

# Abbott Laboratories (ABT)

Date: 05/11/2013

## Stock Prices

Current Price = \$36.17

52 Week Range = \$28.45 to \$37.55

Exchange: NYSE

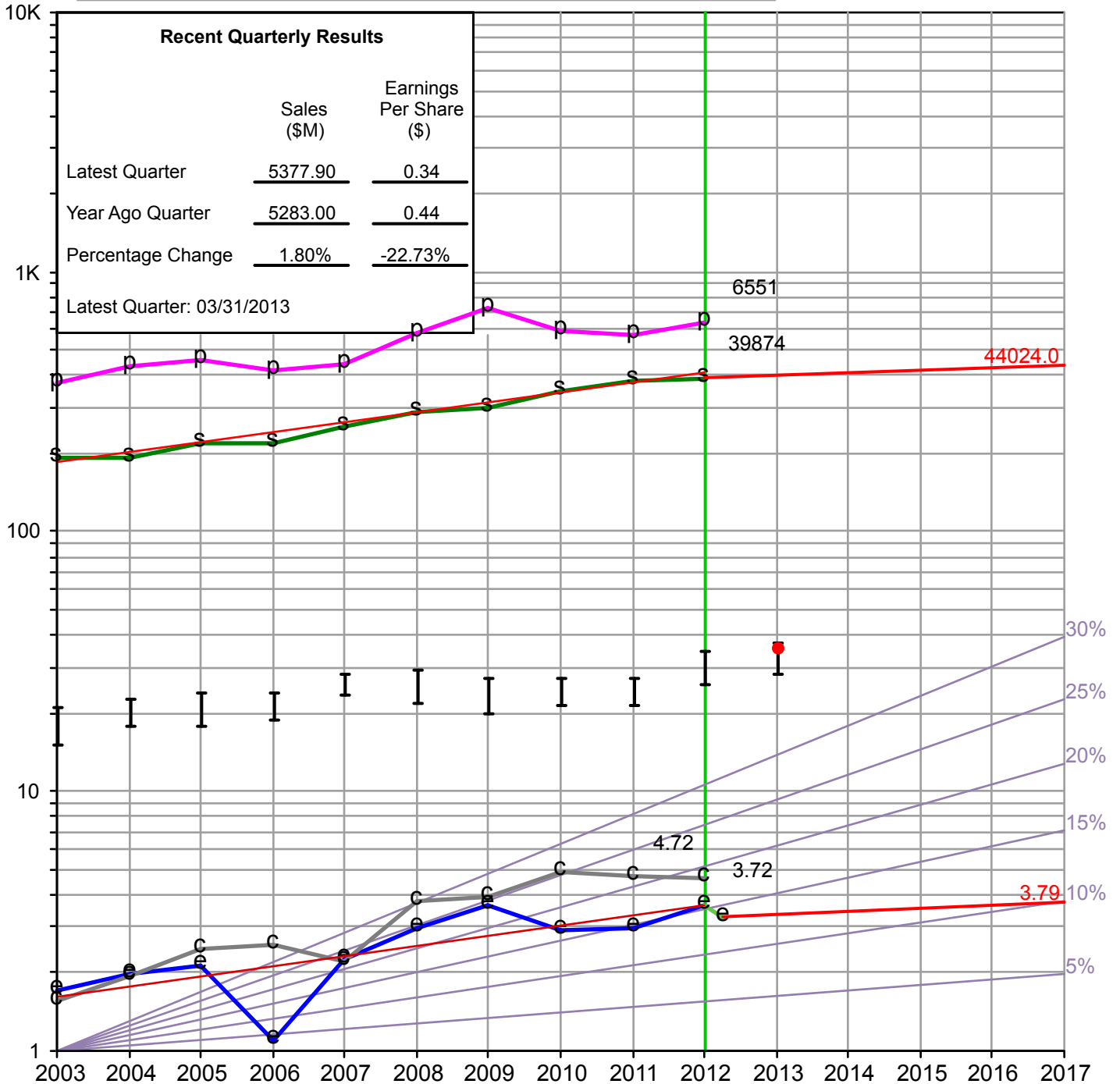
Industry: Medical Devices

Debt (\$M): 7102.43

% Total Cap.: 23.92%

## Share Data

	Authorized	Issued
Preferred:		0.000
Common:	1586.018	1568.730
Preferred Stock Dividend:		Dilution: 17.288



(1) Historical Sales Growth = 9.16%  
 (2) Estimated Sales Growth = 2.00%

(3) Historical EPS Growth = 9.52%  
 (4) Estimated EPS Growth = 3.00%

ACE 5-year EPS Growth Estimate: 10.8%

## 2 EVALUATING MANAGEMENT

Abbott Laboratories (ABT) - 05/10/2013

	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	21.9	22.7	FLAT
% Debt to Equity	26.4	33.3	31.7	50.0	53.4	50.0	49.4	55.2	49.3	67.7	54.3	UP

## 3 PRICE & EARNINGS HISTORY

Current Price: 36.17

52 Week High= 37.55

52 Week Low= 28.45

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	2.010	54.0	7.8	
TOTAL	145.5	110.4							
AVE	29.1	22.1		8.8	6.8		52.6		
Average Price Earnings Ratio: 7.8					Current Price Earnings Ratio: 11.0				

Current PE Ratio Based on Current EPS [\$3.29]

Projected PE Ratio of [10.7] Based on Projected EPS [\$3.4]

## 4 EVALUATING BUY, HOLD, & SELL

### A. CALCULATED HIGH PRICE - 5 YEARS

Ave High PE 15.0 X Estimated High Earnings/Share 3.79 Projected High Price = \$ 56.9

### B. CALCULATED LOW PRICE - 5 YEARS

(a) Avg. Low P/E 6.0 X Estimated Low Earnings/Share 3.30 = \$ 19.80  
 (b) Avg. Low Price of Last 5 Years = \$22.1 (e) Price Variant = \$28.5  
 (c) Recent Market Low = \$21.3  
 (d) Dividend Price Support = \$23.1

Selected Estimated Low Price \$ 28.5

### C. BUY/HOLD/SELL ZONES

Selected High of \$56.90 minus Selected Low of \$28.50 = \$28.40 Range. 1/4 of Range = \$7.100

Lower 1/4 = \$28.5 To \$35.60 (Buy)  
 Center 1/2 = \$35.60 To \$49.80 (Hold)  
 Upper 1/4 = \$49.80 To \$56.9 (Sell)

**25%/50%/25% Zoning**

### D. UPSIDE RISK ANALYSIS

High Price 56.9 - Current Price 36.17 = **2.7** to 1

**Current price of \$36.17 is in the HOLD zone**

Current Price 36.17 - Low Price 28.5

PEG Ratio = 3.67 Relative Value = 141.0%  
 Proj PEG = 3.56 Proj Rel Value = 136.8%

## 5 YIELD ANALYSIS

Current Yield = (100 \* Current Dividend) ÷ Current Price = 100 \* 0.56 / 36.2 = 1.5%

Ave. 5 Yr. Yield = (Ave. EPS(5Yr) \* Ave. Payout) ÷ Current Price = (4.06 \* 52.6) / 36.2 = 5.9%

Price Appreciation = ((100 \* Projected High Price ÷ Current Price) - 100) ÷ 5 = 11.5 %

Average Total Return = Price Appreciation + Ave. 5 Yr. Yield = 17.4 %

	P.A.R	Tot. Ret.
Average Yield	5.0%	3.5%
Annual Appreciation	1.9%	9.5%
Compounded Annual Return	6.9%	13.0%