

# Abbott Laboratories (ABT)

Date: 02/16/2013

## Stock Prices

Current Price = \$35.08

52 Week Range = \$26.76 to \$35.10

Exchange: NYSE

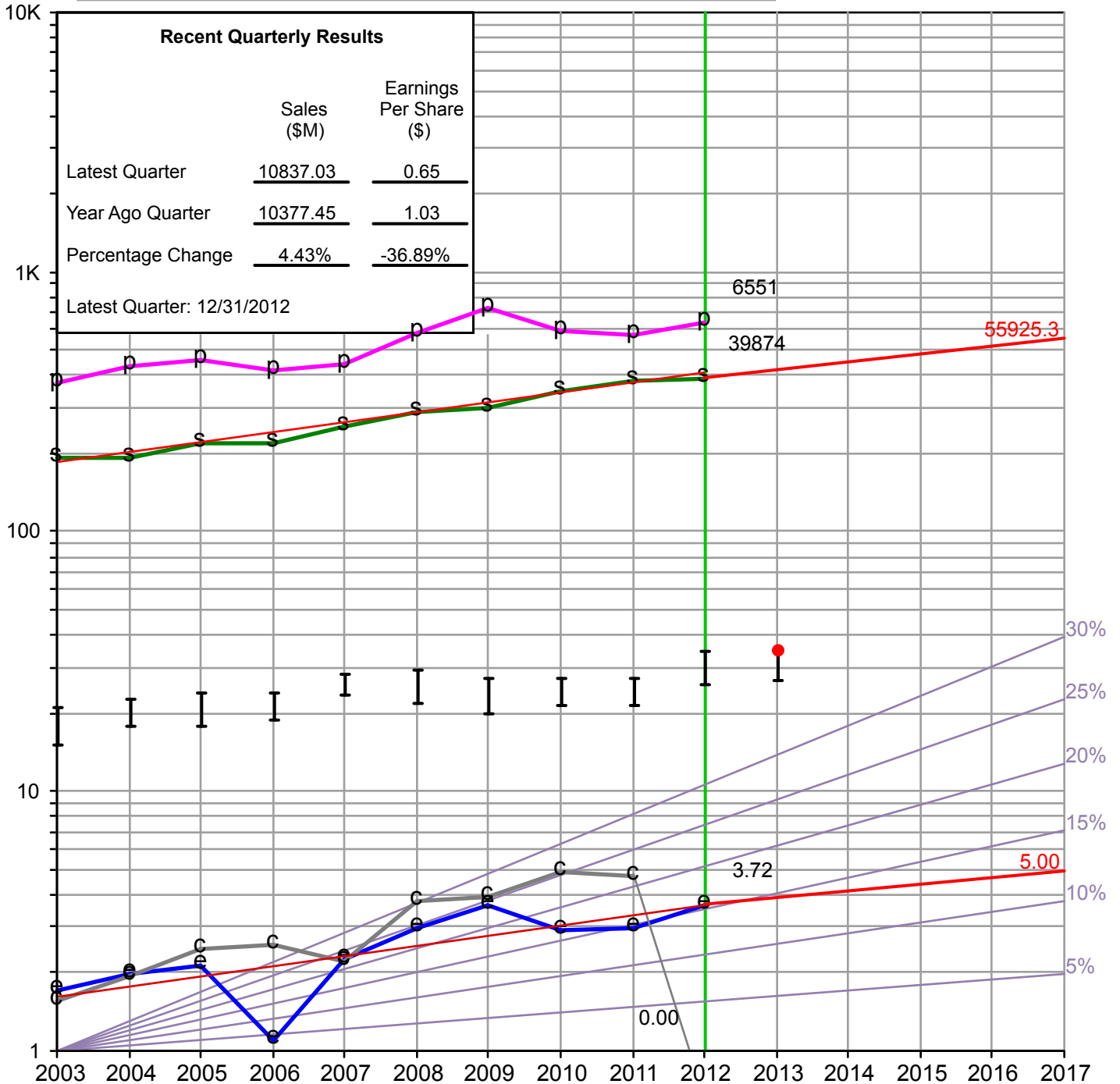
Industry: Medical Devices

Debt (\$M): 0.00

% Total Cap.: 37.60%

## Share Data

	Authorized	Issued
Preferred:		
Common:	1644.602	1644.602
Preferred Stock Dividend:		Dilution: 0.000



(1) Historical Sales Growth = 9.16%  
 (2) Estimated Sales Growth = 7.00%

(3) Historical EPS Growth = 9.52%  
 (4) Estimated EPS Growth = 6.1%

ACE 5-year EPS Growth Estimate: 10.8%

## 2 EVALUATING MANAGEMENT

Abbott Laboratories (ABT) - 02/15/2013

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5 Yr Ave	Trend
% Pretax Profit on Sales (Net Before Tax/Sales)	19.5	22.4	20.8	19.1	17.2	20.2	23.9	17.1	15.1	16.4	18.5	DOWN
% Earned on Invested Capital (EPS/Book Val)	20.9	22.0	23.3	12.2	20.1	26.9	25.1	20.2	19.2	21.8	22.6	FLAT
% Debt to Equity	26.4	33.3	31.7	50.0	53.4	50.0	49.4	55.2	49.3	0.0	40.8	DOWN

## 3 PRICE & EARNINGS HISTORY

Current Price: 35.08

52 Week High= 35.10

52 Week Low= 26.764

Year	High Price	Low Price	EPS	PE High	PE Low	Dividend	Payout	High Yield	
2008	29.2	21.9	3.03	9.7	7.2	1.405	46.4	6.4	
2009	27.5	19.8	3.69	7.4	5.4	1.560	42.3	7.9	
2010	27.2	21.3	2.96	9.2	7.2	1.720	58.1	8.1	
2011	27.0	21.6	3.01	9.0	7.2	1.880	62.5	8.7	
2012	34.7	25.8	3.72	9.3	6.9	1.640	44.1	6.4	
TOTAL	145.5	110.4							
AVE	29.1	22.1		8.9	6.8		50.7		
Average Price Earnings Ratio: 7.8					Current Price Earnings Ratio: 9.4				

Current PE Ratio Based on Current EPS [\$3.72]

Projected PE Ratio of [8.9] Based on Projected EPS [\$3.9]

## 4 EVALUATING BUY, HOLD, & SELL

### A. CALCULATED HIGH PRICE - 5 YEARS

Ave High PE 14.0 X Estimated High Earnings/Share 5.00 Projected High Price = \$ 70.0

### B. CALCULATED LOW PRICE - 5 YEARS

(a) Avg. Low P/E 6.8 X Estimated Low Earnings/Share 2.77 = \$ 18.84  
 (b) Avg. Low Price of Last 5 Years = \$22.1 (e) Price Variant = \$26.6  
 (c) Recent Market Low = \$21.3  
 (d) Dividend Price Support = \$18.9

Selected Estimated Low Price \$ 18.9

### C. BUY/HOLD/SELL ZONES

Selected High of \$70.00 minus Selected Low of \$18.90 = \$51.10 Range. 1/4 of Range = \$12.775

Lower 1/4 = \$18.9 To \$31.67 (Buy)

25%/50%/25% Zoning

Center 1/2 = \$31.67 To \$57.22 (Hold)

Upper 1/4 = \$57.22 To \$70.0 (Sell)

### D. UPSIDE RISK ANALYSIS

High Price 70.0 - Current Price 35.08 = **2.2** to 1

Current price of \$35.08 is in the HOLD zone

Current Price 35.08 - Low Price 18.9

PEG Ratio = 1.54

Relative Value = 120.5%

Proj PEG = 1.46

Proj Rel Value = 113.9%

## 5 YIELD ANALYSIS

Current Yield = (100 \* Current Dividend) ÷ Current Price = 100 \* 2.04 / 35.1 = 5.8%

Ave. 5 Yr. Yield = (Ave. EPS(5Yr) \* Ave. Payout) ÷ Current Price = (4.44 \* 50.7) / 35.1 = 6.4%

Price Appreciation = ((100 \* Projected High Price ÷ Current Price) - 100) ÷ 5 = 19.9 %

Average Total Return = Price Appreciation + Ave. 5 Yr. Yield = 26.3 %

	P.A.R	Tot. Ret.
Average Yield	4.9%	3.6%
Annual Appreciation	8.2%	14.8%
Compounded Annual Return	13.1%	18.4%