



AbbVie (ABBV)

Updated May 19th, 2026 by Jonathan Weber

Key Metrics

Current Price:	\$214	5 Year CAGR Estimate:	5.9%	Market Cap:	\$381B
Fair Value Price:	\$184	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	07/16/26 ¹
% Fair Value:	116%	5 Year Valuation Multiple Estimate:	-2.9%	Dividend Payment Date:	08/05/26 ²
Dividend Yield:	3.2%	5 Year Price Target	\$247	Years Of Dividend Growth:	54
Dividend Risk Score:	A	Sector:	Health Care	Rating:	Hold

Overview & Current Events

AbbVie is a biotechnology company focused on developing and commercializing drugs for immunology, oncology and virology. AbbVie was spun off by Abbott Laboratories in 2013. The company has a rather short stand-alone history. Nevertheless, AbbVie has become one of the largest players in the biotechnology industry, especially following the closing of its acquisition of formerly independent pharma company Allergan.

AbbVie reported its first quarter earnings results on May 2nd. The company was able to generate revenues of \$15.0 billion during the quarter, which was 12% more than AbbVie's revenues during the previous year's quarter. AbbVie generated revenues that were ahead of what the analyst community had forecasted. AbbVie's revenues were positively impacted by compelling growth from some of its major drugs, including Skyrizi and Rinvoq, while Humira sales declined by 39% due to competition from biosimilars and market share losses.

AbbVie earned \$2.65 per share during the first quarter, which was 8% more than the company's earnings-per-share during the previous year's quarter. AbbVie's earnings-per-share missed the consensus analyst estimate by \$0.02, as analysts expected a slightly larger profit increase. The profit increase was driven by higher revenues and some margin expansion. AbbVie's guidance for 2026's adjusted earnings-per-share is \$14.08 - \$14.28. This means that earnings per share will be up quite a lot compared to 2025, and should even come in above the previous record level set in 2022.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$4.82	\$5.60	\$7.91	\$8.94	\$10.56	\$12.70	\$13.77	\$11.11	\$10.12	\$10.00	\$14.18	\$18.98
DPS	\$2.28	\$2.56	\$3.59	\$4.28	\$4.72	\$5.20	\$5.64	\$5.92	\$6.20	\$6.56	\$6.92	\$8.42
Shares³	1590	1590	1550	1490	1780	1780	1780	1770	1770	1790	1780	1750

AbbVie's explosive earnings-per-share growth started shortly after the company was spun off from Abbott Laboratories in 2013. In the following years, up until 2022, earnings rose rapidly on the back of AbbVie's success with Humira, Imbruvica, and other blockbuster drugs.

But in 2023, Humira has gone off patent in the US, which is why profits started to decline in that year. AbbVie's next-generation drugs that mostly target the same indications (ulcerative colitis, rheumatoid arthritis, and so on) as Humira, Skyrizi and Rinvoq, have shown strong revenue growth over the last couple of years, however. While the growth from these newer drugs was not enough to offset the Humira headwinds in 2023, 2024, and 2025 AbbVie will be able to reverse course in 2026, with management forecasting both a positive revenue growth rate and a positive earnings-per-share growth rate. AbbVie looks like it has passed the Humira patent nadir. We believe that earnings will improve in the coming years, although earnings-per-share growth will be lower compared to 2013-2022, which is why we forecast a mid-single-digit earnings-per-share growth rate from here -- AbbVie's already large size and future patent expirations will make achieving a very high growth rate very difficult.

¹ Estimated date

² Estimated date

³ In Millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.6	13.4	11.6	10.0	9.9	10.7	11.8	14.4	17.7	22.8	15.1	13.0
Avg. Yld.	3.8%	3.4%	4.8%	4.8%	4.5%	3.8%	3.7%	3.7%	3.5%	2.9%	3.2%	3.4%

AbbVie's share price has not moved much since our last update. Since earnings-per-share estimates for this year are way higher than what AbbVie earned in 2025, AbbVie's valuation has come down a lot compared to last year. That being said, AbbVie still trades somewhat ahead of our fair value estimate right now. AbbVie's shares offer a yield of 3.2% today, which is solid but below the average seen over the last decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	47%	46%	45%	48%	45%	41%	41%	53%	61%	66%	49%	44%

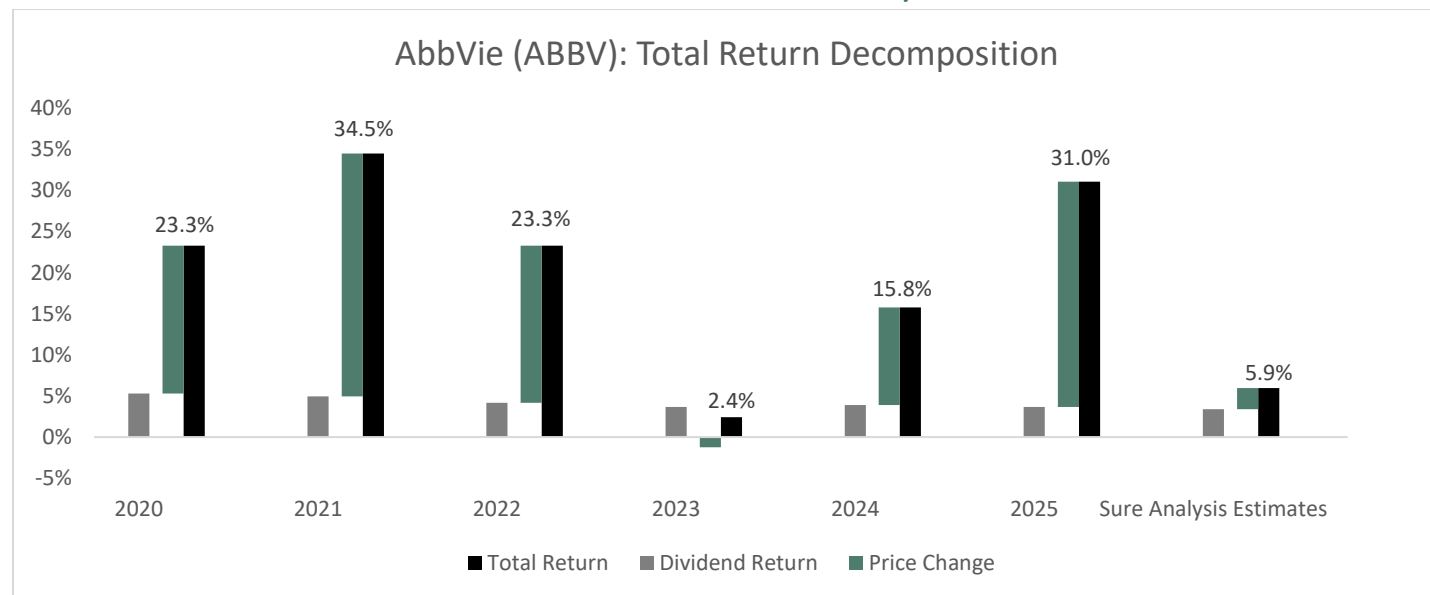
AbbVie started to pay dividends in 2013. Since then, the payout has risen quickly. This was possible due to a combination of strong earnings-per-share growth and an increase in AbbVie's dividend payout ratio. AbbVie does not have a very long dividend growth track record on its own, but we believe that its dividend looks relatively safe.

The healthcare industry, and especially the drug industry, is not very cyclical. AbbVie was not a standalone company during the last financial crisis, so there is no Great Recession data, but since sick people require treatment whether the economy is strong or not, it is highly likely that AbbVie will continue to perform well during recessions. During the COVID pandemic, AbbVie saw its earnings-per-share grow in both 2020 and 2021, underlining the defensive business model even during times of significant macro headwinds.

Final Thoughts & Recommendation

AbbVie is a major biotech and pharma company that has grown both its profits as well as its dividend at an attractive pace over the last decade. We believe that the growth outlook is positive in the long run, thanks to a deep pipeline and strong growth from newer drugs such as Skyrizi and Rinvoq, but future earnings and dividend growth will be lower than in the past. Shares trade ahead of our fair value estimate today. The total return outlook is solid but not great, which is why we rate AbbVie a hold at current prices.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	25638	28216	32753	33266	45804	56197	58054	54318	56334	61,160
Gross Profit	19806	21174	25035	25827	30417	38751	40640	33903	39430	42956
Gross Margin	77.3%	75.0%	76.4%	77.6%	66.4%	69.0%	70.0%	62.4%	70.0%	70.2%
SG&A Exp.	5881	6295	7399	6942	11299	12349	15260	12872	14752	14010
D&A Exp.	1189	1501	1765	2017	6471	8521	8467	8698	8386	8139
Operating Profit	9340	9545	6383	12983	11363	17924	18814	13535	11894	20091
Op. Margin	36.4%	33.8%	19.5%	39.0%	24.8%	31.9%	32.4%	24.9%	21.1%	32.9%
Net Profit	5953	5309	5687	7882	4616	11542	11836	4863	4278	4226
Net Margin	23.2%	18.8%	17.4%	23.7%	10.1%	20.5%	20.4%	9.0%	7.6%	6.9%
Free Cash Flow	6562	9431	12789	12772	16790	21990	24248	22062	17832	17816
Income Tax	1931	2418	(490)	544	(1224)	1440	1632	1377	(570)	2364

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	66099	70786	59352	89115	150565	146529	138805	134711	135161	133960
Cash & Equivalents	5100	9303	7289	39924	8449	9746	9201	12814	5524	5229
Acc. Receivable	4758	5088	5384	5428	8822	9977	11254	11155	10919	12589
Inventories	1444	1605	1605	1813	3310	3128	3579	4099	4181	4951
Goodwill & Int.	44313	43344	36896	34253	116000	108330	99595	87903	95024	88281
Total Liabilities	61463	65689	67798	97287	137468	131093	121518	124314	131797	137188
Accounts Payable	1407	1474	1546	1452	2276	2882	2934	3688	2945	3592
Long-Term Debt	36842	37368	40310	66728	86056	76684	63271	59385	67144	58941
Total Equity	4636	5097	(8446)	(8172)	13076	15408	17254	10360	3325	(3228)
LTD/E Ratio	7.95	7.33	(4.77)	(8.17)	6.58	4.98	3.67	5.73	20.19	(20.64)

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	10.0%	7.8%	8.7%	10.6%	3.9%	7.8%	8.3%	3.6%	3.2%	3.2%
Return on Equity	138.7%	109.1%			187.5%	80.9%	72.3%	35.1%	62.2%	-
ROIC	15.4%	12.6%	15.3%	17.4%	5.9%	12.1%	13.7%	6.5%	6.1%	11.2%
Shares Out.	1590	1590	1550	1490	1780	1780	1780	1770	1770	1773
Revenue/Share	15.72	17.60	21.19	22.42	27.38	31.62	32.65	30.64	31.77	34.49
FCF/Share	4.02	5.88	8.27	8.61	10.04	12.37	13.64	12.44	10.06	10.05

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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