

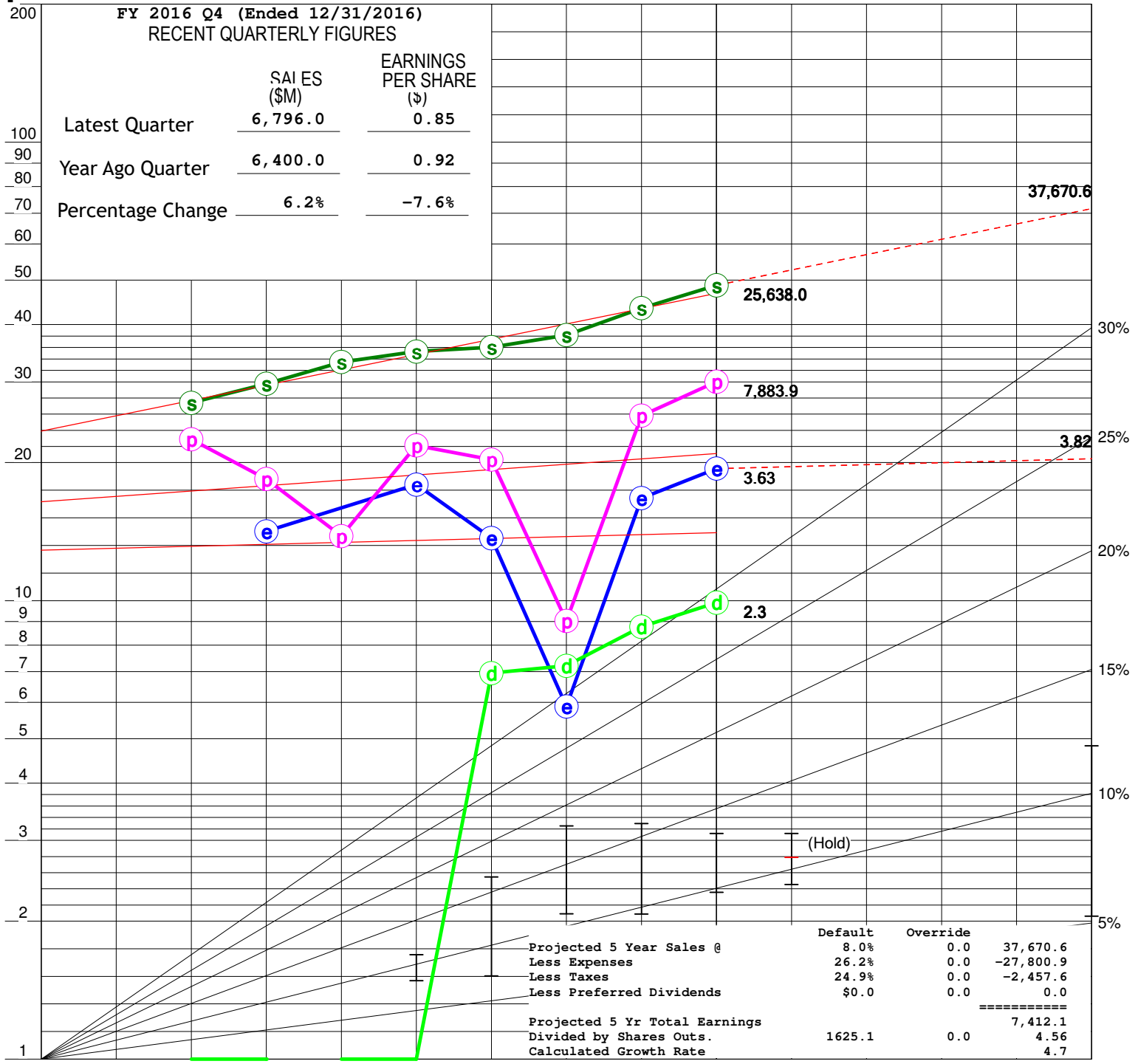


# Stock Selection Guide

Company	AbbVie	Price Date	02/10/17
Study by	WEN	Data Date	02/10/17
Sector	Healthcare	Last Judgment	02/11/17
Industry	Drug Manufacturers - Maj	Data Source	BI
Preferred(\$M)	0.0	Reference	Morningsta
Diluted(M Shares)	1,625.1	% Insiders	0.0
Total Debt(\$M)	0.0	% Institutions	69.4
% Tot Debt to Tot Cap	0.0	Quality	

## 1 Growth Analysis

NYS: ABBV



- (1) Historical Sales Growth 8.0%
- (2) Estimated Future Sales Growth 8.0%
- (3) Historical Earnings Per Share Growth 0.97
- (4) Estimated Future Earnings Per Share Growth 1.0%
- (5) Sales Growth R<sup>2</sup> 0.97
- (6) Earnings Per Share Growth R<sup>2</sup> 0.00

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## 2 QUALITY ANALYSIS

Company **AbbVie** (**ABBV**)

02/10/17

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales			41.5	30.9	20.8	31.1	28.4	11.9	29.1	30.8	26.2	UP
<b>B</b> % ROE (Beginning Yr)								48.8	107.2	120.2	92.1	UP
<b>C</b> % LT Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	395.5	224.8	591.3	0.0	403.8	DOWN

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

CURRENT PRICE (P/E) **60.42 (16.6)** 52-WEEK HIGH (P/E) **68.12 (18.8)** 52-WEEK LOW (P/E) **52.73 (14.5)**

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2012	37.1	32.5	3.35	11.1	9.7	0.000	0.0	0.0
2 2013	54.8	33.3	2.56	21.4	13.0	1.600	62.5	4.8
3 2014	70.8	45.5	1.10	64.4	41.4	1.660	150.9	3.6
4 2015	71.6	45.5	3.13	22.9	14.5	2.020	64.5	4.4
5 2016	68.1	50.7	3.63	18.8	14.0	2.280	62.8	4.5
6 AVERAGE		41.5		27.7	18.5		85.2	
AVERAGE P/E RATIO	23.1		PROJECTED P/E RATIO	16.5		TTM EPS		3.63
CURRENT P/E RATIO	16.6		PEG RATIO	16.5		FTM EPS		3.67
RELATIVE VALUE	71.9%		PROJ. RELATIVE VALUE	<del>71.3%</del> 77.2%		AVG TTM + FTM EPS		3.65

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

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

Selected High P/E **27.7** X Estimated High Earnings/Share **3.82** = Forecast High Price \$ **105.8**

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

(a) Sel. Low P/E ~~18.5~~ **15.0** (as adj.) X Estimated Low Earnings/Share **3.63** = \$ **54.5**

(b) Average 5-Year Low Price = **41.5**

(c) Recent Severe Low Price = **45.5**

(d) Price Dividend Will Support = Present Divd. ÷ High Yield = **2.56 ÷ 0.048 = 53.3**

Selected Estimated Low Price = \$ **45.0**

### C PRICE RANGES

Forecast High Price **105.8** - Estimated Low Price **45.0** = Range **60.8** 25% of Range = **15.2**

BUY (Lower 25% of Range) = **45.0** to **60.2**

MAYBE (Middle 50% of Range) = **60.2** to **90.6**

SELL (Upper 25% of Range) = **90.6** to **105.8**

Current Price **60.42** is in the **Hold** Range

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

(Forecast High Price **105.8** - Current Price **60.42**) ÷ (Current Price **60.42** - Estimated Low Price **45.0**) = **2.9** To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ **2.560** ÷ Current Price of Stock \$ **60.42** = **4.2 %** Present Yield or % Returned on Purchase Price

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

Avg. % Payout **85.2** ÷ Forecast High P/E **27.7** = Avg. Yield **3.1**

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

Avg. % Payout **85.2** ÷ Forecast Avg P/E **21.4** = Avg. Yield **4.0**

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

Average Yield **3.1 %** + Annual Appreciation **11.9 %** = Compound Annual Total Return **14.9 %**

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

Average Yield **4.0 %** + Annual Appreciation **6.2 %** = Projected Average Total Return **10.2 %**

# PERT-A Graph

Company AbbVie (ABBV)

