# UConn Student Managed Fund Analyst Report

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AbbVie Inc. (NASDAQ:AB	BV)	Recommendation: BU'					
Target Price: \$177.43	Market Cap: \$264,299.4M	P/E Ratio: 13.16					
Current Price: \$149.53	Dividend Yield: 3.74%	EV/EBITDA: 12.7					
Stop Loss: \$130	Beta: 0.63	EBITDA Margin: 53.5%					
52 Week High/Low: \$134.09 -	ROE:75.4%	Gross Margin: 15.72%					
\$175.91							

### Company Background:

AbbVie is a global, diversified research-based biopharmaceutical company positioned for success with a comprehensive product portfolio that has leadership positions across immunology, hematologic oncology, neuroscience, aesthetics and eye care.

### **Industry Outlook:**

The biopharmaceutical market is growing at a rapid rate, and it accounts for around 20% of the global pharmaceutical industry. The increasing awareness about the effectiveness of biopharmaceuticals among the population is significantly boosting the demand for biopharmaceuticals across the globe.

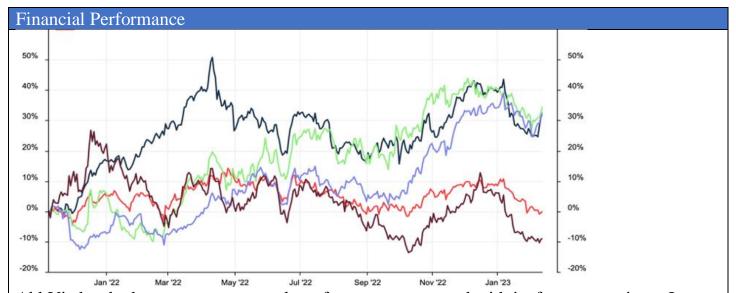
The global biopharmaceutical market size is expected to hit US\$ 856.1 billion by 2030 and is expanding growth at a Compound annual growth rate of 12.5% from 2021 to 2030.

#### **Investment Thesis:**

Diversified portfolio: AbbVie's portfolio includes a broad line of therapies, it has a robust pipeline of new products and actively pursuing partnerships and acquisitions. Strong financial performance: Strong return stock performance reached 50% Solid dividend: A dividend king with 51 consecutive years of dividend increases.

#### **Investment Risks:**

- Humira faces biosimilar rivals as it loses patent protection in 2023
- R&D costs account for nearly a dozen percent of sales, it also has several compounds in clinical development
- Government regulation



AbbVie has had a strong return stock performance compared with its four competitors. It reached a 50% rate of return on April 8th.

## Valuation: Discounted Cash Flow Analysis

418,519 275,870			
275,870			
371,866			
58,118			
313,748			
1768.337696			
177.43			
149.53			
15.72%	75.29%		
	58,118 313,748 1768.337696 177.43 149.53		

DCF ANALYSIS	Sources: S&P Advantage			
Assumptions:				
Rev Grwth =	3.00%	WACC =	7.19%	
Op Inc %=	35.00%	Rf =	4.95%	
Tax Rate =	1.30%	Rm - Rf =	4.89%	
Depreciation % =	0.00%	Beta =	0.58	
Capex % =	1.69%	Cost of Equity =	7.79%	
Change WC =	3.52%	Cost of debt =	4.96%	
TV Growth Assumption =	2.00%	MV	271776.30	

Relative Valuation

Comparable Company Analy	/sis										
As of 2/13/2023											
	Market Data				Financial Data			Valuation			
	Price	Market Cap	EV	Sales	EBITDA	EBIT	Earnings	EV/Sales	EV/EBITDA	EV/EBIT	P/E
Company Name	(\$/share)	(SM)	(\$M)	(SM)	(SM)	(SM)	(\$M)	х	x	X	х
AbbVie Inc.	153.73	271,869	329,629	58,054	25,978	18,117	24,490	5.7x	12.7x	18.2x	11.1x
Pfizer Inc.	43.99	246,930	247,735	100,331	38,376	34,948	37,024	2.5x	6.5x	7.1x	6.7x
Johnson & Johnson	162.75	425,507	423,455	94,943	30,304	23,703	26,742	4.5x	14.0x	17.9x	15.9x
Eli Lilly and Company	350.4	332,942	346,184	28,541	8,801	7,127	6,967	12.1x	39.3x	48.6x	47.8x
Merck & Co., Inc.	109.55	277752.6	296988.6	59283	21934	17944	18794	5.0x	13.5x	16.6x	14.8x
Average								5.9x	17.2x	21.7x	19.2x
Median								5.0x	13.5x	17.9x	14.8x

## ESG

29.8 Medium Risk

 Negligible
 Low
 Medium
 High
 Severe

 0-10
 10-20
 20-30
 30-40
 40+