

## AbbVie Inc. and Subsidiaries

### Consolidated Statements of Earnings

years ended December 31 (in millions, except per share data)	2019	2018	2017
<b>Net revenues</b>	\$33,266	\$32,753	\$28,216
Cost of products sold	7,439	7,718	7,042
Selling, general and administrative	6,942	7,399	6,295
Research and development	6,407	10,329	5,007
Acquired in-process research and development	385	424	327
Other operating expense (income)	(890)	500	—
Total operating costs and expenses	20,283	26,370	18,671
Operating earnings	12,983	6,383	9,545
Interest expense, net	1,509	1,144	1,004
Net foreign exchange loss	42	24	348
Other expense, net	3,006	18	466
Earnings before income tax	8,426	5,197	7,727
Income tax expense (benefit)	544	(490)	2,418
<b>Net earnings</b>	<b>\$ 7,882</b>	<b>\$ 5,687</b>	<b>\$ 5,309</b>
<b>Per share data</b>			
Basic earnings per share	\$ 5.30	\$ 3.67	\$ 3.31
Diluted earnings per share	\$ 5.28	\$ 3.66	\$ 3.30
Weighted-average basic shares outstanding	1,481	1,541	1,596
Weighted-average diluted shares outstanding	1,484	1,546	1,603

The accompanying notes are an integral part of these consolidated financial statements.

**AbbVie Inc. and Subsidiaries**  
**Consolidated Balance Sheets**

as of December 31 (in millions, except share data)

	2019	2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and equivalents	\$ 39,924	\$ 7,289
Short-term investments	—	772
Accounts receivable, net	5,428	5,384
Inventories	1,813	1,605
Prepaid expenses and other	2,354	1,895
<b>Total current assets</b>	<b>49,519</b>	<b>16,945</b>
Investments	93	1,420
Property and equipment, net	2,962	2,883
Intangible assets, net	18,649	21,233
Goodwill	15,604	15,663
Other assets	2,288	1,208
<b>Total assets</b>	<b>\$ 89,115</b>	<b>\$ 59,352</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Short-term borrowings	\$ —	\$ 3,699
Current portion of long-term debt and finance lease obligations	3,753	1,609
Accounts payable and accrued liabilities	11,832	11,931
<b>Total current liabilities</b>	<b>15,585</b>	<b>17,239</b>
Long-term debt and finance lease obligations	62,975	35,002
Deferred income taxes	1,130	1,067
Other long-term liabilities	17,597	14,490
Commitments and contingencies		
<b>Stockholders' equity (deficit)</b>		
Common stock, \$0.01 par value, 4,000,000,000 shares authorized, 1,781,582,608 shares issued as of December 31, 2019 and 1,776,510,871 as of December 31, 2018	18	18
Common stock held in treasury, at cost, 302,671,146 shares as of December 31, 2019 and 297,686,473 as of December 31, 2018	(24,504)	(24,108)
Additional paid-in capital	15,193	14,756
Retained earnings	4,717	3,368
Accumulated other comprehensive loss	(3,596)	(2,480)
<b>Total stockholders' equity (deficit)</b>	<b>(8,172)</b>	<b>(8,446)</b>
<b>Total liabilities and equity</b>	<b>\$ 89,115</b>	<b>\$ 59,352</b>

The accompanying notes are an integral part of these consolidated financial statements.

## AbbVie Inc. and Subsidiaries

### Consolidated Statements of Cash Flows

years ended December 31 (in millions) (brackets denote cash outflows)	2019	2018	2017
<b>Cash flows from operating activities</b>			
Net earnings	\$ 7,882	\$ 5,687	\$ 5,309
Adjustments to reconcile net earnings to net cash from operating activities:			
Depreciation	464	471	425
Amortization of intangible assets	1,553	1,294	1,076
Change in fair value of contingent consideration liabilities	3,091	49	626
Stock-based compensation	430	421	365
Upfront costs and milestones related to collaborations	490	1,061	470
Gain on divestitures	(330)	—	—
Intangible asset impairment	1,030	5,070	354
Impacts related to U.S. tax reform	—	424	1,242
Other, net	43	76	84
Changes in operating assets and liabilities:			
Accounts receivable	(74)	(591)	(391)
Inventories	(231)	(226)	93
Prepaid expenses and other assets	97	(499)	(118)
Accounts payable and other liabilities	(1,121)	190	425
<b>Cash flows from operating activities</b>	<b>13,324</b>	<b>13,427</b>	<b>9,960</b>
<b>Cash flows from investing activities</b>			
Acquisitions and investments	(1,135)	(736)	(308)
Acquisitions of property and equipment	(552)	(638)	(529)
Purchases of investment securities	(583)	(1,792)	(2,230)
Sales and maturities of investment securities	2,699	2,160	2,793
Other	167	—	—
<b>Cash flows from investing activities</b>	<b>596</b>	<b>(1,006)</b>	<b>(274)</b>
<b>Cash flows from financing activities</b>			
Net change in commercial paper borrowings	(699)	299	23
Proceeds from issuance of other short-term borrowings	—	3,002	—
Repayments of other short-term borrowings	(3,000)	—	—
Proceeds from issuance of long-term debt	31,482	5,963	—
Repayments of long-term debt and finance lease obligations	(1,536)	(6,035)	(25)
Debt issuance costs	(424)	(40)	—
Dividends paid	(6,366)	(5,580)	(4,107)
Purchases of treasury stock	(629)	(12,014)	(1,410)
Proceeds from the exercise of stock options	8	73	254
Payments of contingent consideration liabilities	(163)	(78)	(268)
Other, net	35	14	21
<b>Cash flows from financing activities</b>	<b>18,708</b>	<b>(14,396)</b>	<b>(5,512)</b>
Effect of exchange rate changes on cash and equivalents	7	(39)	29
Net change in cash and equivalents	32,635	(2,014)	4,203
Cash and equivalents, beginning of year	7,289	9,303	5,100
<b>Cash and equivalents, end of year</b>	<b>\$39,924</b>	<b>\$ 7,289</b>	<b>\$ 9,303</b>
<b>Other supplemental information</b>			
Interest paid, net of portion capitalized	\$ 1,794	\$ 1,215	\$ 1,099
Income taxes paid (received)	1,447	(35)	1,696

The accompanying notes are an integral part of these consolidated financial statements.