



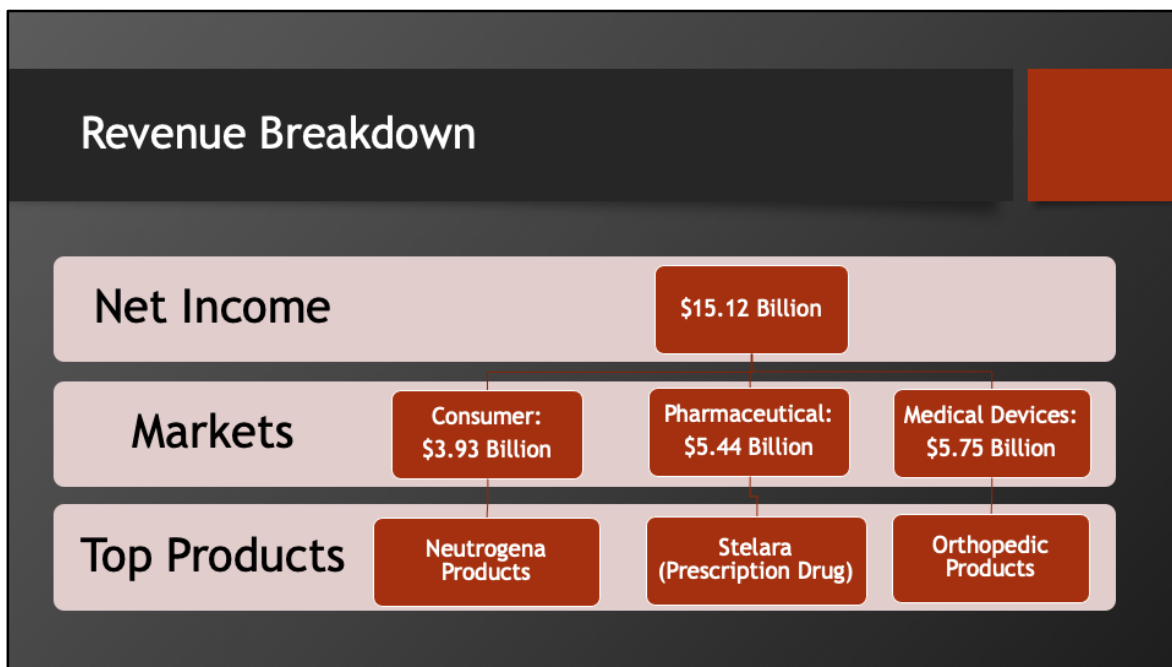
- Typically, you don't want to have too many colors in your theme and will benefit from something simple, but clean.
- Avoid bright colors and/or colors that make the words hard to read.
- Stick with a relatively simple font. It doesn't need to be Times New Roman, but don't pick fonts that don't appear professional. If you're skeptical about a choice, avoid it.

## Business Background

- World's largest healthcare firm
- Operations segmented into three markets:
  - Consumer (26%): Health and beauty products, over-the-counter medicines
  - Pharmaceutical (36%): Immunology, infectious diseases, neuroscience products
  - Medical Devices (38%): Orthopedic products, general surgery, vision care products



- Do NOT neglect to be as clear as possible about what the company sells/does.
- Don't leave this up to interpretation, and ensure that the audience knows what all the company is doing.
- This presentation notes that Johnson and Johnson is a healthcare firm, and the world's largest at that.
- What do they do? Their operations are split up three ways, as indicated by percentages of the net income the company receives from each segment. Examples of what each segment are helpful to add clarity to what the company sells.
- The pictures on the right help keep the page from being too wordy and add a bit of color. The text is more important so it is allotted more space.
- Each picture coincides with one of the segments.



- This graphic is used to further explain J&J's operations and how each segment relates to their net income.
  - Use graphics that are easy to follow and simple enough to explain briefly in a short presentation.
  - If you include any number breakdowns, make sure that the math adds up. If the Net Income is \$15.12 billion, Johnson and Johnson's 3 markets on the line below should add up to \$15.12 billion. Double check all your math because a mistake like this can be costly in a presentation.
  - This breakdown includes the top products in each segment.

## Competitor Comparison

### Johnson & Johnson

- Revenue = \$82.06 billion
- Dividends = \$3.75 per share
- Net Income = \$15.12 Billion
- Price/Employee = \$2,889,727.69
- Income/Revenue = 18.9%

### Pfizer

- Revenue = \$51.75 billion
- Dividends = \$1.44 per share
- Net Income = \$16.27 Billion
- Price/Employee = \$83,153,200
- Income/Revenue = 28.8%

### Novartis

- Revenue = \$48.68 billion
- Dividends = \$0 per share
- Net Income = \$11.73 Billion
- Price/Employee = \$1,545,912.86
- Income/Revenue = 14.6%

2019 Statistics

- You don't have to be a financial analyst to make your presentation. All of this information can be found on Yahoo Finance or through a quick Google search.
- Every presentation needs to present basic financial statistics that let us know how the company is doing relative to its main competitors.
- Basic statistics like revenue (total sales), net income (money left over from revenue after costs and taxes are taken out), and dividends (money paid out to shareholders by company) can be useful to show how a company is doing. It's important to show these numbers either in relation to competitors or to the company's past because a number without context is ultimately worthless.
  - For example, if this slide only told us J&J's financials for 2019, knowing that Revenue = \$82.06 billion doesn't hold much meaning. Is this a lot? Is it low compared to the industry?
- Make sure that your numbers are uniform across the competitors. For example, do not compare the 2019 financials of J&J to the 2017 financials of Pfizer to the 2018 financials of Novartis.
  - If you use an entire year, make sure it's the same year. If you're using just a quarter of the year, make sure you're using the same quarter.
- The bottom two numbers in each box here are examples of financial ratios, which are the most important measure we have to compare companies.
- If you remember from slide 2, J&J is the largest healthcare firm in the world, meaning

that it likely has more employees than its competitors. If it's a bigger company, we'd expect it to have larger sales, so we can use other ratios to compare companies.

- "Price" in all of these calculations refers to the current market price of the stock multiplied by the number of shares of stock the company has outstanding. This number is also referred to as "Market Cap" or "Market Capitalization" and can be found on Yahoo Finance.
- When we divide the market capitalization, or price, by the number of employees each company has, we see that Johnson and Johnson is higher than Novartis, but both are much lower than Pfizer. We can infer from this that Pfizer is making the most money off of each individual they employ.
- You don't have to do price/employee for your presentation, but maybe a different ratio more relevant to your company. You're presenting on a company like Netflix? Maybe price/subscriber would be a good measure to use.
- Income/Revenue is a ratio also known as the net profit margin. This calculation shows that Pfizer retains the most of their revenue of these three companies. Since we're pitching Johnson and Johnson, we could argue that it's tougher to have a high net profit margin as you get bigger and bigger as a company. You could also discuss how J&J is a safe investment because of how much control they have over their industry and market. You can also discuss how they have a dividend that is much higher than Pfizer's, meaning the investor is receiving more money per share each time the dividend is paid than for either of the other two companies.

## Financials

- Stock has increased from \$60 in 2010 to \$150 in 2020
- Last close at \$151.84
- Highly profitable
  - 10% Return on Assets
  - 25% Return on Equity
- Price nearing recovery from COVID

Stock Price During COVID-19 Pandemic



- This presentation includes a stock price chart. This isn't necessary, but the point is to ensure that the investors know what the current stock price is. A stock price chart can be beneficial to show how the price has changed recently, but only include it if you plan on commenting on any of the recent trends in the stock price. Do not include a technical stock chart.
- This slide has a couple of basic pieces of information important to the investor: how much this stock costs per share, and how profitable the company is.
  - Return on Assets and Return on Equity are two financial measures that reflect profitability. As mentioned for slide 4, make sure that you put these numbers in relation to the industry as a whole or to its competitors. The 10% ROA and 25% ROE here mean nothing if you can't tell the investor if that's good or bad. It's okay to leave the comparison numbers off the slide so long as you make sure you reference them orally during the presentation.
- As opposed to a long-term stock price chart, a stock price chart from just 2020 is used so that the presenter can draw insight into how J&J has handled the COVID crisis and what this may mean for their future.

## Future Opportunities

- Focus on consumer product segment
  - Only ¼ of sales right now
  - Opportunity to increase total revenues
- More acquisitions (like Tylenol)
  - Tylenol acquisition increased revenue greatly in 4 years
- Focus on emerging pharmaceutical markets internationally
  - Currently, about 60% of sales are from US

- By adjusting the line spacing, this slide gets rid of some of the empty space. If you have a slide that is relatively empty, space out the lines some so all the text doesn't bunch up in the top left corner.
- It's important to address what opportunities the business has in the future to make money. Investors are forward-looking, meaning what the company has in store in the future is more important than the past.
- There are a variety of opportunities you can address, including but not limited to the following: product/service innovations, opportunities to surpass competition, acquisitions and mergers, or revenue restructuring.
  - An example of revenue restructuring would be J&J restructuring operations to focus on pharmaceutical markets internationally in order to get more sales outside the US.

## References

- *Yahoo Finance*. n.d.  
<<https://finance.yahoo.com/quote/JNJ?p=JNJ&.tsrc=fin-srch>>.
- *Investopedia*. n.d.  
<<https://www.investopedia.com/articles/markets/020316/johnson-johnsons-3-most-profitable-lines-business-jnj.asp>>

Make sure to include a reference page to detail where you got your data.