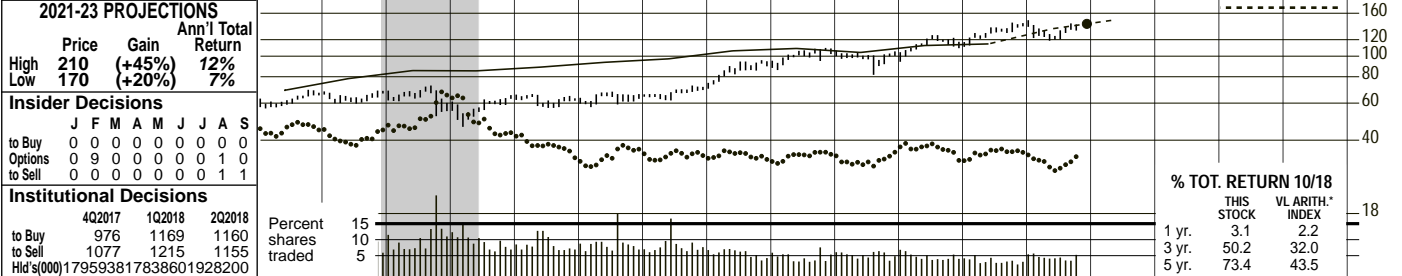


TIMELINESS 2 Raised 11/9/18	High: 68.8	72.8	65.4	66.2	68.1	72.7	96.0	109.5	106.5	126.1	144.4	148.3	Target Price Range
SAFETY 1 New 7/27/90	Low: 59.7	52.1	46.3	56.9	57.5	61.7	70.3	86.1	81.8	94.3	110.8	118.6	2021 2022 2023
TECHNICAL 3 Raised 10/5/18	LEGENDS 15.0 x "Cash Flow" p sh Relative Price Strength Options: Yes Shaded area indicates recession												
BETA .85 (1.00 = Market)	320 200 160 120 100 80 60 40												



Insider Decisions												Percent shares traded		% TOT. RETURN 10/18	
to Buy 0 0 0 0 0 0 0 0 0 0 0 0												15	THIS STOCK		
Options 0 9 0 0 0 0 0 0 0 0 0 0												10	1 yr. 3.1		
to Sell 0 0 0 0 0 0 0 0 0 0 0 0												5	3 yr. 50.2		
Institutional Decisions												VL ARITH. INDEX			
4Q2017 1Q2018 2Q2018												5 yr. 73.4 43.5			
to Buy 976 1169 1160															
to Sell 1077 1215 1155															
Hlds(000) 179593817838601928200															

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	28.50	30.30	31.65	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	8.32	7.70	9.95	"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	6.45	7.80	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	1.22	1.15	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	22.43	25.15	28.90	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	2682.5	2682.0	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	Bold figures are Value Line estimates		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			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%			Avg Ann'l Div'd Yield	2.7%

CAPITAL STRUCTURE as of 9/30/18												Sales (\$mill) ^A		103000
Total Debt \$31,253 mill. Due in 5 Yrs \$8,227 mill.												Operating Margin		37.5%
LT Debt \$29,480 mill. LT Interest \$925.0 mill. (31% of Capital)												Depreciation (\$mill)		6500
Leases, Uncapitalized Annual rentals \$372 mill.												Net Profit (\$mill)		28350
Pension Assets-12/17 \$28.4 bill. Oblig. \$33.2 bill.												Income Tax Rate		20.0%
Preferred Stock None												Net Profit Margin		27.5%
Common Stock 2,681,977,969 shares as of 10/26/18												Working Cap'l (\$mill)		30000
MARKET CAP: \$382 billion (Large Cap)												Long-Term Debt (\$mill)		35000
CURRENT POSITION												Shr. Equity (\$mill)		118500
2016 2017 9/30/18												Return on Total Cap'l		19.0%
(SMILL.)												Return on Shr. Equity		24.0%
Cash Assets 41907 18296 19364												Retained to Com Eq		12.5%
Receivables 11699 13490 14048												All Div'ds to Net Prof		48%
Inventory (FIFO) 8144 8765 8678														
Other 3282 2537 5104														
Current Assets 65032 43088 47194														
Accts Payable 6918 7310 7000														
Debt Due 4684 3906 1773														
Other 14685 19321 18664														
Current Liab. 26287 30537 27437														

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 134,000. Officers & directors less than 1.0% of common stock; Vanguard Group, 7.6%; BlackRock, 6.2% State Street, 5.8%. (3/18 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's third-quarter results were stronger than they appear. On an adjusted basis, share earnings rose 8% to \$2.05, versus the similar 2017 period. GAAP earnings were only \$1.44, however, due to \$1.9 billion in non-cash charges related to special items and the writedown of intangible assets. On the revenue side, the company turned in a very solid performance. Excluding acquisitions and divestitures, worldwide operational sales rose 6.1% (3.9% domestically, and 8.5% internationally).

The Pharmaceutical business continues to do better. This industry has come under pressure in the recent past over pricing issues. In the September interim, operational sales rose 8.2%. The key drivers in the group included ZYTIGA (prostate cancer), IMBRUVICA (B-cell malignancies), STELARA and SIMPONI (inflammatory disease), and UPTRAVI and OPSUMIT (hypertension). Moreover, the pipeline remains healthy as new drug applications (NDAs) were submitted to the FDA for eskeramine (depression) as well as supplemental NDAs to widen the use of current drugs such as IMBRUVICA.

The Medical Device segment is also showing signs of life. Sales here rose about 3% thanks to strength in the contact lens market (ACUVUE). Demand was also solid for electrophysiology products and endocutters and biosurgicals. Softness in the Diabetes Care sector offset some of these gains.

The revamping of the baby-care line is helping the Worldwide Consumer business. Baby shampoo and similar products removed all ingredients including dyes and sulfates. This renowned consumer staple had been losing sales to all-natural competitors. J&J's mainstay over-the-counter products such as TYLENOL, MOTRIN, and NEUTROGENA also did well, which led to the top line increasing in this segment by over 6%.

Investors may want to take another look at this blue-chip stock. For starters, the shares are ranked to outperform the market in the year ahead. Also, risk-averse investors ought to be attracted to the company's 1 (Highest) Safety rank, top-notch Price Stability score, and generous yield.

James A. Flood	November 16, 2018
Company's Financial Strength A++	
Stock's Price Stability 100	
Price Growth Persistence 65	
Earnings Predictability 95	

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