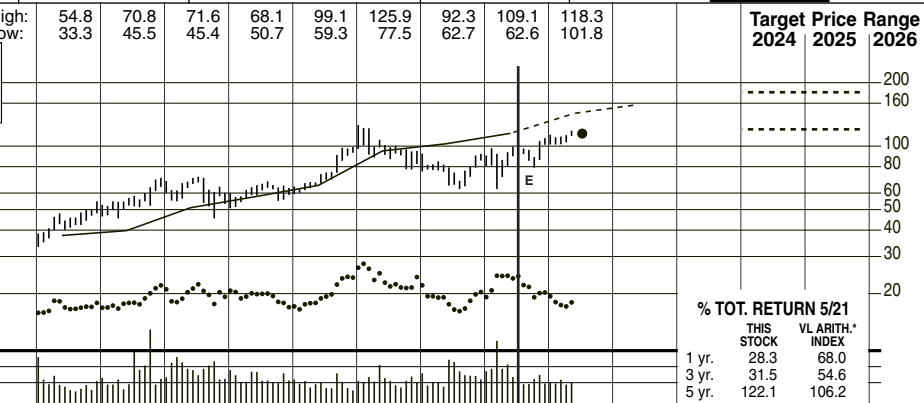


# ABBVIE INC. NYSE-ABBV

RECENT PRICE **114.73** P/E RATIO **9.1** (Trailing: 10.4 Median: NMF) RELATIVE P/E RATIO **0.45** DIV'D YLD **4.5%** VALUE LINE **1610**

**TIMELINESS 3** Lowered 6/18/21  
**SAFETY 3** Lowered 7/3/20  
**TECHNICAL 3** Raised 6/11/21  
**BETA 1.00** (1.00 = Market)

**LEGENDS**  
 --- 11.0 x "Cash Flow" p sh  
 .... Relative Price Strength  
 Options: Yes  
 Shaded area indicates recession



**18-Month Target Price Range**  
 Low-High Midpoint (% to Mid)  
 \$87-\$187 \$137 (20%)

**2024-26 PROJECTIONS**  
 High Price Gain Ann'l Total Return  
 Low 180 (+55%) 15%  
 120 (+5%) 6%

**Institutional Decisions**  
 3Q2020 4Q2020 1Q2021  
 to Buy 1136 1365 1369  
 to Sell 1014 938 970  
 Hlds(000) 119381011741331168884

Percent shares traded  
 21  
 14  
 7

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26
--	--	--	--	--	--	--	--	11.84	12.54	14.20	16.10	17.72	22.15	22.49	25.95	<b>31.65</b>	<b>33.50</b>	Sales per sh	<b>32.55</b>
--	--	--	--	--	--	--	--	3.44	3.62	4.64	5.23	5.93	8.62	9.32	10.45	<b>13.00</b>	<b>14.30</b>	"Cash Flow" per sh	<b>13.95</b>
--	--	--	--	--	--	--	--	3.14	3.32	4.29	4.82	5.60	7.91	8.94	10.56	<b>12.60</b>	<b>13.90</b>	Earnings per sh <sup>A</sup>	<b>13.50</b>
--	--	--	--	--	--	--	--	1.60	1.66	2.02	2.28	2.56	3.59	4.28	4.72	<b>5.20</b>	<b>5.52</b>	Div'ds Decl'd per sh <sup>B</sup>	<b>6.20</b>
--	--	--	--	--	--	--	--	.56	.78	.33	.30	.33	.43	.37	.45	<b>.50</b>	<b>.50</b>	Cap'l Spending per sh	<b>.55</b>
--	--	--	--	--	--	--	--	2.83	1.09	2.45	2.91	3.20	d5.71	d5.53	7.41	<b>8.50</b>	<b>9.65</b>	Book Value per sh <sup>C</sup>	<b>12.55</b>
--	--	--	--	--	--	--	--	1587.4	1591.4	1609.9	1592.5	1592.1	1478.8	1478.9	1765.1	<b>1763.0</b>	<b>1760.0</b>	Common Shs Outst'g <sup>D</sup>	<b>1750.0</b>
--	--	--	--	--	--	--	--	13.9	16.7	14.4	12.6	13.4	12.3	8.7	8.6	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	<b>11.0</b>
--	--	--	--	--	--	--	--	.78	.88	.73	.66	.67	.66	.46	.45			Relative P/E Ratio	<b>.60</b>
--	--	--	--	--	--	--	--	3.7%	3.0%	3.3%	3.8%	3.4%	3.7%	5.5%	5.2%			Avg Ann'l Div'd Yield	<b>4.2%</b>

**CAPITAL STRUCTURE as of 3/31/21**  
 Total Debt \$85.5 bill. Due in 5 Yrs \$41.3 bill.  
 LT Debt \$74.2 bill. LT Interest \$2.3 bill.  
 (84% of Capital)

**Leases, Uncapitalized** Annual rentals \$202 mill.

**Pension Assets-12/20** \$9.7 bill. **Oblig.** \$11.8 bill.

**Common Stock** 1,766,222,336 shares as of 4/28/21

**MARKET CAP: \$203 billion (Large Cap)**

CURRENT POSITION (\$MILL.)	2019	2020	3/31/21
Cash Assets	39924	8479	9777
Receivables	5428	8822	9588
Inventory	1813	3310	3272
Other	2354	3562	3932
Current Assets	49519	24173	26569
Accts Payable	11832	20159	20604
Debt Due	3753	8502	11347
Other	--	--	--
Current Liab.	15585	28661	31951

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
Sales	--	13.0%	5.5%
"Cash Flow"	--	19.5%	6.5%
Earnings	--	20.5%	6.5%
Dividends	--	19.0%	6.5%
Book Value	--	--	NMF

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	7934	8278	8236	8305	32753
2019	7828	8255	8479	8704	33266
2020	8619	10425	12902	13858	45804
2021	13010	13600	14300	14890	55800
2022	13800	14500	15100	15600	59000

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	1.87	2.00	2.14	1.90	7.91
2019	2.14	2.26	2.33	2.21	8.94
2020	2.42	2.34	2.83	2.92	10.56
2021	2.95	3.06	3.22	3.37	12.60
2022	3.25	3.40	3.55	3.70	13.90

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.64	.64	.64	.64	2.56
2018	.71	.96	.96	.96	3.59
2019	1.07	1.07	1.07	1.07	4.28
2020	1.18	1.18	1.18	1.18	4.72
2021	1.30	1.30	1.30	1.30	5.20

**BUSINESS:** AbbVie Inc. is a research-based biopharmaceutical company. It is engaged in the development, manufacture, commercialization and sale of innovative medicines and therapies worldwide. Its portfolio is focused in therapeutic areas of immunology, hematologic oncology, aesthetics, neuroscience, eye care and women's health. Top-grossing products include *Humira* (43% of

**AbbVie delivered better-than-expected first-quarter results.** The North Chicago-based drugmaker reported adjusted earnings of \$2.95 a share on total sales of \$13.0 billion, marking strong improvement versus \$2.42 on \$8.6 billion in the comparable year-ago period. The tallies also surpassed our previous estimates by \$0.15 a share on the bottom line and about \$100 million on the top, with much of the upside coming from strength in the aesthetics (sales +35% year over year) and immunology (+12%) portfolios. **The near-term outlook has improved.** The early-year momentum in aesthetics can be primarily attributed to strong recovery in the company's *Botox Cosmetic* (Q1 sales +45%) and *Juvederm* (+43%) franchises. This area of the business was hit hard last year due to pandemic-related restrictions, but with healthcare conditions now much improved, people are rescheduling doctor visits and this pent up demand, particularly in the U.S., is driving strong results. Management also expects Europe and Brazil to catch up over the second half of this year, which we believe factored into its recent guidance hike. All

2020 sales) and *Imbruvica* (12%). Created through spin off from Abbott Labs (1/13). Completed acquisition of Allergan (5/20). Has 47,000 employees. Off/dirs. own less than 1% of common stock; Vanguard, 8.1%; BlackRock, 7.0% (3/21 proxy). Chairman/CEO: Richard A. Gonzalez. Inc. DE. Addr.: 1 North Waukegan Rd, North Chicago, IL 60064. Tel.: 847-932-7900. Internet: www.abbvie.com.

told, we are now targeting 2021 adjusted earnings of \$12.60 a share (previously \$12.45), implying annual growth of 19%. **The U.S. patent expiration of Humira in 2023 is a significant overhang.** Management has done a good job diversifying the portfolio in recent years. Its blockbuster acquisition of Allergan in 2020 bolstered its presence across several therapeutic areas, while enhanced R&D efforts helped produce a string of promising new assets including *Skyrizi* and *Rinvoq*. That being said, *Humira* still remains the top dog in the portfolio, accounting for around 40% of the company's top line. Increased biosimilar competition overseas has already weakened growth trends, but the loss of its U.S. patent is expected to be far more meaningful. In our view, this topic will likely continue to dominate talks of AbbVie's long-term growth potential. **The stock holds an Average (3) rank for Timeliness.** Our current projections reflect solid total-return potential over the 18-month and 2024-2026 time frames, underpinned by one of large pharma's more attractive dividend yields (4.5%).  
*Michael Ratty* July 2, 2021

(A) Diluted earnings (adjusted). Quarters may not sum due to rounding. Excludes nonrec. items: '13, (\$8c); '14, (\$2.22); '15, (\$1.16); '16, (\$1.19); '17, (\$2.30); '18, (\$4.25); '19, (\$3.66); '20, (\$7.84). Next egs. report due late July.  
 (B) Dividends historically paid in February, May, August, and November. ■ Dividend reinvestment plan available.  
 (C) Includes intangibles. In '20: \$116.0 billion, \$65.72 a share.  
 (D) In millions.  
 (E) Completed Allergan merger (5/20).

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	95
Earnings Predictability	95

**To subscribe call 1-800-VALUELINE**