

ABBIE INC. NYSE-ABBV

RECENT PRICE **67.18** P/E RATIO **15.6** (Trailing: 19.0) (Median: NMF) RELATIVE P/E RATIO **0.83** DIV'D YLD **3.0%**

VALUE LINE

TIMELINESS —E
SAFETY **2** New 7/12/13
TECHNICAL —E
BETA 1.10 (1.00 = Market)

LEGENDS
 Relative Price Strength
 Options: Yes
 Shaded area indicates recession

High: 54.8 70.8 70.8
 Low: 33.3 45.5 54.8

Target Price Range
 2018 2019 2020

2018-20 PROJECTIONS
 Price Gain Ann'l Total
 High 130 (+95%) 20%
 Low 95 (+40%) 12%

Insider Decisions
 A S O N D J F M A
 to Buy 0 0 0 0 0 0 0 0
 Options 0 0 0 2 1 0 1 0
 to Sell 0 0 0 2 1 0 4 3

Institutional Decisions
 3Q2014 4Q2014 1Q2015
 to Buy 676 712 809
 to Sell 632 738 694
 Hid's(000) 125503011149341114740

Percent shares traded
 21
 14
 7

% TOT. RETURN 5/15
 THIS STOCK VL ARITH' INDEX
 1 yr. 26.5 8.7
 3 yr. — 72.8
 5 yr. — 101.1

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	14.45	17.00	Sales per sh	22.60
--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.44	3.62	4.55	5.25	"Cash Flow" per sh	7.25
--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.14	3.32	4.30	5.00	Earnings per sh ^A	7.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	1.60	1.66	2.02	2.40	Div'ds Decl'd per sh ^B	3.40
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--	--	--	--	--	--	--	--	--	--	--	--	--	--	13.9	16.7	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	16.0
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--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.7%	3.0%			Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 3/31/15
 Total Debt \$14.7 bill. Due in 5 Yrs \$9.1 bill.
 LT Debt \$10.7 bill. LT Interest \$430 mill.
 (89% of Capital)
Pension Assets-12/14 \$4.2 bill. **Oblig.** \$5.7 bill.
Preferred Stock None
Common Stock 1,593,076,097 shares as of 3/31/15
MARKET CAP: \$107 billion (Large Cap)

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--	--	--	--	--	--	--	--	--	--	--	--	--	--	38.4%	38.4%	42.0%	45.0%	Operating Margin	50.0%
--	--	--	--	--	--	--	--	--	--	--	--	--	--	388.0	383.0	400	400	Depreciation (\$mill)	400
--	--	--	--	--	--	--	--	--	--	--	--	--	--	5066.0	5375.0	6840	7950	Net Profit (\$mill)	10850
--	--	--	--	--	--	--	--	--	--	--	--	--	--	22.2%	22.4%	22.0%	22.0%	Income Tax Rate	22.0%
--	--	--	--	--	--	--	--	--	--	--	--	--	--	27.0%	26.9%	29.7%	29.4%	Net Profit Margin	31.0%
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--	--	--	--	--	--	--	--	--	--	--	--	--	--	14292	10565	10000	10000	Long-Term Debt (\$mill)	10000
--	--	--	--	--	--	--	--	--	--	--	--	--	--	4492.0	1742.0	3000	6000	Shr. Equity (\$mill)	15000
--	--	--	--	--	--	--	--	--	--	--	--	--	--	27.7%	45.3%	54.5%	51.0%	Return on Total Cap'l	44.5%
--	--	--	--	--	--	--	--	--	--	--	--	--	--	112.8%	NMF	NMF	NMF	Return on Shr. Equity	72.5%
--	--	--	--	--	--	--	--	--	--	--	--	--	--	55.9%	NMF	NMF	NMF	Retained to Com Eq	37.0%
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CURRENT POSITION (\$MILL.)

	2013	2014	3/31/15
Cash Assets	9595	8348	7906
Receivables	3854	3735	4214
Inventory (FIFO)	1150	1124	1022
Other	3249	2881	2266
Current Assets	17848	16088	15408
Accts Payable	6448	6954	6460
Debt Due	18	4021	4021
Other	413	425	569
Current Liab.	6879	11400	11050

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

kidney disease, among other indications. Was formed 1/1/13 through a spinoff by Abbott Laboratories. Off/dirs. own less than 1% of common stock; BlackRock, 7.2%; Capital Research Global, 6.3%; Vanguard, 5.6% (3/15 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 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

AbbVie completed its Pharmacyclics acquisition in the second quarter. The move greatly enhances AbbVie's presence in the fast-growing hematologic oncology market, which is currently approaching \$24 billion globally. Most importantly, it should provide another platform for future growth and help to lessen the company's dependence on the *Humira* franchise (accounted for 63% of total revenue in 2014). The big prize here for AbbVie is *Imbruvica*, Pharmacyclics' flagship asset that has proven to be a highly effective treatment for hematologic malignancies. Recent trials on the drug have been encouraging and have helped to reinforce our block-

\$0.53 a share related to nonrecurring items, but includes \$0.20 of dilution related to the Pharmacyclics acquisition. Our 2015 share-net call stands at \$4.30, representing annual growth of 30%. **The stock has been among the best performing in the industry.** Shares of ABBV have advanced more than 20% in price since our April report. Investors were clearly enthused with the company's first-quarter results, improved 2015 guidance, and the addition of Pharmacyclics. **AbbVie shares remain unranked for Timeliness.** We typically require at least two full years of pricing and financial data before initiating a rank. We anticipate this

QUARTERLY SALES (\$ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	4174	4493	4508	5205	18380
2013	4329	4692	4658	5111	18790
2014	4563	4926	5019	5452	19960
2015	5040	5500	6000	6460	23000
2016	6000	6500	7000	7500	27000

EARNINGS PER SHARE ^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1.12	1.18	1.20	1.40	4.90
2013	1.18	1.24	1.26	1.46	5.14
2014	1.24	1.30	1.32	1.52	5.38
2015	1.30	1.36	1.38	1.58	5.62
2016	1.36	1.42	1.44	1.64	5.86

