

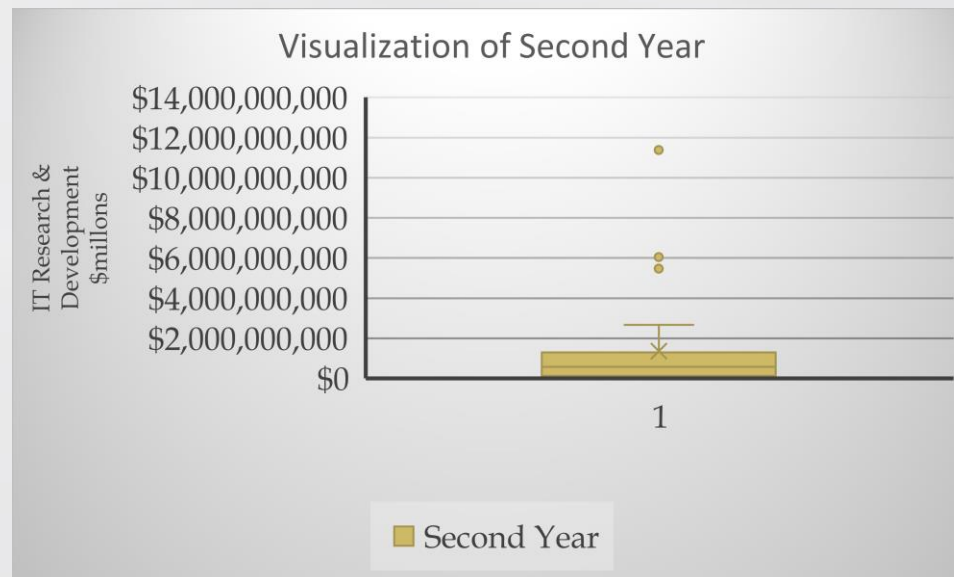
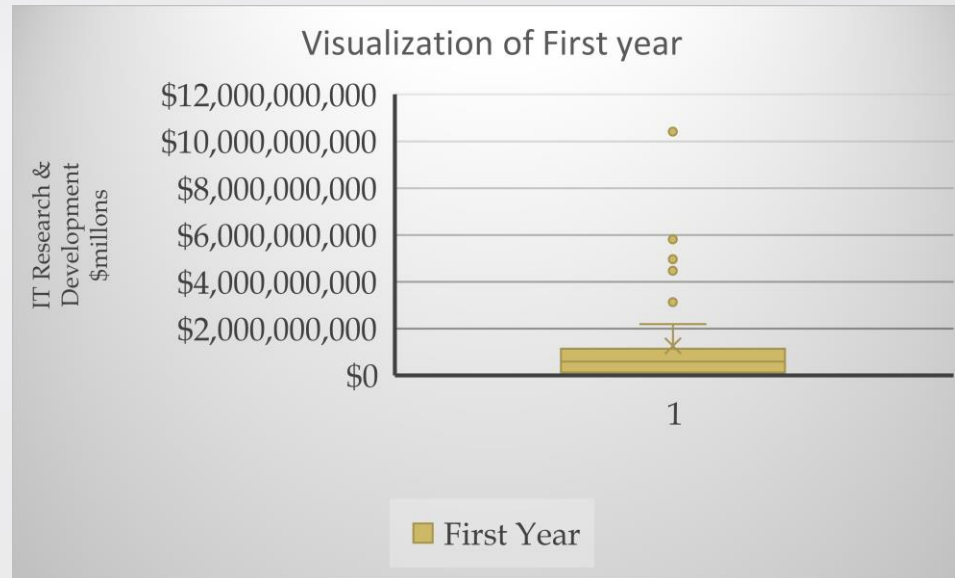
# ANALYZING NEW YORK STOCK EXCHANGE



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

- ▣ These are two histogram representation of the first and second year of R&D in Information Technology sector for all companies.
- ▣ The histogram representations show that the R&D mean of the second year is more than the R&D mean of the first year by more than \$100 million. That means companies start take Information Technology more serious and invest more on the development of this sector.
- ▣ The mean for the R&D expenses of the first year is about \$1.2 billion and it is slightly increased in the second year to reach \$1.3 billion.
- ▣ However, the median for the second year is slightly less (\$584 million) than the median for the first year (\$590 million). The standard deviation for the first year is \$2.2 billion which is very much higher than the mean value of the first year (\$1.2 billion). That tells the company R&D spending in the Information Technology is scattered. Same thing happened in the second year where the standard deviation was \$2.4 billion and the mean was \$1.3 billion.
- ▣ The Range of first year was 10,611,000,000.00 compared to the range of second year which was 11,537,000,000.00 which was higher .

# Visualization of First and Second Year





# Analyzing New York Stock Exchange How Information Technology Research and Development Changed from the First to the Second Year?

- ▣ These are two histogram representation of the first and second year of R&D in Information Technology sector for all companies.
- ▣ The histogram representations show that the R&D mean of the second year is more than the R&D mean of the first year by more than \$100 million. That means companies start take Information Technology more serious and invest more on the development of this sector.
- ▣ The mean for the R&D expenses of the first year is about \$1.2 billion and it is slightly increased in the second year to reach \$1.3 billion.
- ▣ However, the median for the second year is slightly less (\$584 million) than the median for the first year (\$590 million). The standard deviation for the first year is \$2.2 billion which is very much higher than the mean value of the first year (\$1.2 billion). The Range of first year was 10,611,000,000.00 compared to the range of second year which was 11,537,000,000.00 which was higher .
- ▣ That tells the company R&D spending in the Information Technology is scattered. Same thing happened in the second year where the standard deviation was \$2.4 billion and the mean was \$1.3 billion.
- ▣ Profit and Loss Statement of ABC Company Between First to Fourth Year
- ▣ We can see from the below Profit & Loss Statement the gross profit increased remarkably during the four years.
- ▣ The gross profit increased by \$474 million in the second year which is 18.92% of the first year. The third year saw an increase of gross profit by 18.33% of the previous year. The fourth year registered the highest gross profit of all the years with 21.06% growth of the previous year.
- ▣ The Operation Profit of the ABC company was not stable throughout the years. The Operating Profit registered \$898

- ▣ million in the first year. But went down to \$782 million in the second year which is less than the first year by \$116 million.
- ▣ The third year registered even worst Operating Profit of \$422 million which is almost half the operating profit of the
- ▣ previous year. Things changed in the fourth year, with more than \$1.5 billion Operating Profit which is three times the
- ▣ Operating Profit of the previous year. Profit and Loss Statement Forecast of ABBV Company for the Next Two
- ▣ Years
- ▣ The forecast of the Profit & Loss Statement of the next two years for ABBV company show increase of revenue growth,
- ▣ gross margin & operating margin. The revenue growth is expected to increase in the 5th and 6th year by 8% & 9% in the
- ▣ best case scenario. But in the base case scenario the revenue growth is expected to increase by 7% & 8% in the 5th &
- ▣ 6th years. While in the weak case scenario the revenue growth is expected to increase by 6% & 7% in the 5th & 6th
- ▣ years.
- ▣ The gross margin is expected to increase in the 5th and 6th year by 78% & 79% in the best case scenario. But in the base
- ▣ case scenario the gross margin is expected to increase by 77% & 78% in the 5th & 6th years. While in the weak case
- ▣ scenario the revenue growth is expected to increase by 76% & 77% in the 5th & 6th years.
- ▣ The operating margin is expected to increase in the 5th and 6th year by 30% & 31% in the best case scenario. But in the
- ▣ base case scenario the operating margin is expected to increase by 29% & 30% in the 5th & 6th years. While in the weak
- ▣ case scenario the operating margin is expected to increase by 28% & 29% in the 5th & 6th years. Thank you.. Santosh singh

## Profit & Loss Statement

	Historical			
	Year 1	Year 2	Year 3	Year 4
Revenue	170,910,000,000	182,795,000,000	233,715,000,000	215,639,000,000
COGS	106,606,000,000	112,258,000,000	140,089,000,000	131,376,000,000
Gross Profit	64,304,000,000	70,537,000,000	93,626,000,000	84,263,000,000
Sales, General and Admin	10,830,000,000	11,993,000,000	14,329,000,000	14,194,000,000
Other operating expenses	-	-	-	-
R&D	4,475,000,000	6,041,000,000	8,067,000,000	10,045,000,000
Total operating expenses	15,305,000,000	18,034,000,000	22,396,000,000	24,239,000,000
Operating income/ EBIT	48,999,000,000	52,503,000,000	71,230,000,000	60,024,000,000

Operating Scenarios - Sensitivity Analysis		
Revenue growth (%)	Year 5	Year 6
Best Case	10%	11%
Base Case	9%	10%
Weak Case	8%	9%
Gross Margin (%)		
Best Case	40%	41%
Base Case	39%	40%
Weak Case	38%	39%
Operating Margin (%)		
Best Case	30%	31%
Base Case	29%	30%
Weak Case	28%	29%

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

- ▣ The forecast of the Profit & Loss Statement of the next two years for ABBV company show increase of revenue growth,
- ▣ gross margin & operating margin. The revenue growth is expected to increase in the 5th and 6th year by 10% & 9% in the
- ▣ best case scenario. But in the base case scenario the revenue growth is expected to increase by 10% & 11% in the 5th &
- ▣ 6th years. While in the weak case scenario the revenue growth is expected to increase by 8 % & 9% in the 5th & 6th
- ▣ years.
- ▣ The gross margin is expected to increase in the 5th and 6th year by 40% & 41% in the best case scenario. But in the base
- ▣ case scenario the gross margin is expected to increase by 39% & 40% in the 5th & 6th years. While in the weak case
- ▣ scenario the revenue growth is expected to increase by 38% & 39% in the 5th & 6th years.
- ▣ The operating margin is expected to increase in the 5th and 6th year by 30% & 31% in the best case scenario. But in the
- ▣ base case scenario the operating margin is expected to increase by 29% & 30% in the 5th & 6th years. While in the weak
- ▣ case scenario the operating margin is expected to increase by 28% & 29% in the 5th & 6th years. **Thank you..**
- ▣ **Santosh Singh ...**

Thank You