

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended January 3, 2021**

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
for the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 1-3215**

**JOHNSON & JOHNSON**

(Exact name of registrant as specified in its charter)

**New Jersey**  
(State of incorporation)

**22-1024240**

(I.R.S. Employer Identification No.)

**One Johnson & Johnson Plaza  
New Brunswick, New Jersey**  
(Address of principal executive offices)

**08933**

(Zip Code)

One Johnson & Johnson Plaza  
New Brunswick, New Jersey 08933  
(Address of principal executive offices)

**Registrant's telephone number, including area code: (732) 524-0400  
SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT**

<b>Title of each class</b>	<b>Trading Symbol</b>	<b>Name of each exchange on which registered</b>
Common Stock, Par Value \$1.00	JNJ	New York Stock Exchange
0.250% Notes Due January 2022	JNJ22	New York Stock Exchange
0.650% Notes Due May 2024	JNJ24C	New York Stock Exchange
5.50% Notes Due November 2024	JNJ24BP	New York Stock Exchange
1.150% Notes Due November 2028	JNJ28	New York Stock Exchange
1.650% Notes Due May 2035	JNJ35	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

**JOHNSON & JOHNSON AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**At January 3, 2021 and December 29, 2019**  
**(Dollars in Millions Except Share and Per Share Amounts) (Note 1)**

	2020	2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (Notes 1 and 2)	\$ 13,985	17,305
Marketable securities (Notes 1 and 2)	11,200	1,982
Accounts receivable trade, less allowances for doubtful accounts \$293 (2019, \$226)	13,576	14,481
Inventories (Notes 1 and 3)	9,344	9,020
Prepaid expenses and other receivables	3,132	2,392
Assets held for sale (Note 18)	—	94
<b>Total current assets</b>	<b>51,237</b>	<b>45,274</b>
Property, plant and equipment, net (Notes 1 and 4)	18,766	17,658
Intangible assets, net (Notes 1 and 5)	53,402	47,643
Goodwill (Notes 1 and 5)	36,393	33,639
Deferred taxes on income (Note 8)	8,534	7,819
Other assets	6,562	5,695
<b>Total assets</b>	<b>\$ 174,894</b>	<b>157,728</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Loans and notes payable (Note 7)	\$ 2,631	1,202
Accounts payable	9,505	8,544
Accrued liabilities	13,968	9,715
Accrued rebates, returns and promotions	11,513	10,883
Accrued compensation and employee related obligations	3,484	3,354
Accrued taxes on income (Note 8)	1,392	2,266
<b>Total current liabilities</b>	<b>42,493</b>	<b>35,964</b>
Long-term debt (Note 7)	32,635	26,494
Deferred taxes on income (Note 8)	7,214	5,958
Employee related obligations (Notes 9 and 10)	10,771	10,663
Long-term taxes payable (Note 1)	6,559	7,444
Other liabilities	11,944	11,734
<b>Total liabilities</b>	<b>111,616</b>	<b>98,257</b>
Commitments and Contingencies (Note 19)		
<b>Shareholders' equity</b>		
Preferred stock — without par value (authorized and unissued 2,000,000 shares)	—	—
Common stock — par value \$1.00 per share (Note 12) (authorized 4,320,000,000 shares; issued 3,119,843,000 shares)	3,120	3,120
Accumulated other comprehensive income (loss) (Note 13)	(15,242)	(15,891)
Retained earnings	113,890	110,659
	101,768	97,888
Less: common stock held in treasury, at cost (Note 12) (487,331,000 shares and 487,336,000 shares)	38,490	38,417
<b>Total shareholders' equity</b>	<b>63,278</b>	<b>59,471</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 174,894</b>	<b>157,728</b>

See Notes to Consolidated Financial Statements

## 7. Borrowings

The components of long-term debt are as follows:

(Dollars in Millions)	2020	Effective Rate %	2019	Effective Rate %
3% Zero Coupon Convertible Subordinated Debentures due 2020	\$ —	—	51	3.00
2.95% Debentures due 2020	—	—	549	3.15
1.950% Notes due 2020	—	—	500	1.99
3.55% Notes due 2021	450	3.67	449	3.67
2.45% Notes due 2021	350	2.48	349	2.48
1.65% Notes due 2021	999	1.65	999	1.65
0.250% Notes due 2022 (1B Euro 1.2281) <sup>(2)</sup> /(1B Euro 1.1096) <sup>(3)</sup>	1,227 <sup>(2)</sup>	0.26	1,108 <sup>(3)</sup>	0.26
2.25% Notes due 2022	999	2.31	998	2.31
6.73% Debentures due 2023	250	6.73	250	6.73
3.375% Notes due 2023	803	3.17	804	3.17
2.05% Notes due 2023	499	2.09	498	2.09
0.650% Notes due 2024 (750MM Euro 1.2281) <sup>(2)</sup> /(750MM Euro 1.1096) <sup>(3)</sup>	919 <sup>(2)</sup>	0.68	829 <sup>(3)</sup>	0.68
5.50% Notes due 2024 (500MM 1.3654 GBP ) <sup>(2)</sup> /(500MM GBP 1.2987) <sup>(3)</sup>	679 <sup>(2)</sup>	6.75	645 <sup>(3)</sup>	6.75
2.625% Notes due 2025	748	2.63	748	2.63
0.55% Notes due 2025 <sup>(5)</sup>	996	0.57	—	—
2.45% Notes due 2026	1,994	2.47	1,993	2.47
2.95% Notes due 2027	997	2.96	996	2.96
0.95% Notes due 2027 <sup>(5)</sup>	1,494	0.96	—	—
1.150% Notes due 2028 (750MM Euro 1.2281) <sup>(2)</sup> /(750MM Euro 1.1096) <sup>(3)</sup>	915 <sup>(2)</sup>	1.21	825 <sup>(3)</sup>	1.21
2.90% Notes due 2028	1,495	2.91	1,494	2.91
6.95% Notes due 2029	297	7.14	297	7.14
1.30% Notes due 2030 <sup>(5)</sup>	1,743	1.30	—	—
4.95% Debentures due 2033	498	4.95	498	4.95
4.375% Notes due 2033	855	4.24	855	4.24
1.650% Notes due 2035 (1.5B Euro 1.2281) <sup>(2)</sup> /(1.5B Euro 1.1096) <sup>(3)</sup>	1,827 <sup>(2)</sup>	1.68	1,649 <sup>(3)</sup>	1.68
3.55% Notes due 2036	989	3.59	989	3.59
5.95% Notes due 2037	992	5.99	992	5.99
3.625% Notes due 2037	1,488	3.64	1,487	3.64
5.85% Debentures due 2038	696	5.85	696	5.85
3.400% Notes due 2038	991	3.42	991	3.42
4.50% Debentures due 2040	539	4.63	539	4.63
2.10% Notes due 2040 <sup>(5)</sup>	986	2.14	—	—
4.85% Notes due 2041	297	4.89	297	4.89
4.50% Notes due 2043	496	4.52	495	4.52
3.70% Notes due 2046	1,974	3.74	1,973	3.74
3.75% Notes due 2047	991	3.76	991	3.76
3.500% Notes due 2048	742	3.52	742	3.52
2.250% Notes due 2050 <sup>(5)</sup>	984	2.29	—	—

2.450% Notes due 2060 <sup>(5)</sup>	1,228	2.49	—	—
Other	7	—	18	—
<b>Subtotal</b>	<b>34,434 <sup>(4)</sup></b>	<b>2.85 % <sup>(1)</sup></b>	<b>27,594 <sup>(4)</sup></b>	<b>3.19 <sup>(1)</sup></b>
Less current portion	1,799	—	1,100	—
<b>Total long-term debt</b>	<b>\$ 32,635</b>		<b>26,494</b>	

<sup>(1)</sup> Weighted average effective rate.

<sup>(2)</sup> Translation rate at January 3, 2021.

<sup>(3)</sup> Translation rate at December 29, 2019.

<sup>(4)</sup> The excess of the fair value over the carrying value of debt was \$5.4 billion at the end of fiscal year 2020 and \$3.0 billion at the end of fiscal year 2019.

<sup>(5)</sup> In the fiscal third quarter of 2020, the Company issued senior unsecured notes for a total of \$7.5 billion.

Fair value of the long-term debt was estimated using market prices, which were corroborated by quoted broker prices and significant other observable inputs.

The Company has access to substantial sources of funds at numerous banks worldwide. In September 2020, the Company secured a new 364-day Credit Facility. Total credit available to the Company approximates \$10 billion, which expires on September 9, 2021. Interest charged on borrowings under the credit line agreement is based on either bids provided by banks, London Interbank Offered Rates (LIBOR), Secured Overnight Financing Rate (SOFR) Swap Curve or other applicable market rate as allowed plus applicable margins. Commitment fees under the agreements are not material.

Throughout fiscal year 2020, the Company continued to have access to liquidity through the commercial paper market. Short-term borrowings and the current portion of long-term debt amounted to approximately \$2.6 billion at the end of fiscal year 2020, of which \$1.8 billion is the current portion of the long-term debt, and the remainder is commercial paper and local borrowings by international subsidiaries.

Throughout fiscal year 2019, the Company continued to have access to liquidity through the commercial paper market. Short-term borrowings and the current portion of long-term debt amounted to approximately \$1.2 billion at the end of fiscal year 2019, of which \$1.1 billion is the current portion of the long term debt, and the remainder principally represents local borrowing by international subsidiaries.

Aggregate maturities of long-term debt obligations commencing in 2021 are:

(Dollars in Millions)	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>After 2025</u>
	\$1,799	2,226	1,552	1,598	1,744	25,515

## 8. Income Taxes

The provision for taxes on income consists of:

(Dollars in Millions)	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Currently payable:</b>			
U.S. taxes	\$ 1,026	1,941	1,284
International taxes	1,898	2,744	2,434
Total currently payable	2,924	4,685	3,718
<b>Deferred:</b>			
U.S. taxes	(76)	(814)	1,210 <sup>(1)</sup>
International taxes	(1,065)	(1,662)	(2,226)
Total deferred	(1,141)	(2,476)	(1,016)
<b>Provision for taxes on income</b>	<b>\$ 1,783</b>	<b>2,209</b>	<b>2,702</b>

<sup>(1)</sup> Includes \$1.4 billion of deferred tax expense for the adoption of the deferred method to account for GILTI.

Fair value of government securities and obligations and corporate debt securities were estimated using quoted broker prices and significant other observable inputs.

The contractual maturities of the available for sale debt securities at January 3, 2021 are as follows:

(Dollars in Millions)	Cost Basis	Fair Value
Due within one year	\$ 14,026	14,027
Due after one year through five years	15	15
Due after five years through ten years	—	—
Total debt securities	\$ 14,041	14,042

The Company invests its excess cash in both deposits with major banks throughout the world and other high-quality money market instruments. The Company has a policy of making investments only with commercial institutions that have at least an investment grade credit rating.

### 3. Inventories

At the end of fiscal years 2020 and 2019, inventories were comprised of:

(Dollars in Millions)	2020	2019
Raw materials and supplies	\$ 1,410	1,117
Goods in process	2,040	1,832
Finished goods	5,894	6,071
Total inventories <sup>(1)</sup>	\$ 9,344	9,020

<sup>(1)</sup> See Note 18 to the Consolidated Financial Statements for details on assets held for sale and the related divestitures for the fiscal year ended December 29, 2019. There were no assets held for sale at January 3, 2021.

### 4. Property, Plant and Equipment

At the end of fiscal years 2020 and 2019, property, plant and equipment at cost and accumulated depreciation were:

(Dollars in Millions)	2020	2019
Land and land improvements	\$ 882	854
Buildings and building equipment	12,502	11,877
Machinery and equipment	29,104	26,964
Construction in progress	4,316	3,637
Total property, plant and equipment, gross	\$ 46,804	43,332
Less accumulated depreciation	28,038	25,674
Total property, plant and equipment, net <sup>(1)</sup>	\$ 18,766	17,658

<sup>(1)</sup> See Note 18 to the Consolidated Financial Statements for details on assets held for sale and the related divestitures for the fiscal year ended December 29, 2019. There were no assets held for sale at January 3, 2021.

The Company capitalizes interest expense as part of the cost of construction of facilities and equipment. Interest expense capitalized in fiscal years 2020, 2019 and 2018 was \$63 million, \$70 million and \$86 million, respectively.

Depreciation expense, including the amortization of capitalized interest in fiscal years 2020, 2019 and 2018 was \$2.6 billion, \$2.5 billion and \$2.6 billion, respectively.

Upon retirement or other disposal of property, plant and equipment, the costs and related amounts of accumulated depreciation or amortization are eliminated from the asset and accumulated depreciation accounts, respectively. The difference, if any, between the net asset value and the proceeds are recorded in earnings.

## 5. Intangible Assets and Goodwill

At the end of fiscal years 2020 and 2019, the gross and net amounts of intangible assets were:

(Dollars in Millions)	2020	2019
<b>Intangible assets with definite lives:</b>		
Patents and trademarks — gross	\$ 39,990	36,634
Less accumulated amortization	17,618	13,154
Patents and trademarks — net	<u>\$ 22,372</u>	<u>23,480</u>
Customer relationships and other intangibles — gross	\$ 22,898	22,056
Less accumulated amortization	10,912	9,462
Customer relationships and other intangibles — net*	<u>\$ 11,986</u>	<u>12,594</u>
<b>Intangible assets with indefinite lives:</b>		
Trademarks	\$ 7,195	6,922
Purchased in-process research and development <sup>(1)</sup>	11,849	4,647
Total intangible assets with indefinite lives	<u>\$ 19,044</u>	<u>11,569</u>
Total intangible assets — net	<u>\$ 53,402</u>	<u>47,643</u>

\*The majority is comprised of customer relationships

<sup>(1)</sup>In fiscal year 2020, the Company completed multiple acquisitions and recorded in-process research and development intangible assets of \$6.0 billion from Momenta Pharmaceuticals, Inc., \$0.8 billion for bermekimab and certain related assets from XBiotech, Inc., and \$0.4 billion from the acquisition of all outstanding shares in Verb Surgical, Inc.

Goodwill as of January 3, 2021 and December 29, 2019, as allocated by segment of business, was as follows:

(Dollars in Millions)	Consumer Health	Pharmaceutical	Medical Devices	Total
Goodwill at December 30, 2018	\$ 8,670	9,063	12,720	30,453
Goodwill, related to acquisitions	1,188	75	2,018	3,281
Currency translation/other	(122)	31	(4)	(95)
Goodwill at December 29, 2019	\$ 9,736	9,169	14,734	33,639
Goodwill, related to acquisitions	—	1,222	238	1,460
Currency translation/other	600	618	76	1,294
Goodwill at January 3, 2021	<u>\$ 10,336</u>	<u>11,009</u>	<u>15,048</u>	<u>36,393</u>

The weighted average amortization period for patents and trademarks is 12 years. The weighted average amortization period for customer relationships and other intangible assets is 21 years. The amortization expense of amortizable assets included in cost of products sold was \$4.7 billion, \$4.5 billion and \$4.4 billion before tax, for the fiscal years ended January 3, 2021, December 29, 2019 and December 30, 2018, respectively. Intangible asset write-downs are included in Other (income) expense, net.

The estimated amortization expense for approved products, before tax, for the five succeeding years is approximately:

(Dollars in Millions)	2021	2022	2023	2024	2025
	\$ 4,600	4,200	4,100	3,900	3,200

See Note 18 to the Consolidated Financial Statements for additional details related to acquisitions and divestitures.