



Company	Ticker	Sector	Industry
AbbVie, Inc.	ABBV-US	Health Care	Biotechnology

Business Description

AbbVie, Inc. is a research-based biopharmaceutical company, which engages in the development and sale of pharmaceutical products. It focuses on treating conditions such as chronic autoimmune diseases in rheumatology, gastroenterology, and dermatology; oncology, including blood cancers; virology, including hepatitis C virus (HCV) and human immunodeficiency virus (HIV); neurological disorders, such as Parkinson's disease; metabolic diseases, comprising thyroid disease and complications associated with cystic fibrosis; pain associated with endometriosis; and other serious health conditions. AbbVie's top drug, Humira, represents close to half of its current profits. The company was spun off from Abbott in early 2013. The recent acquisition of Allergan adds several new drugs in aesthetics and women's health. The company was founded on October 19, 2011 and is headquartered in North Chicago, IL.

Price Chart



Key Info & Metrics

Empirical Research Rank:	1
Date Purchased:	01/02/2018
Price:	\$145.14
52-Week Range:	\$134.21 - \$174.96
Dividend Yield:	3.93%
Market Cap (\$M):	\$256,677
Forward Price-to-Earnings:	12
Total Return	
Year-to-Date:	-9.3%
1 Year:	5.7%
3 Year:	79.9%
5 Year:	61.4%

Investment Case - Updated: November 6, 2022

In June 2019, AbbVie announced it would acquire its peer Allergan for \$63 billion, one of the biggest health care deals in the last decade. The deal was finally completed in May 2020. The main purpose of the deal was to diversify legacy AbbVie's portfolio. After the acquisition, AbbVie's main immunology drug Humira, once the number-one global best-selling drug, fell from 60 percent of revenue to only 40 percent. Humira is set to lose patent protection in the U.S. in 2023. AbbVie is rushing to switch its Humira patients to two new next-generation drugs. The company also believes that the high-efficacy and well-characterized safety profile could attract new patients from competing drugs. Legacy Allergan has several multi-billion-dollar franchises that are steady or growing. These areas include medical aesthetics (e.g., fillers, Botox), neuroscience, and eye care. AbbVie also has an Alzheimer's drug in development; management calls it high-risk, high-reward.

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