

SUPPLEMENTARY REPORT

Organization	ABBVIE INC.
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CONFIDENTIAL
PREMIUM RECOMMENDATIONS

Reiterate Buy

AbbVie Inc.

Shares of drug company AbbVie (NYSE: ABBV) are trading higher after it reported solid fourth-quarter 2020 operating results and provided favorable guidance for 2021. Sales totaled \$13.9 billion and share net, adjusted for special items, was \$2.92, versus our estimates of \$13.8 billion and \$2.91, respectively. Comparisons with the year-earlier figures

Value Line Ranks & Projections	
Safety	3
Recent Price	\$106.17
2024-2026 Price Forecast	\$130-\$200

were very positive. The acquisition of *Botox* maker Allergan gave a sizable boost to results. Sales of *Humira*, an arthritis treatment, continued to track higher, thanks to good demand in the United States; overseas sales declined further due to generic competition. Also, sales of immunology therapies *Skyrizi* and *Rinvoq*, oncology treatments *Imbruvica* and *Venclexta*, and schizophrenia drug *Vraylar* lent noteworthy support to the consolidated performance. For all of 2020, AbbVie posted

sales of \$45.8 billion and adjusted share earnings of \$10.56, up from sales of \$33.3 billion and share earnings of \$8.94 in 2019. (Adjusted earnings exclude non-cash amortization charges.) This year, management has guided for adjusted earnings of \$12.32-\$12.52 a share, as our estimate reflects. New drugs and drug indications augur well for the long term. We look for ongoing profitable growth through 2024-2026. The stock has a high yield of 5.0%, and we project average annual dividend growth of 6%-7%. Prospects for share-price appreciation are favorable. We are maintaining our Buy recommendation. (For information on the company's dividend reinvestment plan, visit www.abbvie.com.)

Quarterly Sales (In Millions)

	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Full Yr.
2018	7,934	8,278	8,236	8,305	\$32,753
2019	7,828	8,255	8,479	8,704	\$33,266
2020	8,619	10,425	12,882	13,858	\$45,784
2021	13,400	13,550	13,650	13,900	\$54,500
2022	14,000	14,200	14,300	14,500	\$57,000

Quarterly Earnings Per Share^A

	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Full Yr.
2018	1.87	2.00	2.14	1.90	\$7.91
2019	2.14	2.26	2.33	2.21	\$8.94
2020	2.42	2.34	2.83	2.92	\$10.56
2021	3.00	3.10	3.20	3.10	\$12.40
2022	3.05	3.20	3.25	3.20	\$12.70

Quarterly Dividends Paid

	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Full Year
2017	0.64	0.64	0.64	0.64	\$2.56
2018	0.71	0.96	0.96	0.96	\$3.59
2019	1.07	1.07	1.07	1.07	\$4.28
2020	1.18	1.18	1.18	1.18	\$4.72
2021	1.30				

(A) Diluted GAAP earnings: 2018, \$3.66; 2019, \$5.28; 2020, \$2.72.

