

ABBIE INC. NYSE-ABBV

RECENT PRICE **52.79**

P/E RATIO **11.7** (Trailing: 13.9 Median: NMF)

RELATIVE P/E RATIO **0.70**

DIV'D YLD **3.9%**

VALUE LINE

TIMELINESS 2 New 10/9/15
SAFETY 2 New 7/12/13
TECHNICAL 1 New 10/9/15
BETA 1.10 (1.00 = Market)

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



2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+145%)	27%
Low	100	(+90%)	20%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	2	1	0	1	0	1	1	0	1
to Sell	2	1	0	4	3	1	1	0	1

Institutional Decisions

	4Q2014	1Q2015	2Q2015	Percent shares traded
to Buy	712	809	731	21
to Sell	738	694	812	14
Hlds(000)	1114934	1114740	1202131	7

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040		
Price	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11.84	12.54	13.95	16.45						
High	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.44	3.62	4.55	5.25						
Low	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.14	3.32	4.30	5.10						
Options	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1.60	1.66	2.02	2.14						
to Buy	--	--	--	--	--	--	--	--	--	--	--	--	--	--	.56	.78	.80	.85						
to Sell	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.83	1.09	4.25	6.70						
Hlds(000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1587.4	1591.4	1650.0	1640.0						

CAPITAL STRUCTURE as of 6/30/15

Total Debt \$31.1 bill. Due in 5 Yrs \$9.1 bill.
 LT Debt \$27.1 bill. LT Interest \$800 mill.
 (83% of Capital)

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

Preferred Stock None

Common Stock 1,655,276,338 shares

MARKET CAP: \$87.4 billion (Large Cap)

CURRENT POSITION

	2013	2014	6/30/15
Cash Assets	9595	8348	7400
Receivables	3854	3735	4367
Inventory (FIFO)	1150	1124	1623
Other	3249	2881	3487
Current Assets	17848	16088	16877
Accts Payable	6448	6954	7251
Debt Due	18	4021	4007
Other	413	425	--
Current Liab.	6879	11400	11258

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

QUARTERLY SALES (\$ mill.)

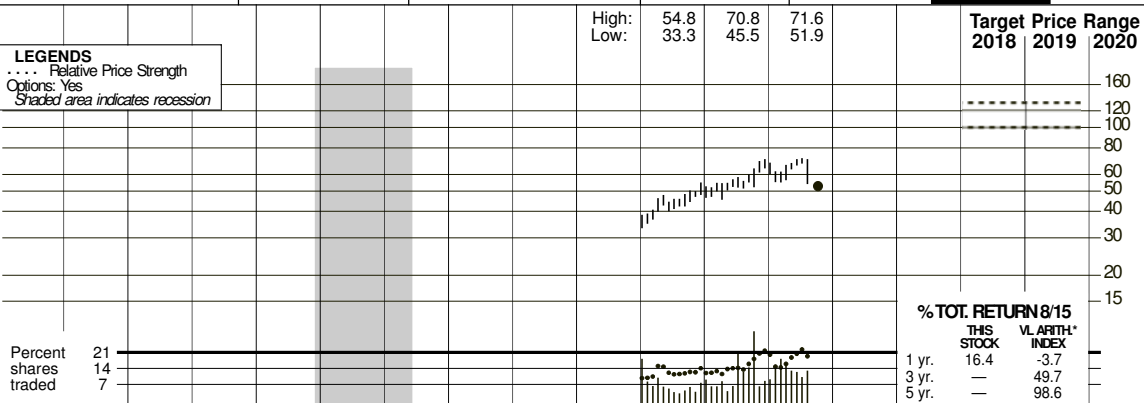
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	4174	4493	4508	5205	18380
2013	4329	4692	4658	5111	18790
2014	4563	4926	5019	5452	19960
2015	5040	5475	6000	6485	23000
2016	6000	6500	7000	7500	27000

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.08	1.20	4.30
2016	1.15	1.25	1.30	1.40	5.10

QUARTERLY DIVIDENDS PAID B-

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	--	--	--	--	--
2012	--	--	--	--	--
2013	.40	.40	.40	.40	1.60
2014	.40	.42	.42	.42	1.66
2015	.49	.51	.51	--	--



% TOT. RETURN 8/15

	THIS STOCK	VL ARITH+ INDEX
1 yr.	16.4	-3.7
3 yr.	--	49.7
5 yr.	--	98.6

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Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
Sales per sh	--	--	--	--	--	--	--	--	--	--	--	--	--	--	11.84	12.54	13.95	16.45					
"Cash Flow" per sh	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.44	3.62	4.55	5.25					
Earnings per sh A	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.14	3.32	4.30	5.10					
Div'ds Decl'd per sh B-	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1.60	1.66	2.02	2.14					
Cap'l Spending per sh	--	--	--	--	--	--	--	--	--	--	--	--	--	--	.56	.78	.80	.85					
Book Value per sh C	--	--	--	--	--	--	--	--	--	--	--	--	--	--	2.83	1.09	4.25	6.70					
Common Shs Outst'g D	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1587.4	1591.4	1650.0	1640.0					
Avg Ann'l P/E Ratio	--	--	--	--	--	--	--	--	--	--	--	--	--	--	13.9	16.7	Bold figures are Value Line estimates						
Relative P/E Ratio	--	--	--	--	--	--	--	--	--	--	--	--	--	--	.78	.88							
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.7%	3.0%							

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 11/13 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.

On the back of Humira, AbbVie continues to roll. The drugmaker posted second-quarter adjusted earnings of \$1.08 a share, ahead of our \$1.05 estimate and up from \$0.82 in the comparable year-ago period. Performance was driven by an 11% increase on the top line (to \$5.48 billion), highlighted by 8% growth in the company's cornerstone *Humira* franchise. AbbVie also received solid contributions from some of the newer drugs in its lineup including, *Viekira* (\$385 million) and *Imbruvica* (\$234 million), neither of which had reported sales in the June quarter of 2014. Better margins also supported the second-quarter earnings beat, helping to offset continued pressure from foreign exchange. All told, management reaffirmed its 2015 share-net guidance of \$4.10-\$4.30. **The company remains heavily reliant on Humira, and that's not necessarily a bad thing.** While we are encouraged with management's efforts to diversify the product base, particularly the recently completed acquisition of Pharmacyclics (May 26th), the *Humira* franchise remains AbbVie's bread and butter, accounting for 65% of total sales. The drug continued to deliver strong growth across all three major market categories in the second quarter (rheumatology, dermatology, and gastroenterology) and also received European approval for a new formulation designed to reduce injection pain and injection volume. With uptake trends holding strong in the U.S. and overseas, we look for *Humira* to continue to drive positive comps over the next several years. The company does not expect *Humira* biosimilars to hit the market until 2020 at the earliest. **The stock has dropped roughly 20% in value since our July report.** In our view, much of this decline can be attributed to the broader market downturn, as fundamentals appear solid. Shares of ABBV currently hold an Above Average (2) rank for Timeliness. **Based on our model, capital gains potential to 2018-2020 is above average.** While continued momentum in *Humira* is the key catalyst behind our projections, we look for *Imbruvica* and the HCV portfolio to become more meaningful growth components, as well.

Michael Ratty October 9, 2015

(A) Diluted earnings. Next earnings report due late October.	(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