

ABBVIE INC. NYSE-ABBV

RECENT PRICE **58.75**

P/E RATIO **12.6** (Trailing: 14.5 Median: NMF)

RELATIVE P/E RATIO **0.71**

DIV'D YLD **3.9%**

VALUE LINE

TIMELINESS 3 Lowered 12/25/15
SAFETY 2 New 7/12/13
TECHNICAL 4 Lowered 1/1/16
 BETA 1.10 (1.00 = Market)

LEGENDS
 ... Relative Price Strength
 Options: Yes
 Shaded area indicates recession

High: 54.8 70.8 71.6
 Low: 33.3 45.5 45.4

Target Price Range
 2018 2019 2020

2018-20 PROJECTIONS
 Price Gain Ann'l Total
 High 130 (+120%) 24%
 Low 100 (+70%) 17%

Insider Decisions
 F M A M J J A S O
 to Buy 0 0 0 0 0 0 0 0 0
 Options 1 0 1 1 0 1 0 0 0
 to Sell 4 3 1 1 0 1 0 0 0

Institutional Decisions
 1Q2015 2Q2015 3Q2015
 to Buy 809 731 680
 to Sell 694 812 779
 Hlds(000) 1114740111474012021311136015

Percent shares traded
 21
 14
 7

% TOT. RETURN 11/15
 THIS STOCK VL ARITH. INDEX
 1 yr. -13.2 -2.0
 3 yr. — 48.1
 5 yr. — 71.2

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
--	--	--	--	--	--	--	--	--	--	--	--	--	--	11.84	12.54	13.95	16.45	Sales per sh	20.65
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--	--	--	--	--	--	--	--	--	--	--	--	--	--	1.60	1.66	2.02	2.28	Div'ds Decl'd per sh ^B	2.60
--	--	--	--	--	--	--	--	--	--	--	--	--	--	.56	.78	.80	.85	Cap'l Spending per sh	1.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.83	1.09	3.65	6.10	Book Value per sh ^C	14.40
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--	--	--	--	--	--	--	--	--	--	--	--	--	--	13.9	16.7	14.5		Avg Ann'l P/E Ratio	16.0
--	--	--	--	--	--	--	--	--	--	--	--	--	--	.78	.88	.80		Relative P/E Ratio	1.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.7%	3.0%	3.3%		Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 9/30/15
 Total Debt \$32.2 bill. Due in 5 Yrs \$9.1 bill.
 LT Debt \$31.4 bill. LT Interest \$800 mill.
 (87% of Capital)

Pension Assets-12/14 \$4.2 bill. **Oblig.** \$5.7 bill.

Preferred Stock None

Common Stock 1,634,746,917 shares

MARKET CAP: \$96.0 billion (Large Cap)

CURRENT POSITION (\$MILL.)	2013	2014	9/30/15
Cash Assets	9595	8348	9223
Receivables	3854	3735	4574
Inventory (FIFO)	1150	1124	1841
Other	3249	2881	2274
Current Assets	17848	16088	17912
Accts Payable	6448	6954	8045
Debt Due	18	4021	8
Other	413	425	759
Current Liab.	6879	11400	8812

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Sales	--	--	NMF
"Cash Flow"	--	--	NMF
Earnings	--	--	NMF
Dividends	--	--	NMF
Book Value	--	--	NMF

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	4174	4493	4508	5205	18380
2013	4329	4692	4658	5111	18790
2014	4563	4926	5019	5452	19960
2015	5040	5475	5944	6541	23000
2016	6000	6500	7000	7500	27000

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	.86	1.01	1.16	1.10	4.13
2013	.68	.82	.82	.82	3.14
2014	.71	.82	.89	.89	3.32
2015	.94	1.08	1.13	1.15	4.30
2016	1.15	1.25	1.30	1.40	5.10

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	--	--	--	--	--
2013	.40	.40	.40	.40	1.60
2014	.40	.42	.42	.42	1.66
2015	.49	.51	.51	.51	
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 turned in a strong 2015 campaign. While fourth-quarter and full-year results are not due out until later this month, preliminary data and recent guidance suggest that the company closed out 2015 on a positive note. Through the first three reported quarters, AbbVie's earnings per share advanced 30% year over year, on revenue growth of 13%.

Management narrowed its guidance. The company expects 2015 full-year earnings to be between \$4.26-\$4.28 a share, previously \$4.10-\$4.30. Given management's penchant for providing conservative guidance (company has outperformed earnings expectations in each of the last two quarters), some upside to this projection is likely achievable. As a result, we are leaving our 2015 estimate unchanged at \$4.30 a share (+30% year over year). We are targeting revenues of \$2.3 billion (+15%).

We are maintaining our 2016 share-net estimate at \$5.10. The figure implies growth of 19% over our 2015 assumption and is at the top end of management's \$4.90-\$5.10 guidance range. We look for AbbVie to continue to perform well on the back of its cornerstone *Humira* franchise

and growing contributions from newer assets *Viekira* and *Imbruvica*. **Humira continues to show nice momentum and remains the backbone of the portfolio.** *Humira* currently accounts for roughly 63% of AbbVie's top line. Through the first nine months of 2015, franchise sales have advanced 12% year over year driven by strong growth across all three major market categories (rheumatology, dermatology, and gastroenterology). With uptake trends holding up well in the U.S. and overseas, and approvals for other indications a strong possibility, we look for *Humira* to continue to deliver solid results over the next several years.

The stock's Timeliness rank has been downgraded to 3 (Average). As a result, shares of ABBV are now pegged to perform in line with the broader market over the next six to 12 months. On a positive note, the board just recently authorized a 12% increase to its quarterly dividend (payable in the first quarter). Shares of ABBV are now yielding 3.9%, above the industry and the *Value Line* median.

Michael Ratty
 January 8, 2016

(A) Diluted earnings. Next earnings report due late January. (B) Dividends historically paid in February, May, August, and November. ■ Dividend reinvestment plan available. (C) Includes intangibles. In '14: \$7.38 billion, \$4.63 a share. (D) In millions. (E) Unranked due to short trading history.

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