

Company	AbbVie		Date	11/13/20	
Prepared by	HENRIKSON		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Drug Manufacturers - General		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	1,774.0	0.1	53.9		
Debt (\$M)	87,059.0	% to Tot Cap	85.1	% Pot Dil	0.3

Stock Selection Guide

Symbol: ABBV

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2020 Q3	Sales (\$M)	Earnings Per Share
Latest Quarter	12,902	1.29
Year Ago Quarter	8,479	1.26
Percentage Change	52.2%	2.4%

- | | | | |
|-----------------------------------|------|--|------|
| (1) Historical Sales Growth | 9.1% | (3) Historical Earnings Per Share Growth | 7.5% |
| (2) Estimated Future Sales Growth | 9.0% | (4) Estimated Future Earnings Per Share Growth | 9.0% |

2 EVALUATING Management

AbbVie

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last 5 Year Avg.
Pre-tax Profit on Sales	30.9%	21.0%	31.1%	28.4%	11.9%	29.1%	30.8%	27.4%	15.9%	25.3%	25.7%
% Earned on Equity			157.4%	113.6%	37.7%	103.6%	89.4%	78.6%	-185.3%	-94.9%	-1.7%
% Debt To Capital	0.0%	0.0%	82.3%	76.6%	89.6%	88.9%	88.8%	88.0%	126.5%	114.0%	101.2%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 99.04 (11/13/20)

HIGH THIS YEAR 101.28

LOW THIS YEAR 62.55

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2015	71.6	45.5	3.13	22.9	14.5	2.02	64.5	4.4
2016	68.1	50.7	3.63	18.8	14.0	2.28	62.8	4.5
2017	99.1	59.3	3.30	30.0	18.0	2.56	77.6	4.3
2018	125.9	77.7	3.66	34.4	21.2	3.59	98.1	4.6
2019	92.3	62.7	5.28	17.5	11.9	4.28	81.1	6.8
AVERAGE		59.2		24.7	15.9		76.8	
CURRENT/TTM			4.73			5.20	109.9	
AVERAGE PRICE EARNINGS RATIO: 20.3				CURRENT PRICE EARNINGS RATIO: 20.9				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 20.0 X Estimate High Earnings/Share 7.28 = Forecasted High Price \$ 145.6

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 15.0 X Estimate Low Earnings/Share 4.70 = Forecasted Low Price \$ 70.5

(b) Avg. Low Price of Last 5 Years 59.2

(c) Recent Market Low Price 62.6

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{5.20}{6.83\%} = 76.1$

Selected Forecasted Low Price \$ 62.0

C ZONING using 25%-50%-25%

Forecasted High Price 145.6 Minus Forecasted Low Price 62.0 = 83.6 Range. 25% of Range 20.9

Buy Zone 62.0 to 82.9

Hold Zone 82.9 to 124.7

Sell Zone 124.7 to 145.6

Present Market Price of 99.04 is in the **HOLD** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{145.6 - 99.04}{99.04 - 62.0} = \frac{46.51}{37.04} = 1.3$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{145.6 - 99.04}{99.04} = 1.4696$ X 100 = 146.96 - 100 = 47.0 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{4.28}{99.04} = 0.0525 = 5.3\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{76.8\%}{20.00} = 3.8\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{76.8\%}{17.50} = 4.4\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 8.0 %
Average Yield 3.8 %
Annualized Rate of Return 11.8 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 5.2 %
Average Yield 4.4 %
Annualized Rate of Return 9.5 %

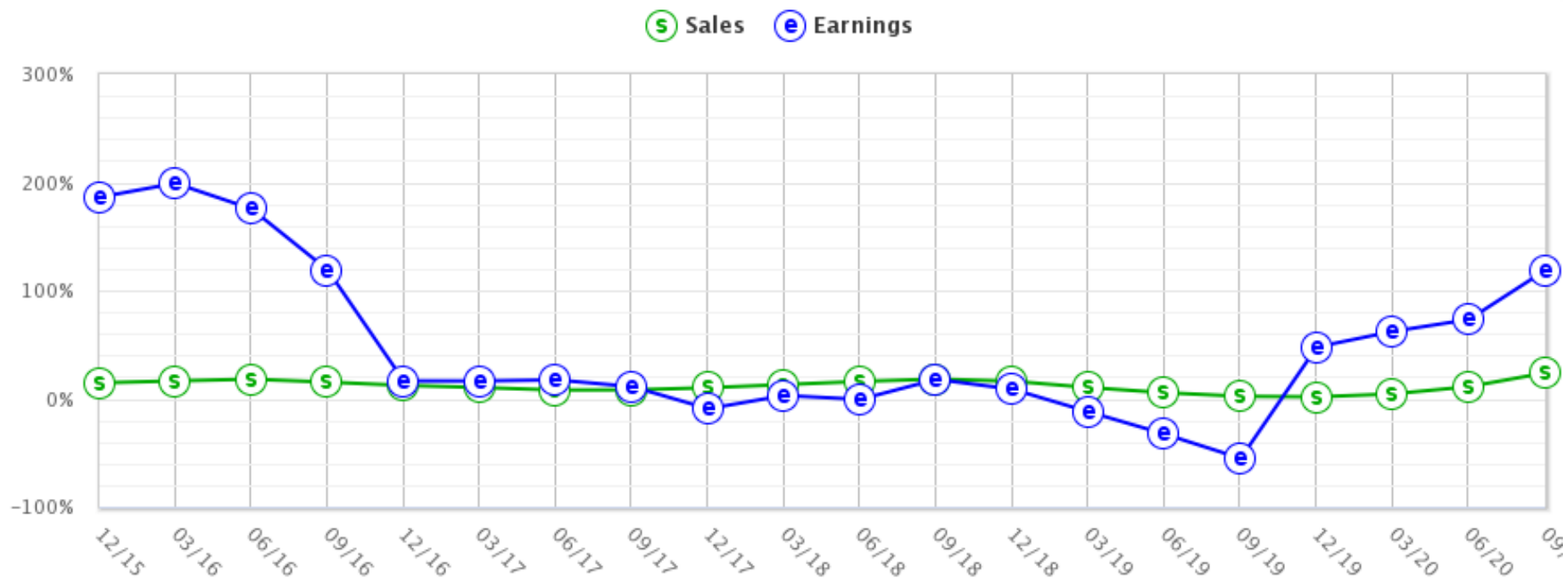
Notes: ABBV 11/14/2020

Date	Subject	Description	Type
09/07/20	Judgements for Q2 2020 Stock Report	Growth Rate = 9%; average of analysts and Ty Hughes and Pittsburgh Chapter studies in July, 2020 PE = High = average of last 5 yrs; Used low price of 62/share Conservative Judgement Notes: News articles suggest that Allergan's Botox may have rivals; WSJ article worries about stocks getting far ahead of pandemic economy	Study
08/22/20	Long Term Debt 2020 Qtrs.	It appears Morningstar is NOT passing through the Long Term Debt Non Current which makes the Debt line drop. The Value Line and 2nd Qtr 10 Q has the values at of 82? billion. 1st quarter was correct a 67 Billion. Not sure why the M* did not get it correctly for the 2nd Qtr. I wonder if this increase and mixed balance sheet is due to the acquisition of Allergan. On May 8, 2020, AbbVie completed its previously announced acquisition of all outstanding equity interests in Allergan in a cash and stock transaction.	Community
06/29/20	Debt	Wow! Debt is very high!	Community
08/11/19	2018 earnings adjustment	From the 10k Stemcentrx-related impairment charge of \$4.1 billion This is a one-time charge so adding that back in to revenue: Sales = 32753 + 4100 = 36853 Ptp = 5197 + 4100 = 9297 NI = 5657 + 4100 = 9757 Earnings = 9757 / 1546 = 6.31	Community
07/14/19	07/14/19 Why to buy Abbvie	Don't like 60% of sales from on product BUT they have some products in the pipeline and just boutht Allergan/Botox. Don't like that they are 100% leveraged. It will be hard tow work that off I do like the 6.5% yield that they should be able to support until at least 2022. Also it is in the Value Line portfolio III so there is another set of evaluators.	Community
07/08/19	Purchase of Allergan - why	According to Value Line the Relative Strength of Abbv to other Pharma companies is -23 ; Allergan strength was shown as -11 Is that a great buy, combined their strength would be -17. Abbv is paying a premium for Allergan stock. It caused a dramatic drop in Abbv stock price	Community
05/23/19	Political Climate Adverse to Exorbitant Drug Costs	One caveat to my study is the bipartisan support for controlling drug costs. Comparatively, the US operates the most expensive healthcare system in the world though statistically can't claim it's the best. Drug costs have grown exorbitantly and Congress, with bipartisan support, may very well pass legislation soon to control these costs. If so, this will adversely affect the profitability of drug companies like ABBV. Buyer beware...	Community

12/31/18	4Q 2017 EPS Adjustments for Tax Effect	4Q 2017 EPS should be \$1.48 FY 2017 EPS should be \$5.60	Community
12/31/18	Co description from Value Line 1.4.19	AbbVie Inc. engages in the discovery, development, manufacture, and sale of pharmaceutical products worldwide. Its products are focused on treating conditions such as chronic autoimmune diseases in rheumatology, gastroenterology and dermatology; oncology, including blood cancers; virology, including HCV and HIV; neurological disorders, such as Parkinson's disease; metabolic diseases, including thyroid disease and complications associated with cystic fibrosis; and other serious conditions. Off/dirs. own less than 1% of common stock; Cap. Research Global Investors, 12.0%; Vanguard, 7.5%; BlackRock, 6.3% (3/18 proxy). Chrmn./CEO: Richard A. Gonzalez. Inc: DE. Addr.: 1 North Waukegan Rd, North Chicago, IL. 60064. Tel.: 847-932-7900. Internet: www.abbvie.com	Community

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Period	Quarterly Data								Last 12 Months Data									
	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS		Pre-Tax Profit			Sales		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales	
09/20	1.29	2.4	2,500.0	19.4	24.9	12,902.0	52.2	7.5	4.73	7,979.0	19.6	40,650.0	250.5	3.1	118.5	167.8	23.7	
06/20	-0.46	-193.9	-693.0	-6.6	-185.9	10,425.0	26.3	-6.6	4.70	7,480.0	20.6	36,227.0	204.4	2.7	73.1	100.1	11.0	
03/20	2.02	22.4	3,098.0	35.9	21.8	8,619.0	10.1	2.8	5.65	8,980.0	26.4	34,057.0	578.1	6.4	62.1	81.6	4.3	
12/19	1.88	252.2	3,074.0	35.3	229.5	8,704.0	4.8	8.9	5.28	8,426.0	25.3	33,266.0	555.5	6.6	47.7	62.1	1.6	
09/19	1.26	-30.4	2,001.0	23.6	-27.5	8,479.0	3.0	5.9	2.17	2,979.0	9.1	32,867.0	301.9	10.1	-55.3	-66.0	2.1	
06/19	0.49	-61.1	807.0	9.8	-59.9	8,255.0	-0.3	8.2	2.72	3,739.0	11.5	32,624.0	329.0	8.8	-32.8	-53.8	5.4	
03/19	1.65	-5.2	2,544.0	32.5	-9.0	7,828.0	-1.3	3.5	3.49	4,944.0	15.1	32,647.0	351.8	7.1	-12.2	-41.4	10.2	
12/18	-1.24	-4,216.7	-2,373.0	-28.6	-298.9	8,305.0	7.3	23.1	3.58	5,197.0	15.9	32,753.0	331.3	6.4	8.7	-32.7	16.1	
09/18	1.81	79.2	2,761.0	33.5	31.8	8,236.0	17.7	0.5	4.84	8,763.0	27.2	32,187.0	2,148.9	24.5	17.8	2.7	18.0	
06/18	1.26	5.9	2,012.0	24.3	-14.5	8,278.0	19.2	1.4	4.04	8,097.0	26.2	30,946.0	2,423.6	29.9	-0.7	-4.2	15.9	

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
03/18	1.74	64.2	2,797.0	35.3	34.1	7,934.0	21.4	0.5	3.97	8,438.0	28.5	29,612.0	2,887.9	34.2	2.8	3.0	12.9	
12/17	0.03	-96.5	1,193.0	15.4	-40.3	7,739.0	13.9	95.6	3.29	7,727.0	27.4	28,216.0	2,982.2	38.6	-9.4	-2.0	10.1	
09/17	1.01	4.1	2,095.0	29.9	4.0	6,995.0	8.8	22.2	4.11	8,532.0	31.3	27,273.0	1,900.9	22.3	11.1	9.2	8.0	
06/17	1.19	21.4	2,353.0	33.9	12.3	6,944.0	7.6	18.6	4.07	8,451.0	31.6	26,710.0	1,851.4	21.9	17.3	13.5	7.9	
03/17	1.06	27.7	2,086.0	31.9	17.5	6,538.0	9.7	18.0	3.86	8,194.0	31.3	26,218.0	1,888.9	23.1	16.3	16.6	10.3	
12/16	0.85	-7.6	1,998.0	29.4	3.8	6,796.0	6.2	30.4	3.63	7,884.0	30.8	25,638.0	1,931.4	24.5	16.3	18.6	12.2	
09/16	0.97	31.1	2,014.0	31.3	22.3	6,432.0	8.2	20.7	3.70	7,810.0	30.9	25,242.0	1,733.0	22.2	118.9	112.0	15.2	
06/16	0.98	18.1	2,096.0	32.5	24.9	6,452.0	17.8	23.2	3.47	7,443.0	30.1	24,754.0	1,728.1	23.2	175.4	173.2	18.0	
03/16	0.83	31.7	1,776.0	29.8	27.2	5,958.0	18.2	23.8	3.32	7,025.0	29.5	23,777.0	1,550.2	22.1	199.1	183.4	16.3	
12/15	0.92	280.4	1,924.0	30.1	285.5	6,400.0	17.4	21.2	3.12	6,645.0	29.1	22,859.0	1,516.7	22.8	186.2	180.5	14.5	
09/15	0.74	138.7	1,647.0	27.7	139.7	5,944.0	18.4	24.8	1.69	3,684.0	16.8	21,911.0	847.7	23.0	-26.5	-24.0	11.7	
06/15	0.83	22.1	1,678.0	30.6	17.1	5,475.0	11.1	18.6	1.26	2,724.0	13.0	20,986.0	637.6	23.4	-51.4	-50.0	9.0	
03/15	0.63	3.3	1,396.0	27.7	8.6	5,040.0	10.5	26.8	1.11	2,479.0	12.1	20,437.0	609.9	24.6	-56.8	-53.9	7.4	
12/14	-0.51	-172.9	-1,037.0	-19.0	-172.1	5,452.0	6.7	21.9	1.09	2,369.0	11.9	19,960.0	565.1	23.9	-57.4	-55.6	6.2	
09/14	0.31	-48.3	687.0	13.7	-46.6	5,019.0	7.8	26.4	2.30	4,845.0	24.7	19,619.0	1,152.3	23.8	-18.8	-13.6	3.9	
06/14	0.68	3.0	1,433.0	29.1	4.8	4,926.0	5.0	23.4	2.59	5,444.0	28.3	19,258.0	1,276.9	23.5	-20.0	-8.1	2.8	
03/14	0.61	1.7	1,286.0	28.2	3.8	4,563.0	5.4	23.8	2.57	5,379.0	28.3	19,024.0	1,242.1	23.1	-23.9	-9.7	2.6	
12/13	0.70	-28.1	1,439.0	28.2	-16.0	5,111.0	-1.8	21.6	2.56	5,332.0	28.4	18,790.0	1,205.7	22.6	-23.3	-6.9	2.2	
09/13	0.60	-40.2	1,286.0	27.6	-19.8	4,658.0	3.3	25.0	2.83	5,605.9	29.7	18,884.8	1,106.6	19.7	-8.5	4.4	4.7	
06/13	0.66	-17.7	1,368.0	29.2	-2.4	4,692.0	4.4	21.9	3.24	5,923.9	31.6	18,734.8	816.0	13.8	54.0	54.4	4.4	
03/13	0.60	7.3	1,239.0	28.6	23.2	4,329.0	3.7	21.9	3.38	5,957.9	32.1	18,535.8	637.5	10.7	48.5	56.1	4.6	
12/12	0.97	32.9	1,712.9	32.9	26.1	5,205.8	7.0	10.1	3.34	5,724.7	31.1	18,379.7	473.9	8.3	53.5	56.0	5.4	
09/12	1.00	12,437.5	1,604.0	35.6	2,141.1	4,508.0	2.3	1.2	3.10	5,369.7	29.8	18,038.0	506.6	9.4				
06/12	0.80	-17.7	1,402.0	31.2	1.5	4,493.0	5.1	9.6	2.10	3,837.3	21.4	17,938.7	1,144.8	29.8				
03/12	0.56	22.1	1,005.8	24.1	17.2	4,172.9	7.1	12.2	2.28	3,816.0	21.5	17,720.1	936.4	24.5				
12/11	0.73		1,357.9	27.9		4,864.1		14.8										
09/11	0.01		71.6	1.6		4,408.7		82.8										
06/11	0.98		1,380.7	32.3		4,274.4		-11.5										
03/11	0.46		858.3	22.0		3,896.8		15.7										