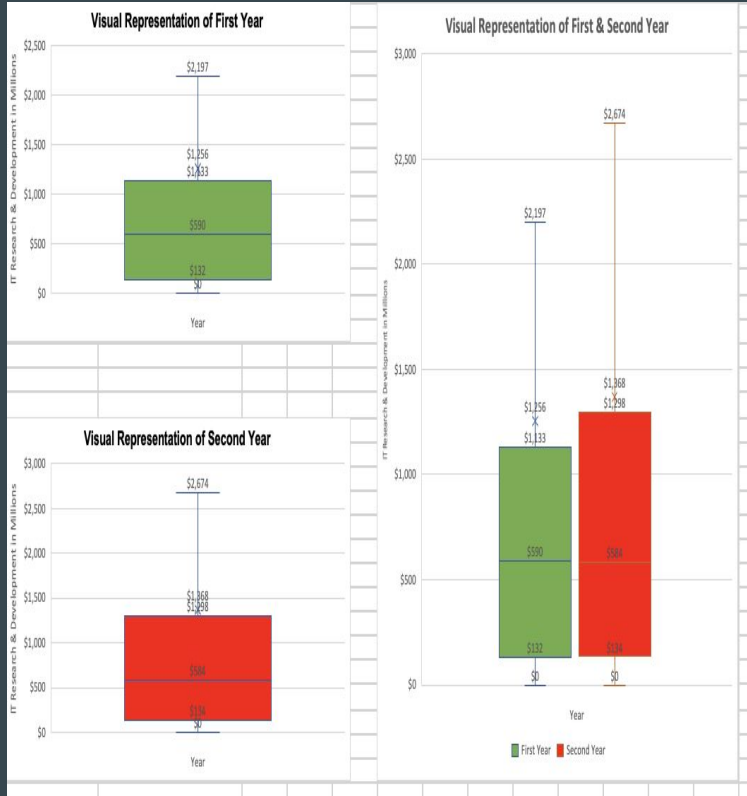


# Analyzing New York Stock Exchange



# How Information Technology Research and Development Changed from the First to the Second Year?



The first and second years of research and development in the information technology sector for all companies are represented by these two histograms. The second year's research and development mean exceeds the first year's research and development mean by over \$100 million, as indicated by the histogram representations. That implies businesses are beginning to take information technology more seriously and are making greater investments in the industry's growth. The average amount spent on research and development (R&D) in the first year is roughly \$1.2 billion, and in the second year, it rises slightly to \$1.3 billion. The median for the second year, however, is \$584 million, a little less than the first year's \$590 million. For the first year, the standard deviation is \$2.2 billion, which Compared to the first year's mean value of \$1.2 billion, the first year's standard deviation is \$2.2 billion, which is significantly greater. This indicates that the company's information technology research and development. The range expenditure is dispersed. The same situation occurred in year two, when the mean was \$1.3 billion and the standard deviation was \$2.4 billion. The increase in the range of research and development expenditures in the information technology sector from \$10.61 billion in the first year to \$11.54 billion in the second year indicates a growing disparity in IT investments among companies. This trend suggests that while some companies are significantly boosting their R&D spending, others are not, reflecting diverse strategic approaches to technology and innovation. Overall, this expanding range highlights an evolving and increasingly dynamic IT sector, characterized by varied investment priorities and capabilities across different companies.

## Profit and Loss Statement of ABC Company Between First to Fourth Year

The profit and loss statement below shows that throughout the course of the four years, there was a notable growth in gross profit.

In the second year, the gross profit rose by \$474 million, or 18.92%, over the first year. The gross profit increased by 18.33% in the third year compared to the year before. With a 21.06% increase over the year before, the fourth year had the largest gross profit of all.

Over the years, the ABC company's operation profit fluctuated. In the first year, the operating profit was \$898 million. but decreased to \$782 million in the next year, a \$116 million decrease from the first year. The operating profit for the third year was much lower at \$422 million, nearly half that of the year before. With an operating profit of over \$1.5 billion, which is three times the operating profit of the year before, the fourth year was a turning point.

Profit & Loss Statement				
	Historical			
	Year 1	Year 2	Year 3	Year 4
Revenue	87,959,167,000	119,569,127,000	135,961,803,000	146,849,686,000
COGS	85,451,348,000	116,586,761,000	132,432,490,000	142,577,080,000
Gross Profit	2,507,819,000	2,982,366,000	3,529,313,000	4,272,606,000
Sales, General and Admin	1,447,234,000	2,011,595,000	2,858,458,000	2,382,097,000
Other operating expenses	162,186,000	188,680,000	248,635,000	364,735,000
R&D	-	-	-	-
Total operating expenses	1,609,420,000	2,200,275,000	3,107,093,000	2,746,832,000
Operating income/ EBIT	898,399,000	782,091,000	422,220,000	1,525,774,000

# Profit and Loss Statement Forecast of ABBV Company for the Next Two Years

The ABBV company's projected profit and loss statement for the next two years indicates higher operating, gross, and sales growth. In the best-case scenario, revenue growth is predicted to rise by 8% and 9% in the fifth and sixth years. However, under the base case scenario, revenue growth is anticipated to rise by 7% and 8% in the fifth and sixth years, respectively. In contrast, the revenue growth in the fifth and sixth years of the weak case scenario is predicted to rise by 6% and 7%, respectively. In the best-case scenario, the gross margin is predicted to rise by 78% and 79% in the fifth and sixth years. However, the gross margin is predicted to rise in the base case scenario by 77% and 78% in the fifth and sixth years. In contrast, the revenue growth in the fifth and sixth years of the weak case scenario is predicted to rise by 76% and 77%, respectively.

In the best-case scenario, the operating margin is predicted to rise by 30% and 31% in the fifth and sixth years. However, the operating margin is anticipated to rise by 29% and 30% in the fifth and sixth years, respectively, under the base case scenario. In contrast, the operating margin in the fifth and sixth years of the weak case scenario is predicted to rise by 28% and 29%, respectively.

Profit & Loss Statement						
	Forecast					
	Year 5			Year 6		
	Best Case	Base Case	Weak Case	Best Case	Base Case	Weak Case
Revenue	24,838,699,882	24,610,109,882	24,381,519,882	27,238,238,342	26,741,464,344	26,249,262,146
Gross Profit	19,450,757,535.30	19,025,651,549.50	18,605,117,363.70	21,602,177,106.18	20,940,779,572.06	20,292,851,897.63
Operating income/ EBIT	7,553,359,981.21	7,237,745,479.26	6,926,702,777.31	8,555,433,445.77	8,131,983,862.73	7,719,814,309.71
Revenue Growth	0.086604833	0.076604833	0.066604833	0.096604833	0.086604833	0.076604833
Gross Margin	0.783082755	0.773082755	0.763082755	0.793082755	0.783082755	0.773082755
Operating Margin	0.304096431	0.294096431	0.284096431	0.314096431	0.304096431	0.294096431

THANK YOU

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