

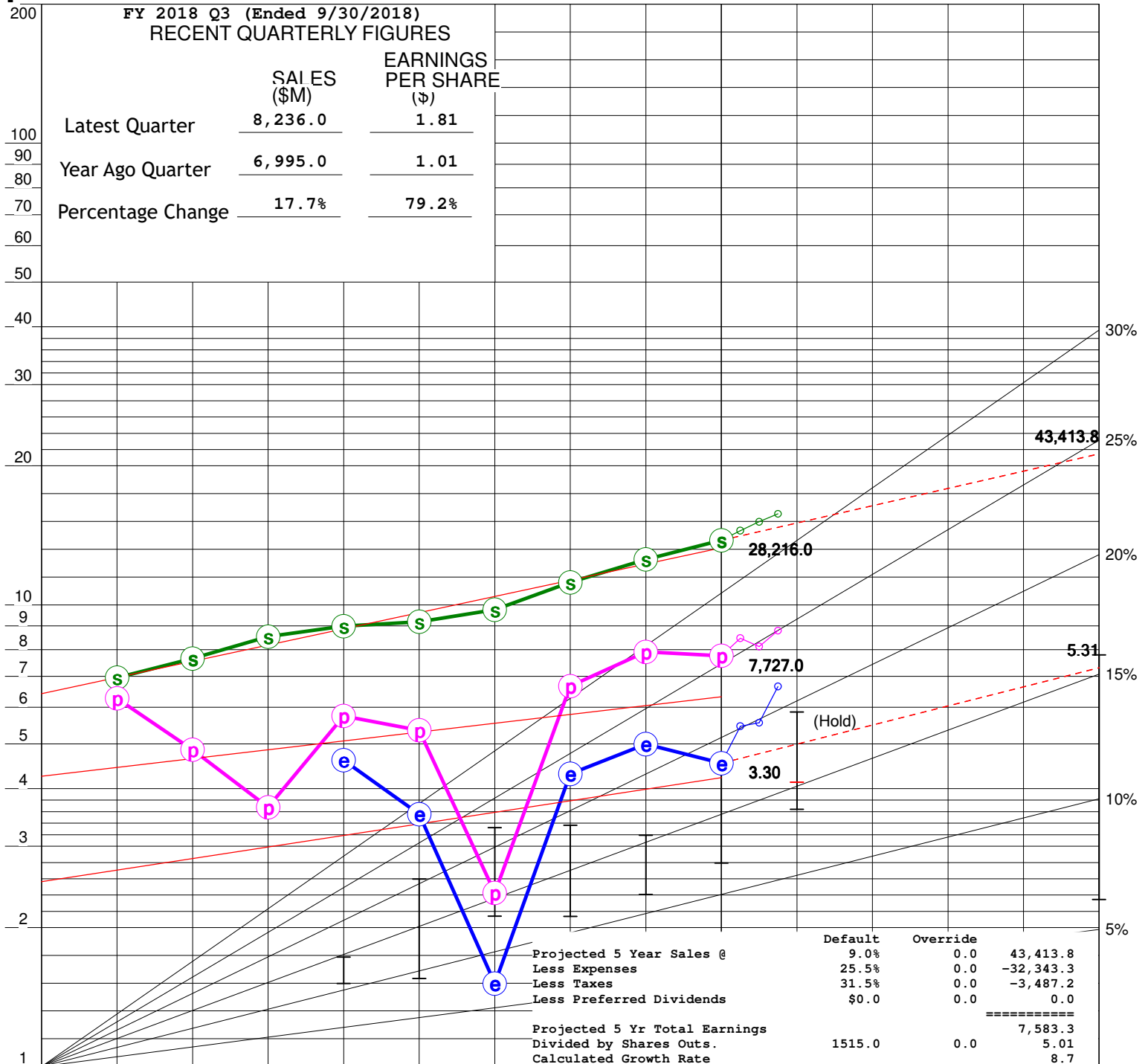


# Stock Selection Guide

Company	AbbVie	Price Date	11/09/18
Study by	WEN	Data Date	11/09/18
Sector	Healthcare	Last Judgment	11/11/18
Industry	Drug Manufacturers - Maj	Data Source	BI
Preferred(\$M)	0.0	Reference	Morningsta
Diluted(M Shares)	1,515.0	% Insiders	0.1
Total Debt(\$M)	40,508.0	% Institutions	49.3
% Tot Debt to Tot Cap	86.5	Quality	

## 1 Growth Analysis

NYS: ABBV



- |                                   |       |  |        |
|-----------------------------------|-------|--|--------|
| (1) Historical Sales Growth       | 8.4 % | (3) Historical Earnings Per Share Growth       | 5.9 %  |
| (2) Estimated Future Sales Growth | 9.0 % | (4) Estimated Future Earnings Per Share Growth | 10.0 % |
| (5) Sales Growth R <sup>2</sup>   | 0.97  | (6) Earnings Per Share Growth R <sup>2</sup>   | 0.06   |
- www.iclub.com

## 2 QUALITY ANALYSIS

Company **AbbVie** (ABBV)

11/09/18

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales		44.0	30.9	20.8	31.1	28.4	11.9	29.1	30.8	27.4	25.5	UP
<b>B</b> % ROE (Beginning Yr)						120.3	48.8	107.2	120.2	81.2	95.6	DOWN
<b>C</b> % LT Debt to Equity	0.0	0.0	0.0	0.0	436.0	395.5	224.8	591.3	550.0	459.7	444.3	UP

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 88.79 (18.3) 52-WEEK HIGH (P/E) 125.86 (26.0) 52-WEEK LOW (P/E) 77.50 (16.0)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2013	54.8	33.3	2.56	21.4	13.0	1.600	62.5	4.8
2 2014	70.8	45.5	1.10	64.4	41.4	1.660	150.9	3.6
3 2015	71.6	45.5	3.13	22.9	14.5	2.020	64.5	4.4
4 2016	68.1	50.7	3.63	18.8	14.0	2.280	62.8	4.5
5 2017	99.1	59.3	3.30	30.0	18.0	2.560	77.6	4.3
6 AVERAGE		46.9		31.5	20.2		83.7	
AVERAGE P/E RATIO		25.9	PROJECTED P/E RATIO		16.7	TTM EPS		4.84
CURRENT P/E RATIO		18.3	PEG RATIO		1.7	FTM EPS		5.32
RELATIVE VALUE		70.8%	PROJ. RELATIVE VALUE		64.5%	AVG TTM + FTM EPS		5.08

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E 31.5 X Estimated High Earnings/Share 5.31 = Forecast High Price \$ 167.3

### B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E 20.2 X Estimated Low Earnings/Share 3.30 = \$ 66.7  
(as adj.)

(b) Average 5-Year Low Price = 46.9

(c) Recent Severe Low Price = 50.7

(d) Price Dividend Will Support = Present Divd. ÷ High Yield = 4.28 ÷ 0.048 = 89.1

Selected Estimated Low Price 49.4

### C PRICE RANGES

Forecast High Price 167.3 - Estimated Low Price 49.4 = Range 117.9 25% of Range = 29.5

BUY (Lower 25% of Range) = 49.4 to 78.9

MAYBE (Middle 50% of Range) = 78.9 to 137.8

SELL (Upper 25% of Range) = 137.8 to 167.3

Current Price 88.79 is in the Hold Range

### D UPSIDE/DOWNSIDE ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 167.3 - Current Price 88.79) ÷ (Current Price 88.79 - Estimated Low Price 49.4) = 2.0 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 4.280 ÷ Current Price of Stock \$ 88.79 = 4.8 % Present Yield or % Returned on Purchase Price

### B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 83.7 ÷ Forecast High P/E 31.5 = Avg. Yield 2.7

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 83.7 ÷ Forecast Avg P/E 25.9 = Avg. Yield 3.2

### C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 2.7 % + Annual Appreciation 13.5 % = Compound Annual Total Return 16.2 %

### D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 3.2 % + Annual Appreciation 9.1 % = Projected Average Total Return 12.3 %

# PERT-A Graph

Company AbbVie (ABBV)

