

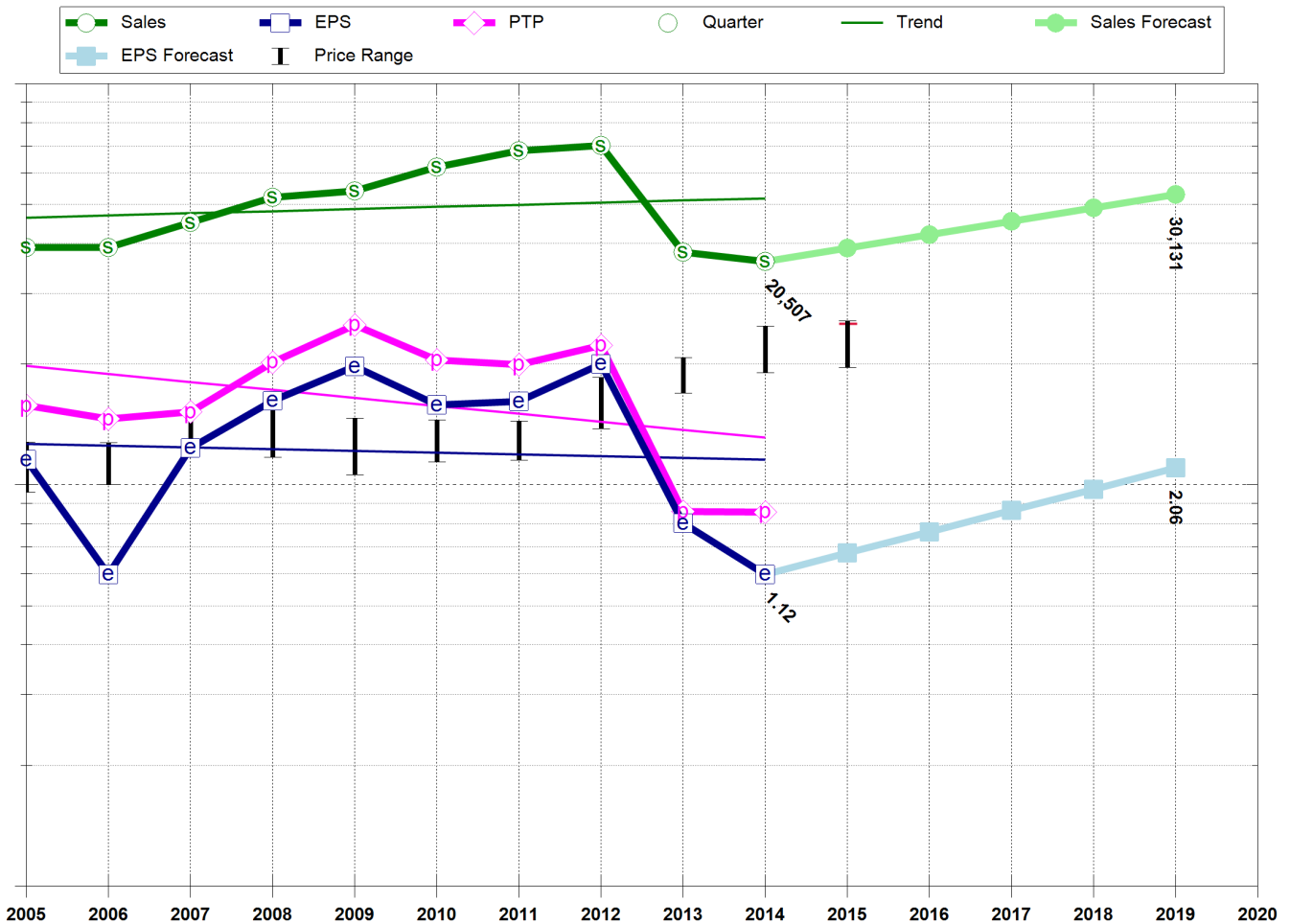
Company	Abbott Laboratories		Date	4/10/2015	
Prepared by	Henrikson		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Medical Devices		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Diluted Shares (M)	1,522.1	0.3	72.6		
Debt (\$M)	7,845.0	% to Tot Cap	26.7	% Pot Dil	0.8

## Stock Selection Guide

Symbol: ABT

### 1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2014 Quarter Ending (12/14)	Sales (\$M)	Earnings Per Share
Latest Quarter	5,290.0	0.42
Year Ago Quarter	5,654.9	0.38
Percentage Change	-6.5%	10.4%



- |                                   |      |  |       |
|-----------------------------------|------|--|-------|
| (1) Historical Sales Growth       | 1.2% | (3) Historical Earnings Per Share Growth       | -1.0% |
| (2) Estimated Future Sales Growth | 8.0% | (4) Estimated Future Earnings Per Share Growth | 13.0% |

## 2 EVALUATING Management

Abbott Laboratories

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Last 5 Year Avg.
Pre-tax Profit on Sales	20.8%	19.1%	17.2%	20.2%	23.9%	17.1%	15.1%	16.4%	11.5%	12.4%	14.5%
% Earned on Equity	23.1%	12.3%	20.2%	26.9%	25.0%	20.2%	19.4%	22.1%	9.2%	7.8%	15.8%
% Debt To Capital	31.5%	46.9%	40.7%	39.6%	41.9%	45.8%	38.7%	43.4%	20.7%	26.7%	35.1%

## 3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

PRESENT PRICE 47.2

HIGH THIS YEAR 47.88

LOW THIS YEAR 36.65

		A	B	C	D	E	F	G	H
	Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
		High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
1	2010	27.2	21.3	2.96	9.2	7.2	1.72	58.1	8.1
2	2011	27.0	21.6	3.02	9.0	7.1	1.88	62.3	8.7
3	2012	34.7	25.8	3.75	9.3	6.9	2.01	53.7	7.8
4	2013	38.8	31.6	1.50	25.9	21.1	0.56	37.3	1.8
5	2014	46.5	35.7	1.12	41.5	31.8	0.88	78.6	2.5
	AVERAGE		27.2		19.0	14.8		58.0	
	CURRENT/TTM			1.23			0.96	78.4	
AVERAGE PRICE EARNINGS RATIO 16.9					CURRENT PRICE EARNINGS RATIO 38.5				

## 4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

### A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 25.00 X Estimate High Earnings/Share 2.06 = Forecasted High Price \$ 51.5

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 14.80 X Estimate Low Earnings/Share 1.12 = Forecasted Low Price \$ 16.6

(b) Avg. Low Price of Last 5 Years 27.2

(c) Recent Market Low Price 31.64

(d) Price Dividend Will Support  $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{0.960}{2.50\%} = 38.4$

Selected Forecasted Low Price \$ 39.0

### C ZONING using 25%-50%-25%

Forecasted High Price 51.5 Minus Forecasted Low Price 39.0 = 12.5 Range. 25% of Range 3.1

Buy Zone 39.0 to 42.1

Hold Zone 42.1 to 48.4

Sell Zone 48.4 to 51.5

Present Market Price of 47.15 is in the **Hold** Zone

### D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{51.5 - 47.15}{47.15 - 39.0} = \frac{4.35}{8.15} = 0.5$  To 1

### E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price}}{\text{Present Market Price}} = \frac{51.5}{47.15} = 1.09$  X 100 = 109.23 - 100 = 9.2 % Appreciation

## 5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A  $\frac{\text{Present Full Year's Dividend \$}}{\text{Present Price of Stock}} = \frac{0.96}{47.15} = 0.02 = 2.0\%$  Present Yield

### B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{58.0\%}{25.00} = 2.3\%$

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{58.0\%}{19.90} = 2.9\%$

### C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 1.8 %  
Average Yield 2.3 %  
Annualized Rate of Return 4.1 %

### COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation -2.8 %  
Average Yield 2.9 %  
Annualized Rate of Return 0.2 %

**QUARTERLY REPORT**

**Company: Abbott Laboratories**

**Symbol: ABT**

Quarterly Data									Last 12 Months Data								
Period	EPS		PTP			Sales		Income Tax Rate	EPS	PTP		Sales	Income Tax		% Chg		
	\$	% Chg	\$ Mil	% Sales	% Chg	\$ Mil	% Chg			\$	\$ Mil		% Sales	\$ Mil	% Rate	EPS	PTP
03/02	0.54		1,131.5	27.0		4,189.3		24.5									
06/02	0.38		892.2	20.7		4,314.9		33.7									
09/02	0.46		953.7	22.0		4,341.2		24.5									
12/02	0.40		803.7	16.6		4,839.2		22.0	1.78	3,781.1	21.4	17,684.7	989.1	26.2			
03/03	0.51	-5.5	1,053.9	23.0	-6.9	4,580.5	9.3	24.0	1.75	3,703.5	20.5	18,075.8	964.0	26.0			
06/03	0.16	-58.2	456.2	9.7	-48.9	4,723.6	9.5	45.9	1.53	3,267.6	17.7	18,484.6	950.4	29.1			
09/03	0.48	5.4	1,081.9	22.3	13.4	4,845.9	11.6	29.7	1.55	3,395.8	17.9	18,989.2	1,031.7	30.4			
12/03	0.60	50.4	1,242.6	22.5	54.6	5,530.6	14.3	24.0	1.75	3,834.7	19.5	19,680.6	1,184.0	30.9	-1.3	1.4	11.3
03/04	0.52	2.3	1,169.3	22.4	10.9	5,216.1	13.9	29.7	1.76	3,950.0	19.4	20,316.2	1,276.0	32.3	1.1	6.7	12.4
06/04	0.40	154.8	1,039.7	22.1	127.9	4,703.0	-0.4	39.6	2.01	4,533.5	22.3	20,295.6	1,392.9	30.7	31.5	38.7	9.8
09/04	0.51	5.4	1,074.2	22.9	-0.7	4,681.7	-3.4	25.5	2.03	4,525.7	22.5	20,131.4	1,343.4	29.7	31.1	33.3	6.0
12/04	0.62	3.5	1,202.6	21.3	-3.2	5,654.4	2.2	18.9	2.05	4,485.8	22.1	20,255.2	1,274.7	28.4	17.2	17.0	2.9
03/05	0.53	1.3	1,177.9	21.9	0.7	5,382.7	3.2	29.4	2.06	4,494.3	22.0	20,421.8	1,273.8	28.3	16.8	13.8	0.5
06/05	0.56	40.0	1,146.5	20.8	10.3	5,523.8	17.5	23.4	2.22	4,601.1	21.7	21,242.6	1,117.5	24.3	10.7	1.5	4.7
09/05	0.44	-13.7	912.8	17.0	-15.0	5,384.0	15.0	24.6	2.15	4,439.8	20.2	21,944.9	1,068.7	24.1	5.8	-1.9	9.0
12/05	0.63	1.1	1,399.9	23.1	16.4	6,047.3	6.9	30.3	2.16	4,637.1	20.8	22,337.8	1,248.3	26.9	5.1	3.4	10.3
03/06	0.56	6.0	1,135.0	21.9	-3.6	5,183.5	-3.7	23.9	2.19	4,594.2	20.8	22,138.6	1,173.4	25.5	6.3	2.2	8.4
06/06	0.40	-28.6	657.1	11.9	-42.7	5,501.1	-0.4	6.8	2.03	4,104.9	18.6	22,115.9	878.1	21.4	-8.6	-10.8	4.1
09/06	0.46	5.5	940.3	16.9	3.0	5,573.8	3.5	23.9	2.05	4,132.4	18.5	22,305.7	876.5	21.2	-4.5	-6.9	1.6
12/06	-0.31	-149.5	1,064.9	17.1	-23.9	6,218.0	2.8	144.8	1.12	3,797.4	16.9	22,476.3	1,892.3	49.8	-48.3	-18.1	0.6
03/07	0.41	-27.0	771.0	14.6	-32.1	5,290.3	2.1	17.1	0.96	3,433.3	15.2	22,583.1	1,653.2	48.2	-56.0	-25.3	2.0
06/07	0.63	58.5	1,252.6	19.7	90.6	6,370.6	15.8	21.0	1.20	4,028.8	17.2	23,452.6	2,083.3	51.7	-41.0	-1.9	6.0
09/07	0.46	-0.9	893.4	14.0	-5.0	6,376.7	14.4	19.8	1.19	3,981.9	16.4	24,255.6	2,018.1	50.7	-41.9	-3.6	8.7
12/07	0.77	347.6	1,482.9	20.5	39.3	7,221.4	16.1	18.8	2.27	4,400.0	17.4	25,259.0	844.6	19.2	103.9	15.9	12.4
03/08	0.60	46.6	1,179.4	17.4	53.0	6,765.6	27.9	20.5	2.47	4,808.4	18.0	26,734.3	963.2	20.0	156.0	40.1	18.4
06/08	0.85	34.2	1,714.9	23.4	36.9	7,314.0	14.8	22.9	2.68	5,270.6	19.0	27,677.7	1,080.9	20.5	124.1	30.8	18.0
09/08	0.69	50.9	1,373.0	18.3	53.7	7,497.7	17.6	21.0	2.92	5,750.3	20.0	28,798.6	1,196.0	20.8	144.4	44.4	18.7
12/08	0.98	27.5	1,686.2	21.2	13.7	7,950.3	10.1	8.9	3.13	5,953.5	20.2	29,527.6	1,090.6	18.3	37.6	35.3	16.9
03/09	0.92	53.7	1,932.5	28.8	63.8	6,718.4	-0.7	25.6	3.45	6,706.6	22.7	29,480.3	1,314.1	19.6	40.0	39.5	10.3
06/09	0.83	-2.4	1,567.0	20.9	-8.6	7,494.9	2.5	17.8	3.43	6,558.8	22.1	29,661.2	1,200.9	18.3	27.9	24.4	7.2
09/09	0.95	37.5	1,871.4	24.1	36.3	7,761.3	3.5	20.9	3.69	7,057.1	23.6	29,924.8	1,290.3	18.3	26.6	22.7	3.9
12/09	0.99	1.2	1,992.9	22.7	18.2	8,790.1	10.6	22.8	3.70	7,363.8	23.9	30,764.7	1,601.3	21.7	18.4	23.7	4.2
03/10	0.64	-30.5	1,322.2	17.2	-31.6	7,698.4	14.6	24.2	3.42	6,753.5	21.3	31,744.7	1,445.0	21.4	-0.9	0.7	7.7
06/10	0.83	0.1	1,558.7	17.7	-0.5	8,826.0	17.8	17.2	3.42	6,745.2	20.4	33,075.8	1,433.0	21.2	-0.3	2.8	11.5
09/10	0.57	-39.9	1,064.1	12.3	-43.1	8,674.5	11.8	16.3	3.04	5,937.9	17.5	33,989.0	1,194.2	20.1	-17.6	-15.9	13.6
12/10	0.93	-6.8	1,767.8	17.7	-11.3	9,967.8	13.4	18.5	2.97	5,712.8	16.2	35,166.7	1,087.8	19.0	-19.7	-22.4	14.3
03/11	0.55	-13.7	1,168.8	12.9	-11.6	9,040.9	17.4	26.1	2.89	5,559.4	15.2	36,509.2	1,085.4	19.5	-15.7	-17.7	15.0

Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
06/11	1.24	49.2	1,847.1	19.2	18.5	9,616.3	9.0	-5.2	3.29	5,847.8	15.7	37,299.5	814.4	13.9	-3.7	-13.3	12.8	
09/11	0.19	-66.3	501.6	5.1	-52.9	9,816.7	13.2	39.7	2.91	5,285.3	13.7	38,441.7	1,044.4	19.8	-4.2	-11.0	13.1	
12/11	1.03	10.8	2,353.7	22.7	33.1	10,377.5	4.1	31.2	3.01	5,871.1	15.1	38,851.3	1,347.4	23.0	1.4	2.8	10.5	
03/12	0.78	41.0	1,663.0	17.6	42.3	9,456.6	4.6	25.4	3.24	6,365.4	16.2	39,267.0	1,448.6	22.8	12.3	14.5	7.6	
06/12	1.09	-12.5	2,113.3	21.5	14.4	9,807.1	2.0	18.4	3.09	6,631.6	16.8	39,457.9	1,900.4	28.7	-6.3	13.4	5.8	
09/12	1.22	531.6	1,872.4	19.2	273.3	9,773.2	-0.4	-3.8	4.11	8,002.4	20.3	39,414.4	1,423.9	17.8	41.1	51.4	2.5	
12/12	0.66	-35.6	901.9	8.3	-61.7	10,836.9	4.4	-16.9	3.75	6,550.6	16.4	39,873.9	377.8	5.8	24.3	11.6	2.6	
03/13	0.34	-56.5	554.6	10.3	-66.7	5,377.9	-43.1	2.8	3.31	5,442.1	15.2	35,795.2	6.5	0.1	2.0	-14.5	-8.8	
06/13	0.30	-72.4	600.7	11.0	-71.6	5,446.0	-44.5	21.3	2.52	3,929.6	12.5	31,434.1	33.1	0.8	-18.3	-40.7	-20.3	
09/13	0.49	-59.8	628.4	11.7	-66.4	5,369.1	-45.1	-22.2	1.79	2,685.6	9.9	27,030.0	-100.7	-3.7	-56.4	-66.4	-31.4	
12/13	0.38	-43.1	737.3	13.0	-18.2	5,654.9	-47.8	20.1	1.51	2,521.0	11.5	21,848.0	138.5	5.5	-59.8	-61.5	-45.2	
03/14	0.22	-35.3	423.0	8.1	-23.7	5,244.0	-2.5	19.5	1.39	2,389.5	11.0	21,714.1	231.3	9.7	-58.1	-56.1	-39.3	
06/14	0.30	0.0	737.0	13.3	22.7	5,551.0	1.9	38.2	1.39	2,525.7	11.6	21,819.1	351.7	13.9	-45.0	-35.7	-30.6	
09/14	0.29	-40.8	718.0	14.1	14.3	5,104.0	-4.9	38.6	1.19	2,615.3	12.1	21,553.9	761.6	29.1	-33.8	-2.6	-20.3	
12/14	0.42	10.4	802.0	15.2	8.8	5,290.0	-6.5	21.2	1.23	2,680.0	12.6	21,189.0	788.0	29.4	-18.7	6.3	-3.0	