

# ModernGraham Valuation

Company Name:

AbbVie Inc

Company Ticker ABBV

Date of Analysis

7/20/2016



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$102,169,412,158	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.56	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	29466.67%	Pass
6. Moderate PEmg Ratio	PEmg < 20	20.03	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	22.19	Fail

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.56	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.17
MG Growth Estimate	6.32%
<b>MG Value</b>	<b>\$66.90</b>
MG Value based on 3% Growth	\$45.91
MG Value based on 0% Growth	\$26.91
Market Implied Growth Rate	5.76%

### MG Opinion

Current Price	\$63.41
% of Intrinsic Value	94.79%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>B-</b>

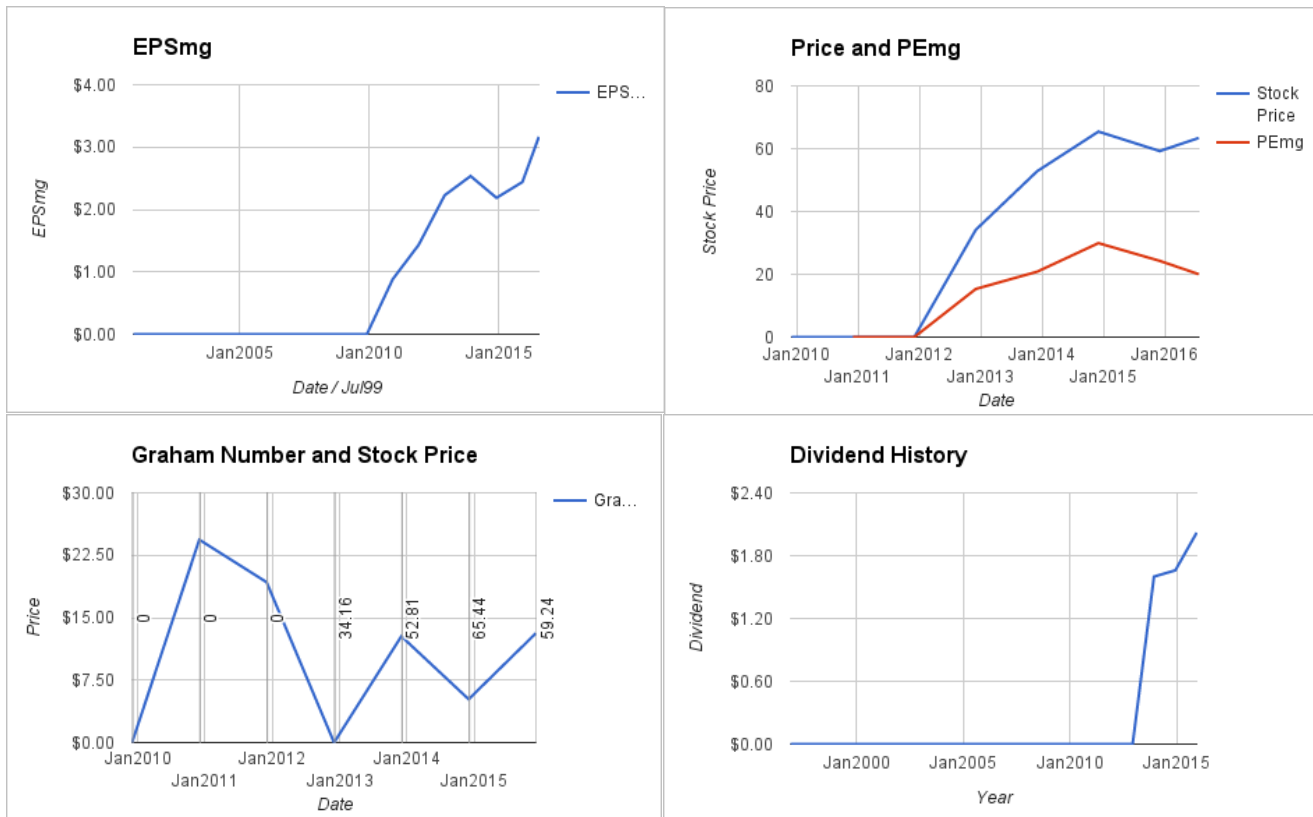
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.97
Graham Number	\$17.31
PEmg	20.03
Current Ratio	1.56
PB Ratio	22.19
Current Dividend	\$2.10
Dividend Yield	3.31%
Number of Consecutive Years of Dividend Growth	4

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[Google Finance](#) [MSN Money](#)  
[Yahoo Finance](#) [Seeking Alpha](#)  
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.64	Next Fiscal Year Estimate	\$3.17
Dec2015	\$3.13	Dec2015	\$2.44
Dec2014	\$1.10	Dec2014	\$2.19
Dec2013	\$2.56	Dec2013	\$2.54
Dec2012	\$3.35	Dec2012	\$2.23
Dec2011	\$2.18	Dec2011	\$1.43
Dec2010	\$2.65	Dec2010	\$0.88
Dec2009	\$0.00	Dec2009	\$0.00
Dec2008	\$0.00	Dec2008	\$0.00
Dec2007	\$0.00	Dec2007	\$0.00
Dec2006	\$0.00	Dec2006	\$0.00
Dec2005	\$0.00	Dec2005	\$0.00
Dec2004	\$0.00	Dec2004	\$0.00
Dec2003	\$0.00	Dec2003	\$0.00
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information 3/1/2016</b>	
Dec1998	\$0.00	Total Current Assets	\$16,622,000,000
Dec1997	\$0.00	Total Current Liabilities	\$10,662,000,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$53,720,000,000
		Intangible Assets	\$32,786,000,000
		Total Liabilities	\$49,077,000,000
		Shares Outstanding (Diluted Average)	1,625,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

### Recommended Reading:

**Other ModernGraham posts about the company**

- [30 Companies in the Spotlight This Week – 5/23/15](#)
- [Abbvie Inc. Annual Valuation – 2015 \\$ABBV](#)
- [34 Companies in the Spotlight This Week – 2/7/15](#)
- [Abbvie Inc. Quarterly Valuation – February 2015 \\$ABBV](#)
- [15 Companies in the Spotlight This Week – 2/1/14](#)

**Other ModernGraham posts about related companies**

- [Gilead Sciences Inc Valuation – July 2016 \\$GILD](#)
- [Eli Lilly and Company Valuation – July 2016 \\$LLY](#)
- [Zoetis Inc Valuation – June 2016 \\$ZTS](#)
- [Merck & Co Inc Valuation – March 2016 \\$MRK](#)
- [Bristol-Myers Squibb Company Valuation – February 2016 \\$BMY](#)
- [Amgen Inc Valuation – February 2016 \\$AMGN](#)
- [Merck & Co Inc Valuation – March 2016 \\$MRK](#)
- [Bristol-Myers Squibb Company Valuation – February 2016 \\$BMY](#)
- [Amgen Inc Valuation – February 2016 \\$AMGN](#)
- [Pfizer Inc Valuation – February 2016 \\$PFE](#)