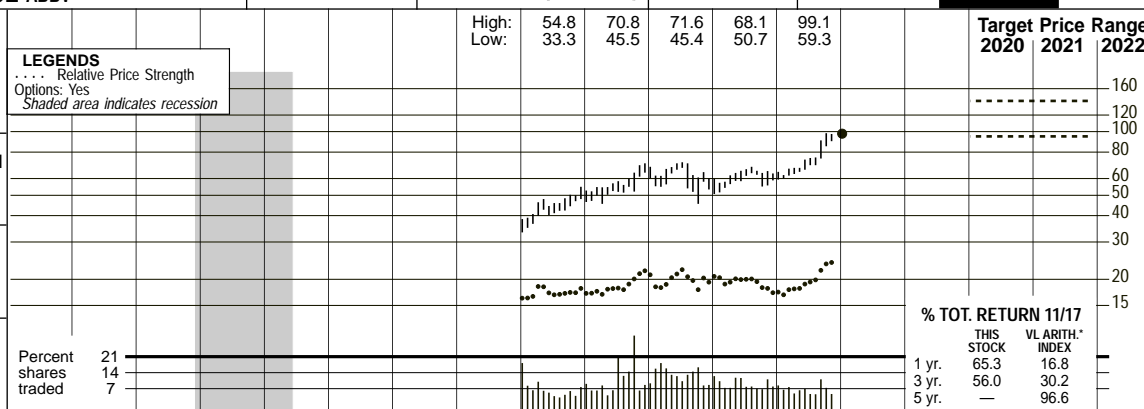


ABBVIE INC. NYSE-ABBV

RECENT PRICE **97.75** P/E RATIO **16.3** (Trailing: 18.4 Median: NMF) RELATIVE P/E RATIO **0.80** DIV'D YLD **2.9%**

VALUE LINE

TIMELINESS 2 Lowered 1/5/18
SAFETY 3 Lowered 4/8/16
TECHNICAL 3 Raised 10/13/17
BETA 1.10 (1.00 = Market)



2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+45%)	12%
Low	95	(-5%)	3%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	1	0	0
Options	9	1	0	10	2	0	1	1	0
to Sell	0	5	0	3	2	0	2	2	1

Institutional Decisions

	1Q2017	2Q2017	3Q2017	Percent shares traded
to Buy	756	758	698	21
to Sell	800	785	881	14
Hlds(000)	11756701	11829741	1200834	7

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
--	--	--	--	--	--	--	--	--	--	--	--	11.84	12.54	14.20	16.10	17.55	19.50	Sales per sh	24.05
--	--	--	--	--	--	--	--	--	--	--	--	3.44	3.62	4.64	5.23	5.80	6.80	"Cash Flow" per sh	8.60
--	--	--	--	--	--	--	--	--	--	--	--	3.14	3.32	4.29	4.82	5.55	6.50	Earnings per sh ^A	8.30
--	--	--	--	--	--	--	--	--	--	--	--	1.60	1.66	2.02	2.28	2.56	2.84	Div'ds Decl'd per sh ^B	3.68
--	--	--	--	--	--	--	--	--	--	--	--	.56	.78	.33	.30	.35	.40	Cap'l Spending per sh	.50
--	--	--	--	--	--	--	--	--	--	--	--	2.83	1.09	2.45	2.91	4.40	6.90	Book Value per sh ^C	15.80
--	--	--	--	--	--	--	--	--	--	--	--	1587.4	1591.4	1609.9	1592.5	1595.0	1590.0	Common Shs Outst'g ^D	1580.0
--	--	--	--	--	--	--	--	--	--	--	--	13.9	16.7	14.4	12.6	13.5		Avg Ann'l P/E Ratio	14.0
--	--	--	--	--	--	--	--	--	--	--	--	.78	.88	.73	.66	.66		Relative P/E Ratio	.90
--	--	--	--	--	--	--	--	--	--	--	--	3.7%	3.0%	3.3%	3.8%	3.4%		Avg Ann'l Div'd Yield	3.2%

CAPITAL STRUCTURE as of 9/30/17

Total Debt \$37.0 bill. Due in 5 Yrs \$13.1 bill.
 LT Debt \$34.0 bill. LT Interest \$1.1 bill.
 (84% of Capital)

Leases, Uncapitalized Annual rentals \$131 mill.

Pension Assets-12/16 \$4.6 bill. Oblig. \$5.8 bill.

Common Stock 1,596,429,740 shares as of 10/24/17

MARKET CAP: \$156 billion (Large Cap)

18790	19960	22859	25638	28000	31000	Sales (\$mill)	38000
38.4%	38.4%	45.5%	44.2%	45.0%	47.0%	Operating Margin	48.0%
388.0	383.0	417.0	425.0	440	455	Depreciation (\$mill)	500
5066.0	5375.0	7060.0	7904.0	8850	10340	Net Profit (\$mill)	13110
22.2%	22.4%	21.9%	20.2%	21.0%	21.0%	Income Tax Rate	21.0%
27.0%	26.9%	30.9%	30.8%	31.6%	33.4%	Net Profit Margin	34.5%
10969	4688.0	5420.0	6406.0	6500	7000	Working Cap'l (\$mill)	8500
14292	10565	29240	36440	34000	32000	Long-Term Debt (\$mill)	25000
4492.0	1742.0	3945.0	4636.0	7000	11000	Shr. Equity (\$mill)	25000
27.7%	45.3%	22.2%	20.4%	23.0%	25.0%	Return on Total Cap'l	27.0%
NMF	NMF	NMF	NMF	NMF	94.0%	Return on Shr. Equity	52.5%
55.9%	NMF	95.5%	90.3%	68.0%	53.0%	Retained to Com Eq	29.0%
50%	50%	47%	47%	46%	44%	All Div'ds to Net Prof	44%

CURRENT POSITION

	2015	2016	9/30/17
Cash Assets	8399	6423	9554
Receivables	4730	4758	4891
Inventory (FIFO)	1719	1444	1785
Other	1466	3562	2700
Current Assets	16314	16187	18930
Accts Payable	8463	9379	9212
Debt Due	2025	25	3021
Other	406	377	800
Current Liab.	10894	9781	13033

BUSINESS: 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; metabo-

lic 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, 10.7%; Vanguard, 6.7%; BlackRock, 5.7% (3/17 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.

ANNUAL RATES

Past of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Sales	--	--	9.0%
"Cash Flow"	--	--	11.5%
Earnings	--	--	12.5%
Dividends	--	--	11.0%
Book Value	--	--	NMF

We have raised our 2017 EPS target for AbbVie. The drugmaker's third-quarter earnings (\$1.41 adjusted) surpassed consensus expectations of \$1.38, fueled by stronger growth in the *Humira* and *Imbruvica* franchises. Management responded by increasing its full-year guidance to \$5.53-\$5.55 a share, up from its previous outlook of \$5.44-\$5.54. All told, we have raised our 2017 earnings call by a nickel to \$5.55 a share, representing annual growth of 15%. AbbVie is scheduled to report fourth-quarter and full-year results later this month.

earnings of \$6.37-\$6.57 a share this year, reflecting growth of 15%-19% versus the midpoint of its 2017 guidance. While growth in the *Imbruvica* franchise and continued pipeline development will play a role, much of the projected improvement is likely to come from *Humira* gains. The drug has been on a tear in U.S. markets (Q3 sales +19%) and has also performed admirably overseas (+7%). The company is confident in the strength of its patents and appears poised to stave off meaningful generic competition in the year ahead. In fact, AbbVie recently reached an agreement with rival Amgen that would delay its biosimilar launch until January 1, 2023. As a result, management now projects *Humira* sales to balloon to \$21 billion by 2020. It remains the highest-selling prescription medicine in the world.

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	4563	4926	5019	5452	19960
2015	5040	5475	5944	6400	22859
2016	5958	6452	6432	6796	25638
2017	6538	6944	6995	7523	28000
2018	7300	7700	7800	8200	31000

It was a banner year for shareholders. ABBV stock surged roughly 60% in price in 2017, driven by strong momentum in the cornerstone *Humira* franchise (67% of total sales) and easing concerns of a potential biosimilar entry. Investors also seemed pleased with recent efforts to diversify the portfolio. The company's #2-grossing product *Imbruvica* saw its sales rise more than 40% in 2017. The cancer treatment now accounts for 10% of AbbVie's top line.

The stock is ranked 2 (Above Average) for Timeliness. Despite the recent share-price surge, we believe ABBV stock still has room to run over the next six to 12 months. An above average (and recently heightened) dividend yield provides investors with some downside protection.

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.71	.82	.89	.89	3.32
2015	.94	1.08	1.13	1.13	4.29
2016	1.15	1.26	1.21	1.20	4.82
2017	1.28	1.42	1.41	1.44	5.55
2018	1.51	1.65	1.66	1.68	6.50

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.40	.42	.42	.42	1.66
2015	.49	.51	.51	.51	2.02
2016	.57	.57	.57	.57	2.28
2017	.64	.64	.64	.64	
2018	.71				

The setup appears favorable in 2018, as well. Management expects adjusted

Michael Ratty
 January 5, 2018

(A) Diluted earnings (adjusted). Excludes non-recurring items: '13, (.58¢); '14, (\$2.22); '15, (\$1.16); '16, (\$1.19). Next earnings report due late January.	(B) Dividends historically paid in February, May, August, and November. ■ Dividend reinvestment plan available.	\$27.83 a share.	(D) In millions	Company's Financial Strength	A
(C) Includes intangibles. In '16: \$44.31 billion.				Stock's Price Stability	65
				Price Growth Persistence	100
				Earnings Predictability	75

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