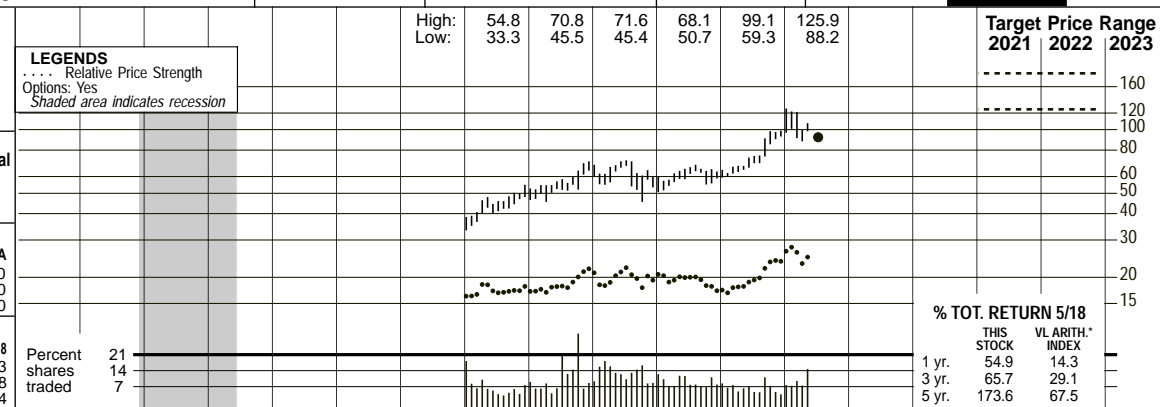


ABBVIE INC. NYSE-ABBV

RECENT PRICE **92.12** P/E RATIO **11.8** (Trailing: 14.9; Median: NMF) RELATIVE P/E RATIO **0.64** DIV'D YLD **4.2%**

VALUE LINE

TIMELINESS 2 Lowered 6/15/18
SAFETY 3 Lowered 4/8/16
TECHNICAL 1 Raised 7/6/18
 BETA 1.15 (1.00 = Market)



2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	185	(+100%)	22%
Low	125	(+35%)	12%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	1	0	0	0	0	0	0	0	0
Options	1	1	0	1	2	0	9	2	0
to Sell	2	2	1	2	2	0	0	2	0

Institutional Decisions

	3Q2017	4Q2017	1Q2018	Percent shares traded
to Buy	698	678	763	21
to Sell	881	867	1068	14
Hlds(000)	12008341	11266001	1108594	7

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
--	--	--	--	--	--	--	--	--	--	--	11.84	12.54	14.20	16.10	17.72	21.00	22.05	Sales per sh	25.95
--	--	--	--	--	--	--	--	--	--	--	3.44	3.62	4.64	5.23	5.93	8.05	8.80	"Cash Flow" per sh	11.30
--	--	--	--	--	--	--	--	--	--	--	3.14	3.32	4.29	4.82	5.60	7.80	8.50	Earnings per sh ^A	11.00
--	--	--	--	--	--	--	--	--	--	--	1.60	1.66	2.02	2.28	2.56	3.59	4.12	Div'ds Decl'd per sh ^B	4.88
--	--	--	--	--	--	--	--	--	--	--	.56	.78	.33	.30	.33	.50	.60	Cap'l Spending per sh	.90
--	--	--	--	--	--	--	--	--	--	--	2.83	1.09	2.45	2.91	3.20	5.70	8.30	Book Value per sh ^C	18.20
--	--	--	--	--	--	--	--	--	--	--	1587.4	1591.4	1609.9	1592.5	1592.1	1580.0	1570.0	Common Shs Outst'g ^D	1540.0
--	--	--	--	--	--	--	--	--	--	--	13.9	16.7	14.4	12.6	13.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
--	--	--	--	--	--	--	--	--	--	--	.78	.88	.73	.66	.67			Relative P/E Ratio	.80
--	--	--	--	--	--	--	--	--	--	--	3.7%	3.0%	3.3%	3.8%	3.4%			Avg Ann'l Div'd Yield	3.2%

CAPITAL STRUCTURE as of 3/31/18
 Total Debt \$36.9 bill. Due in 5 Yrs \$17.8 bill.
 LT Debt \$30.9 bill. LT Interest \$1.0 bill.
 (90% of Capital)

Leases, Uncapitalized Annual rentals \$143 mill.

Pension Assets-12/17 \$5.4 bill. **Oblig.** \$7.0 bill.

Common Stock 1,586,879,451 shares as of 4/27/18

MARKET CAP: \$146 billion (Large Cap)

CURRENT POSITION (\$MILL.)	2016	2017	3/31/18
Cash Assets	6423	9789	9474
Receivables	4758	5088	5841
Inventory (FIFO)	1444	1605	1738
Other	3562	4741	3391
Current Assets	16187	21223	20444
Accts Payable	9379	10226	10677
Debt Due	25	6015	6014
Other	377	400	367
Current Liab.	9781	16641	17058

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Sales	--	--	8.5%
"Cash Flow"	--	--	13.5%
Earnings	--	--	14.5%
Dividends	--	--	13.5%
Book Value	--	--	NMF

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	5040	5475	5944	6400	22859
2016	5958	6452	6432	6796	25638
2017	6538	6944	6995	7739	28216
2018	7934	8200	8300	8766	33200
2019	8200	8600	8700	9100	34600

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	1.48	5.60
2018	1.87	1.93	1.95	2.05	7.80
2019	2.00	2.10	2.15	2.25	8.50

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	2.56
2018	.71	.96			

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-

We have raised our 2018 estimates for AbbVie. The drugmaker's first-quarter results beat consensus expectations on both lines, fueled by stronger demand in several key franchises and continued benefits from tax reform. On the product side, *Humira* (+14%, to \$4.7 billion) and *Imbruvica* (+39%, to \$762 million) performed well and sales exceeded our targets, but the primary driver was the Hep-C segment (+249%, to \$919 million), owing to the impressive commercial launch of *Mavyret*. All told, it appeared to be a solid quarter across the board for AbbVie and management responded by upping its full-year adjusted earnings guidance to \$7.66-\$7.76 a share (previously \$7.33-\$7.43). However, we view this outlook as somewhat cautious and have increased our 2018 call to \$7.80. **The growth story remains centered around Humira.** The world's best-selling drug and clear cornerstone of AbbVie's portfolio (60% of total sales) continues to perform at a high level. While international results are expected to take a hit when *Humira* comes off patent later this year, recent efforts by the company have extended its protection in U.S. markets until

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, 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.

2023 (U.S. accounts for 64% of sales). This extension bought AbbVie some time and helped to avoid any major fallout, but overall growth is almost surely to decelerate over the next few years. That said, we still project *Humira's* annual sales to exceed \$20 billion through 2022. **Recent efforts to diversify have been encouraging.** *Imbruvica* and the Hep-C franchise have experienced rapid growth in recent quarters and have emerged as meaningful top-line components (currently the two largest sales generators behind *Humira*). Although the Hep-C market is said to be shrinking, management still expects \$3.5 billion in sales this year. **The stock maintains a rank of 2 (Above Average) for Timeliness.** A solid first-quarter showing and improved operating outlook has reinforced our positive stance. In our view, we see room for significant upside at the recent valuation (trading at 12x forward earnings), and an attractive dividend yield provides some protection on the downside. Based on our long-term projections, capital gains potential to 2021-2023 is above average. *Michael Ratty* July 6, 2018

(A) Diluted earnings (adjusted). Excludes non-recurring items: '13, (\$86); '14, (\$2.22); '15, (\$1.16); '16, (\$1.19); '17, (\$2.30). Next earnings report due late July. (B) Dividends historically paid in February, May, August, and November. ■ Dividend reinvestment plan available. (C) Includes intangibles. In '17: \$43.34 billion, \$27.22 a share. (D) In millions

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	100
Earnings Predictability	75