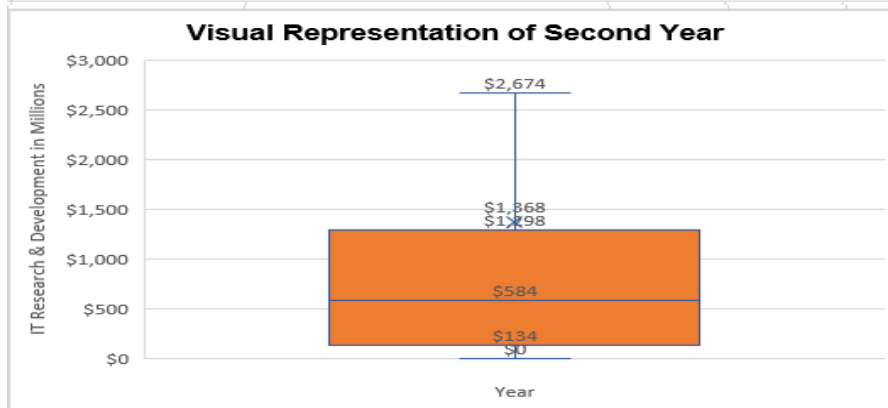
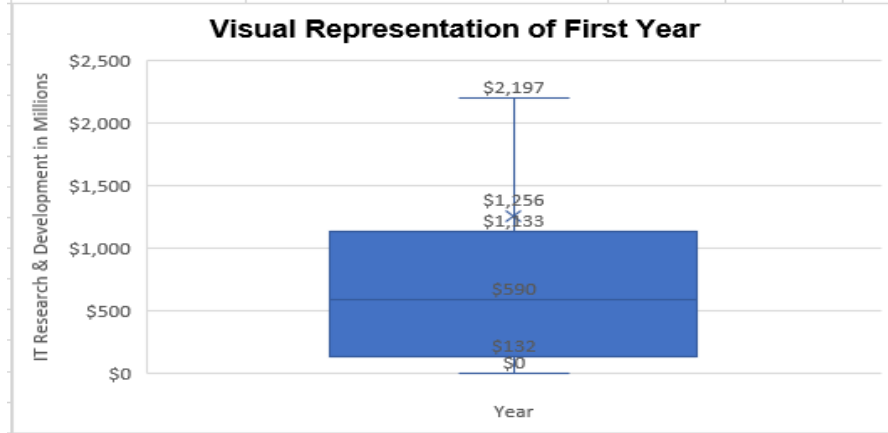


# *DATA ANALYZE – NEW YORK STOCK EXCHANGE*

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# Changes in Information Technology research and development in year 1<sup>st</sup> and 2<sup>nd</sup>.



The combo chart represents various costs invested in first and second year of R&D in Information Technology sector for all companies.

It tells us that the mean R&D of the second year is more than the R&D mean of the first year by more than \$100 million. More investments were made on research and development of IT in year 2.

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).

# Profit and Loss statement of ABC Company between first to fourth year

<b>Profit &amp; Loss Statement</b>				
	Historical			
	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>
<b>Revenue</b>	24,85,50,00,000	26,74,30,00,000	42,65,00,00,000	40,99,00,00,000
<b>COGS</b>	10,49,90,00,000	11,01,90,00,000	15,62,00,00,000	11,09,60,00,000
<b>Gross Profit</b>	14,35,60,00,000	15,72,40,00,000	27,03,00,00,000	29,89,40,00,000
<b>Sales, General and Admin</b>	12,97,70,00,000	12,91,30,00,000	20,68,60,00,000	21,27,50,00,000
<b>Other operating expenses</b>	84,50,00,000	85,30,00,000	1,29,50,00,000	1,36,40,00,000
<b>R&amp;D</b>	-	-	-	-
<b>Total operating expenses</b>	13,82,20,00,000	13,76,60,00,000	21,98,10,00,000	22,63,90,00,000
<b>Operating income/ EBIT</b>	53,40,00,000	1,95,80,00,000	5,04,90,00,000	7,25,50,00,000

We can see from the below Profit & Loss Statement the gross profit increased exceptionally 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

<b>Profit &amp; Loss Statement</b>				
	Historical			
	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>
<b>Revenue</b>	24,85,50,00,000	26,74,30,00,000	42,65,00,00,000	40,99,00,00,000
<b>COGS</b>	10,49,90,00,000	11,01,90,00,000	15,62,00,00,000	11,09,60,00,000
<b>Gross Profit</b>	14,35,60,00,000	15,72,40,00,000	27,03,00,00,000	29,89,40,00,000
<b>Sales, General and Admin</b>	12,97,70,00,000	12,91,30,00,000	20,68,60,00,000	21,27,50,00,000
<b>Other operating expenses</b>	84,50,00,000	85,30,00,000	1,29,50,00,000	1,36,40,00,000
<b>R&amp;D</b>	-	-	-	-
<b>Total operating expenses</b>	13,82,20,00,000	13,76,60,00,000	21,98,10,00,000	22,63,90,00,000
<b>Operating income/ EBIT</b>	53,40,00,000	1,95,80,00,000	5,04,90,00,000	7,25,50,00,000

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.

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