

ModernGraham Valuation

Company Name:

AbbVie Inc

Company Ticker ABBV

Date of Analysis

3/3/2019



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	\$118,154,226,149	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.98	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	363.28%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	15.46	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-14.24	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	0.98	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-119.05	Fail
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
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.18
MG Growth Estimate	15.00%
MG Value	\$199.51
MG Value based on 3% Growth	\$75.14
MG Value based on 0% Growth	\$44.05
Market Implied Growth Rate	3.48%

MG Opinion

Current Price	\$80.10
% of Intrinsic Value	40.15%
Opinion	Undervalued
MG Grade	C

Stage 3: Information for Further Research

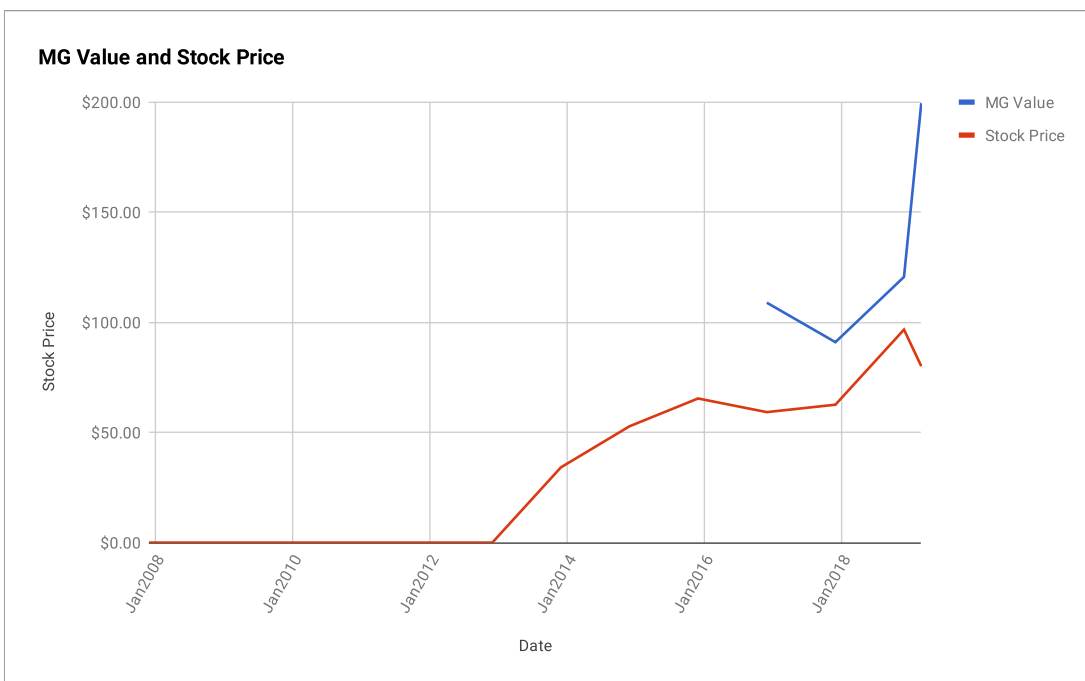
Net Current Asset Value (NCAV)	-\$33.88
Graham Number	\$0.00
PEmg	15.46
Current Ratio	0.98
PB Ratio	-14.24
Current Dividend	\$3.59
Dividend Yield	4.48%
Number of Consecutive Years of Dividend Growth	6

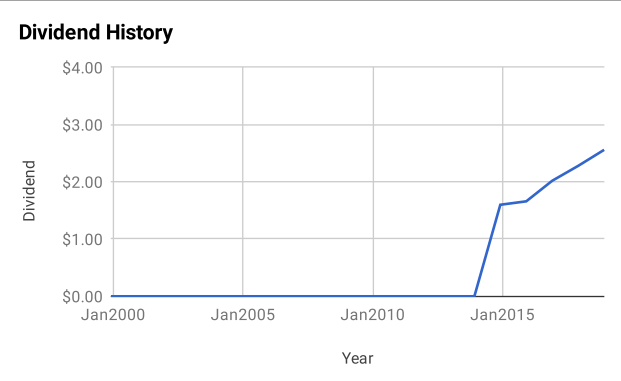
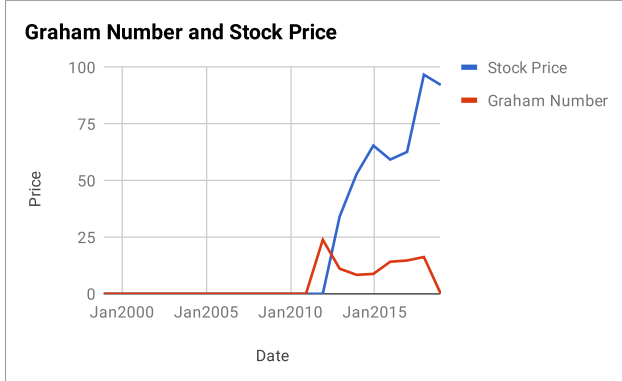
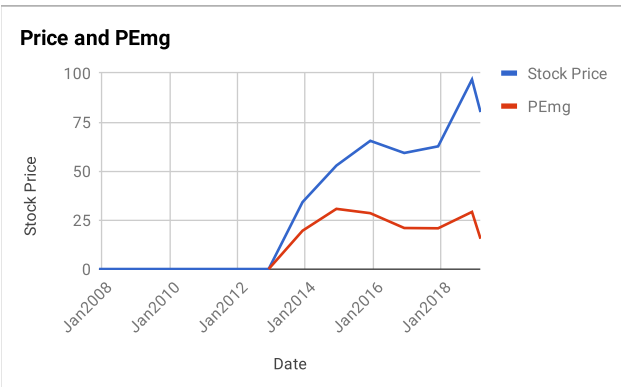
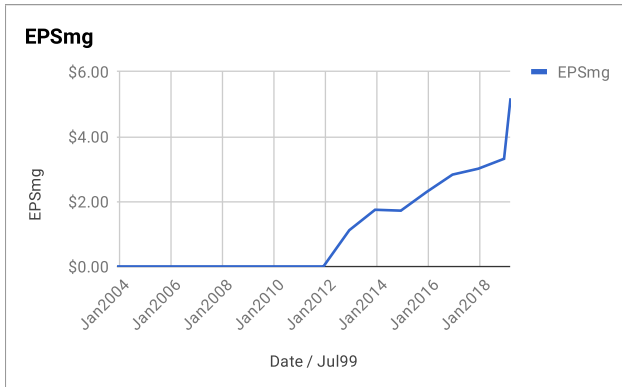
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$8.56	Next Fiscal Year Estimate	\$5.18
Dec2018	\$3.66	Dec2018	\$3.32
Dec2017	\$3.30	Dec2017	\$3.01
Dec2016	\$3.63	Dec2016	\$2.83
Dec2015	\$3.13	Dec2015	\$2.30
Dec2014	\$1.10	Dec2014	\$1.72
Dec2013	\$2.56	Dec2013	\$1.75
Dec2012	\$3.35	Dec2012	\$1.12
Dec2011	\$0.00	Dec2011	\$0.00
Dec2010	\$0.00	Dec2010	\$0.00
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	Balance Sheet Information 12/1/2018	
Dec2001	\$0.00	Total Current Assets	\$16,945,000,000
Dec2000	\$0.00	Total Current Liabilities	\$17,239,000,000
Dec1999	\$0.00	Long-Term Debt	\$35,002,000,000
		Total Assets	\$59,352,000,000
		Intangible Assets	\$36,896,000,000
		Total Liabilities	\$67,798,000,000
		Shares Outstanding (Diluted Average)	1,501,000,000





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**
 - [10 Best Dividend Paying Stocks for the Enterprising Investor – May 2018](#)
 - [AbbVie Inc Valuation – April 2018 \\$ABBY](#)
 - [10 Stocks for Using A Benjamin Graham Value Investing Strategy – January 2017](#)
 - [9 Best Stocks For Value Investors This Week – 7/23/16](#)
 - [AbbVie Inc Valuation – July 2016 \\$ABBY](#)

- Other ModernGraham posts about related companies**
 - [Allergan PLC Valuation – February 2019 \\$AGN](#)
 - [Incyte Corp Valuation – February 2019 \\$INCY](#)
 - [Regeneron Pharmaceuticals Inc Valuation – February 2019 \\$REGN](#)
 - [Alexion Pharmaceuticals Inc Valuation – February 2019 \\$ALXN](#)
 - [Vertex Pharmaceuticals Inc Valuation – February 2019 \\$VRTX](#)
 - [Perrigo Company Valuation – February 2019 \\$PRGO](#)
 - [Eli Lilly and Co Valuation – January 2019 \\$LLY](#)
 - [Zoetis Inc Valuation – January 2019 \\$ZTS](#)
 - [Gilead Sciences Inc Valuation – January 2019 \\$GILD](#)
 - [Pfizer Inc Valuation – November 2018 \\$PFE](#)