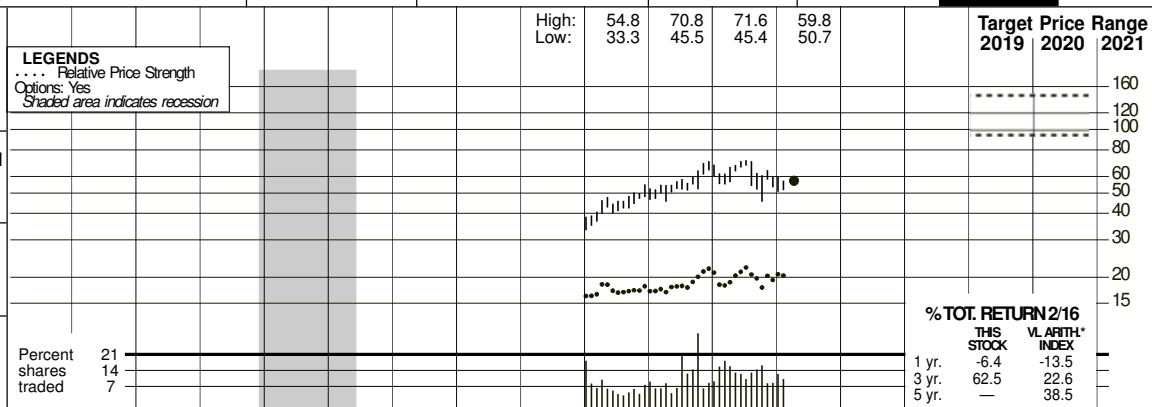


ABBVIE INC. NYSE-ABBV

RECENT PRICE **57.05** P/E RATIO **11.9** (Trailing: 13.3 Median: NMF) RELATIVE P/E RATIO **0.64** DIV'D YLD **4.0%**

VALUE LINE

TIMELINESS 3 Lowered 4/8/16
SAFETY 3 Lowered 4/8/16
TECHNICAL 3 Raised 2/12/16
BETA 1.10 (1.00 = Market)



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+155%)	28%
Low	95	(+65%)	17%

Insider Decisions

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

Institutional Decisions

	2Q2015	3Q2015	4Q2015
to Buy	731	680	728
to Sell	812	779	761
Hlds(000)	12021311	11360151	109815

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
--	--	--	--	--	--	--	--	--	--	--	--	--	11.84	12.54	14.20	16.25	17.80	Sales per sh	20.00
--	--	--	--	--	--	--	--	--	--	--	--	--	3.44	3.62	4.64	5.30	6.30	"Cash Flow" per sh	7.80
--	--	--	--	--	--	--	--	--	--	--	--	--	3.14	3.32	4.29	5.00	6.00	Earnings per sh ^A	7.50
--	--	--	--	--	--	--	--	--	--	--	--	--	1.60	1.66	2.02	2.28	2.36	Div'ds Decl'd per sh ^B	2.72
--	--	--	--	--	--	--	--	--	--	--	--	--	.56	.78	.33	.50	.50	Cap'l Spending per sh	.50
--	--	--	--	--	--	--	--	--	--	--	--	--	2.83	1.09	2.45	4.40	6.90	Book Value per sh ^C	15.65
--	--	--	--	--	--	--	--	--	--	--	--	--	1587.4	1591.4	1609.9	1600.0	1600.0	Common Shs Outst'g ^D	1600.0
--	--	--	--	--	--	--	--	--	--	--	--	--	13.9	16.7	14.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
--	--	--	--	--	--	--	--	--	--	--	--	--	.78	.88	.73			Relative P/E Ratio	1.00
--	--	--	--	--	--	--	--	--	--	--	--	--	3.7%	3.0%	3.3%			Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 12/31/15
 Total Debt \$31.2 bill. Due in 5 Yrs \$15.7 bill.
 LT Debt \$29.2 bill. LT Interest \$866 mill.
 (88% of Capital)

Leases, Uncapitalized Annual rentals \$119 mill.

Pension Assets-12/15 \$4.2 bill. **Oblig.** \$5.4 bill.

Common Stock 1,611,238,226 shares as of 1/31/16

MARKET CAP: \$91.9 billion (Large Cap)

CURRENT POSITION 2013 2014 12/31/15 (\$MILL.)

Cash Assets	9595	8348	8399
Receivables	3854	3735	4730
Inventory (FIFO)	1150	1124	1719
Other	3249	2881	1466
Current Assets	17848	16088	16314
Accts Payable	6448	6954	8463
Debt Due	18	4021	2025
Other	413	425	406
Current Liab.	6879	11400	10894

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '13-'15 to '19-'21

of change (per sh)				
Sales	--	--	7.5%	
"Cash Flow"	--	--	12.0%	
Earnings	--	--	13.0%	
Dividends	--	--	7.5%	
Book Value	--	--	NMF	

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	4329	4692	4658	5111	18790
2014	4563	4926	5019	5452	19960
2015	5040	5475	5944	6400	22859
2016	5900	6400	6600	7100	26000
2017	6900	7000	7100	7500	28500

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.68	.82	.82	.82	3.14
2014	.71	.82	.89	.89	3.32
2015	.94	1.08	1.13	1.13	4.29
2016	1.15	1.20	1.30	1.35	5.00
2017	1.35	1.40	1.60	1.65	6.00

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	--	--	--	--	--
2013	.40	.40	.40	.40	1.60
2014	.40	.42	.42	.42	1.66
2015	.49	.51	.51	.51	2.02
2016	.57				

BUSINESS: AbbVie Inc. is a global, research-based biopharmaceutical company that engages in the development and marketing of advanced therapies for some of the world's most complex diseases. Its products are used to treat rheumatoid arthritis, psoriasis, Crohn's disease, HIV, cystic fibrosis, low testosterone, thyroid disease, Parkinson's disease, ulcerative colitis, and chronic

AbbVie recently inked a promising deal with Boehringer Ingelheim. On March 7th, the company announced that it had entered into a global collaboration with the German drugmaker for the development and commercialization of BI 655066, an anti-IL-23 monoclonal biologic antibody currently in Phase III trials for psoriasis, and BI 655064, an anti-CD-40 antibody entering Phase II trials. Under the terms of the deal, AbbVie will make an upfront payment of \$595 million, as well as milestone and royalty payments on future net sales (in which the terms were not disclosed). In the initial period, the companies will share the costs of development of BI 655066, but AbbVie will be solely responsible for commercialization. **We view the deal favorably, but higher projected near-term investment has lowered our 2016 earnings outlook.** The acquisition of BI 655066 is a big win for AbbVie, as it stands to significantly strengthen the company's long-term growth potential beyond *Humira*. The drug is considered to be the "best in class" agent among the anti-IL 23 antibodies and peak sales estimates suggest it could be a

kidney disease, among other indications. Was formed 11/1/13 through a spinoff by Abbott Laboratories. Officers and directors own less than 1% of common stock; BlackRock, 6.1%; The Vanguard Group, 6.1% (3/16 proxy). Chairman/CEO: Richard A. Gonzalez. Inc: DE. Addr.: 1 North Waukegan Rd, North Chicago, IL. 60064. Tel.: 847-932-7900. Internet: www.abbvie.com.

multi-billion dollar contributor by the mid-2020s. Near-term, management expects the transaction to be \$0.08 dilutive to earnings per share in 2016, as a result of ongoing investment in the BI 655066 clinical program (including the Phase III trial for psoriasis). Accordingly, it lowered its full-year guidance from \$4.90-\$5.10 a share, to \$4.82-\$5.02. **Despite biosimilar concerns, Humira remains the backbone of the portfolio.** The *Humira* franchise generated more than \$14 billion in revenues in 2015 (+12% year over year), accounting for roughly 61% of AbbVie's top line. The double-digit gain was driven by continued strength across all three major market categories (rheumatology, dermatology, and gastroenterology). While speculation of early generic entries has been a prime concern among investors, we do not forecast any prospects coming to market pre-2020. **The stock maintains an Average (3) rank for Timeliness.** However, the dividend yield (4.0%) and strong 3- to 5-year appreciation potential enhances investment appeal. *Michael Ratty*

(A) Diluted earnings (adjusted). Excludes non-recurring items: '13, (.58c); '14, (\$2.22) '15, (\$1.16). Next earnings report due late April. (B) Dividends historically paid in February, May, August, and November. Dividend reinvestment plan available. (C) Includes intangibles. In '15: \$32.88 billion, \$20.42 a share. (D) In millions

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Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	NMF
Earnings Predictability	NMF

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