

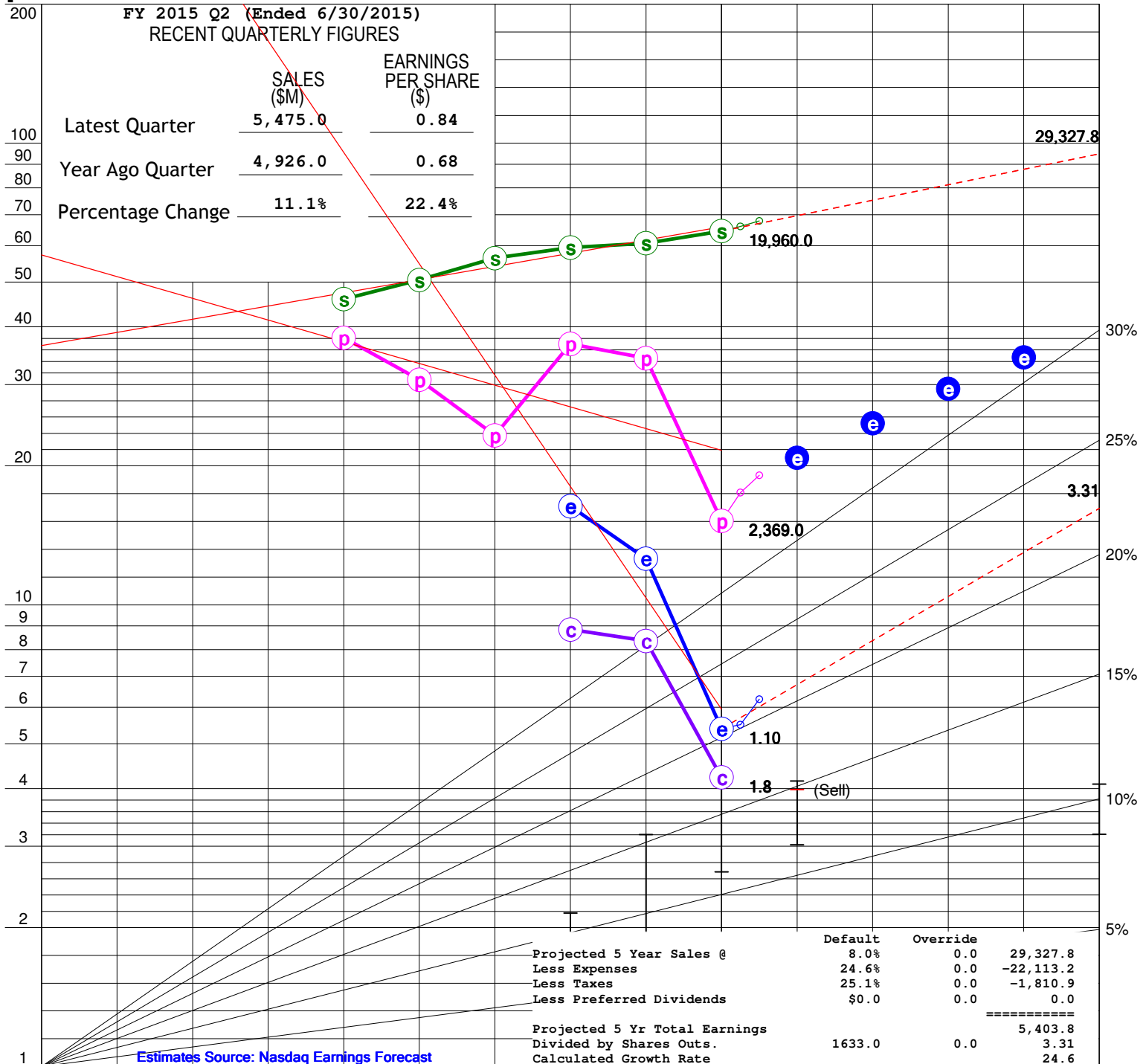


# Stock Study

Company	Abbvie	Price Date	08/19/15
Study by	pwoodring	Data Date	08/14/15
Sector	Healthcare	Last Judgment	08/19/15
Industry	Drug Manufacturers - Maj	Data Source	StkCntrl
Preferred(\$M)	0.0	Reference	Morningsta
Diluted(M Shares)	1,633.0	% Insiders	0.1
Debt(\$M)	31,123.0	% Institutions	72.5
% Debt to Tot.Cap.	86.8	Quality	0.0 (Take Stock)

## 1 Growth Analysis

NYS: ABBV



(1) Historical Sales Growth	6.8 %	(3) Historical Earnings Per Share Growth	-42.6 %	www.iclub.com
(2) Estimated Future Sales Growth	8.0 %	(4) Estimated Future Earnings Per Share Growth	24.6 %	
(5) Sales Growth R <sup>2</sup>	0.95	(6) Earnings Per Share Growth R <sup>2</sup>	0.91	

## 2 QUALITY ANALYSIS

Company **Abbvie** (**ABBV**)

08/19/15

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales					41.5	30.6	20.8	31.1	28.4	11.9	24.6	DOWN
<b>B</b> % ROE (Beginning Yr)										48.9	48.9	EVEN
<b>C</b> % Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	395.5	224.8	310.1	DOWN

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

CURRENT PRICE (P/E) **68.59 (53.7)** 52-WEEK HIGH (P/E) **71.60 (56.0)** 52-WEEK LOW (P/E) **52.06 (40.7)**

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2010	0.0	0.0	NMF	NMF	NMF	0.000	NMF	0.0
2 2011	0.0	0.0	NMF	NMF	NMF	0.000	NMF	0.0
3 2012	37.1	32.5	3.35	11.1	9.7	0.000	0.0	0.0
4 2013	54.8	33.3	2.57	21.3	12.9	1.600	62.2	4.8
5 2014	70.8	45.5	1.10	64.2	41.3	1.660	150.6	3.6
6 AVERAGE		37.1		32.2	21.3		106.4	
AVERAGE P/E RATIO		26.8	PROJECTED P/E RATIO		43.1	TTM EPS		1.28
CURRENT P/E RATIO		53.7	PEG RATIO		1.8	FTM EPS		1.59
RELATIVE VALUE		200.7%	PROJ. RELATIVE VALUE		<del>161.0%</del> 251.9%	AVG TTM + FTM EPS		1.44

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

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

Selected High P/E ~~32.2~~ 21.3 X Estimated High Earnings/Share 3.31 = Forecast High Price \$ 70.5

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

(a) Sel. Low P/E ~~21.3~~ 12.9 X Estimated Low Earnings/Share ~~1.10~~ 1.17 = \$ 15.1

(b) Average 5-Year Low Price = <sup>(as adj.)</sup> 37.1

(c) Recent Severe Low Price = 33.3

(d) Price Dividend Will Support = Present Divd. + High Yield = 2.040 + 0.048 = 42.5

Selected Estimated Low Price = \$ 54.9

### C PRICE RANGES

Forecast High Price 70.5 - Estimated Low Price 54.9 = Range 15.6 25% of Range = 3.9

BUY (Lower 25% of Range) = 54.9 to 58.8

MAYBE (Middle 50% of Range) = 58.8 to 66.6

SELL (Upper 25% of Range) = 66.6 to 70.5

Current Price 68.590 is in the Sell Range

### D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 70.5 - Current Price 68.590) + (Current Price 68.590 - Estimated Low Price 54.9) = 0.1 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 2.040 ÷ Current Price of Stock \$ 68.590 = 3.0 % Present Yield or % Returned on Purchase Price

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

Avg. % Payout ~~106.4~~ 62.2 ÷ Forecast High P/E 21.3 = Avg. Yield 2.9

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

Avg. % Payout ~~106.4~~ 62.2 ÷ Forecast Avg P/E 17.1 = Avg. Yield 3.6

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

Average Yield 2.9 % + Annual Appreciation 0.6 % = Compound Annual Total Return 3.5 %

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

Average Yield 3.6 % + Annual Appreciation -3.8 % = Projected Average Total Return -0.1 %