



Abbott Laboratories [NYSE: ABT]

Binghamton Investment Fund | Healthcare Sector

Sector Head: Ethan Gee

Senior Analysts: Katherine Bennorth and Aidan Milroy

BUY : ABT

Price : \$112.29

PT : \$128

Upside : 15%

Company Overview

Management



Robert Ford
CEO
Since Dec 2021



Lisa Earnhardt
VP Med. Devices
Since June 2019

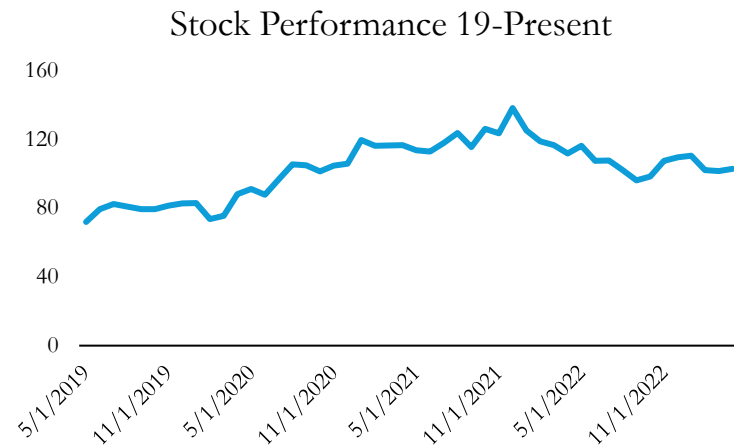


Joseph Manning
VP Nutrition
Since Dec 2021



John Ginascol
VP Diagnostics
Since June 2019

Recent Financial Performance



Core business is in better standing than pre-pandemic due to pipeline advancements, cash flows, and balance sheet strength

Business Segments

Pharmaceutical

- Generic pharmaceuticals for treatment of common diseases

Diagnostic

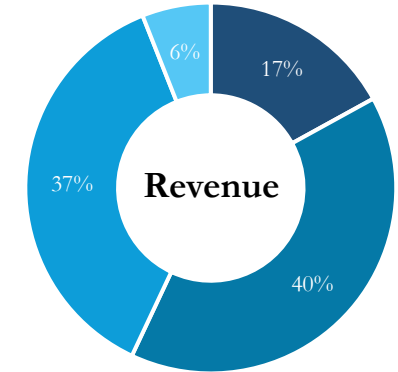
- Laboratory and diagnostic systems for testing

Nutritional

- Pediatric and Adult

Medical Devices

- Cardiovascular and Diabetes



■ Nutrition ■ Diagnostics
■ Medical Devices ■ Pharmaceuticals

Dividend King



+46% 3-yr dividend growth

One of less than 50 companies with 50 consecutive annual hikes
Company committed to growing dividend despite recession
Investors did not see dividend cut during 2008 recession

Gains in the Diabetes Market

Abbott's launch of Freestyle Libre 3 will capture significant sales growth in continuous glucose monitoring market for diabetes and take market share away from rival Dexcom

Strong Medical Device Growth

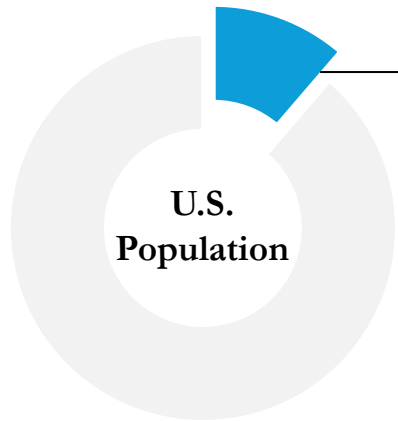
Despite supply chain disruptions, the market for medical devices is on the rise, especially for essential surgeries like cardiovascular. A strong pipeline and acquisition of CSI will cause growth for Abbott in this revenue segment

Turnaround of Nutrition Segment

Abbott is implementing a plan for recovery of their baby formula offerings after the negative press in 2022, which impacted the stock and reputation of the company

Gains in the Diabetes Market

Diabetes Prevalence



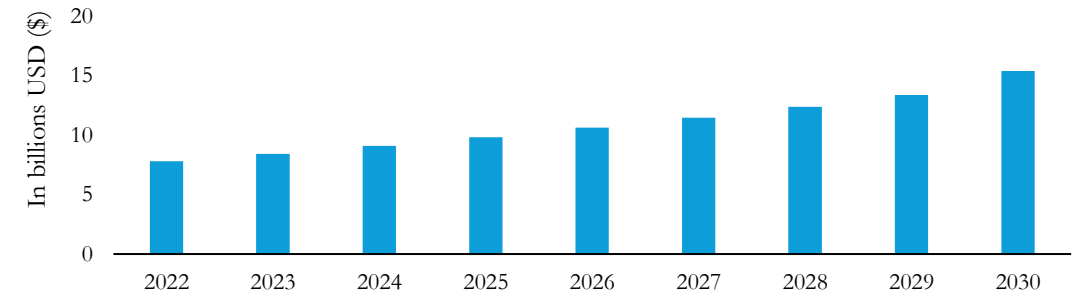
11.3% have some form of diabetes

Trends:

- Rising geriatric population
- Sedentary lifestyles and unhealthy eating patterns
- Number of children/teens with type 2 diabetes can rise 675% by 2060

Continuous Glucose Monitoring

CGM Market Size 2022-2030



Market has been dominated by Dexcom up until now

Libre: Best on Market

FreeStyle Libre

3rd generation in Libre line is the smallest and best product on the market

Information about vitals communicated directly to mobile device

Sensors must be replaced every 2 weeks, providing razor-and-blade revenue model

Runway for Growth



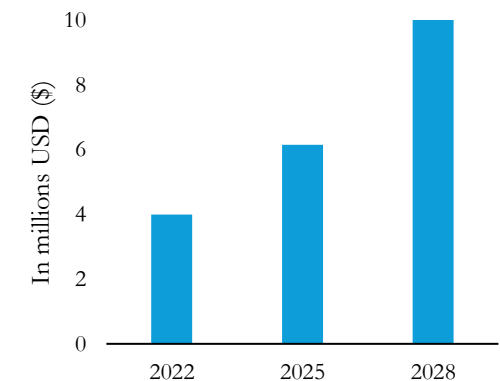
Sales since launch:

US +21%

Int'l +42%

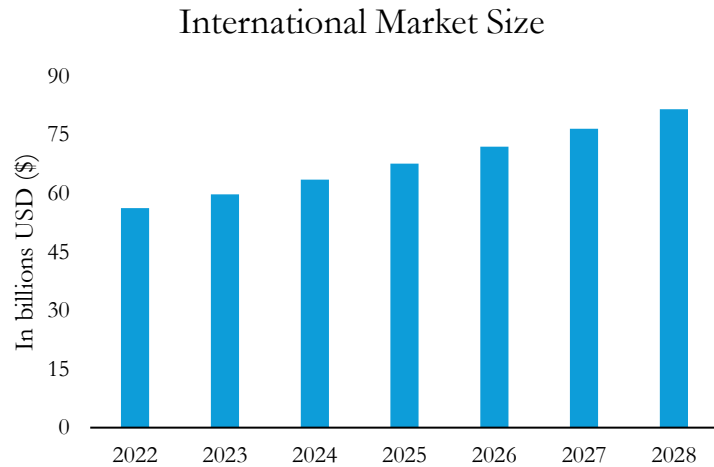
Medicare & Medicaid CGM device coverage could be provided for 1.5 million+ Americans as of June

Libre Sales



Strong Medical Device Growth

Cardiovascular Medical Device Market



~18m deaths a year globally, due to increased intake of salt, rising prevalence of smoking, and higher alcohol consumption

Strong Pipeline

Product	FY23	FY24	FY25	FY26	FY27
Thrombectomy					
Peripheral Vascular	→				
Pulmonary Embolism		→	→		
Intravascular Lithotripsy					
Peripheral			→		
Coronary				→	
Drug Coated Balloon					
Peripheral				→	
Coronary					→
Mechanical Circulatory Support					
High Risk CPI					→

Navitor: Key Add to Portfolio

\$3bn+
TAVI market in U.S.
2022 and growing



Latest-generation transcatheter aortic valve implantation system bolsters structural heart portfolio- most comprehensive in the U.S.

Minimally invasive device for people with severe aortic stenosis, one of the most common and life-threatening heart diseases

Acquisition of CSI



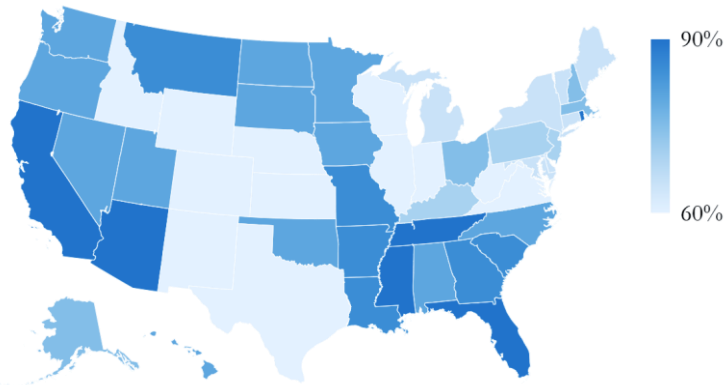
Feb 2023
Acquired Cardiovascular Systems Inc. for \$850m

- **Expand portfolio** of devices to treat coronary artery disease
- Will **boost competitive position** in the vascular market by **closing product gaps**
- **Provides key pipeline** for other products, such as in kidney stone removal

Turnaround of Nutrition Segment

Turbulence in 2022

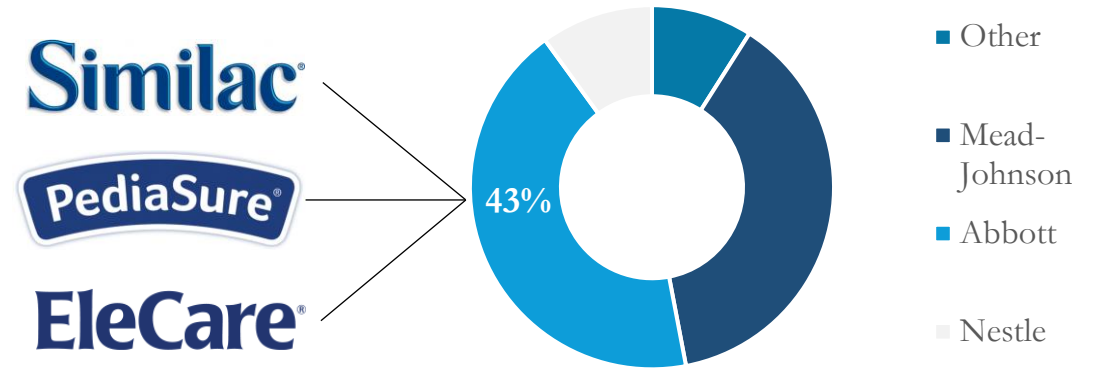
Retail Baby Formula Shortages- May 2022



National baby formula shortage sparked by supply chain disruptions and shutdown of Abbott's Sturgis plant in February 2022

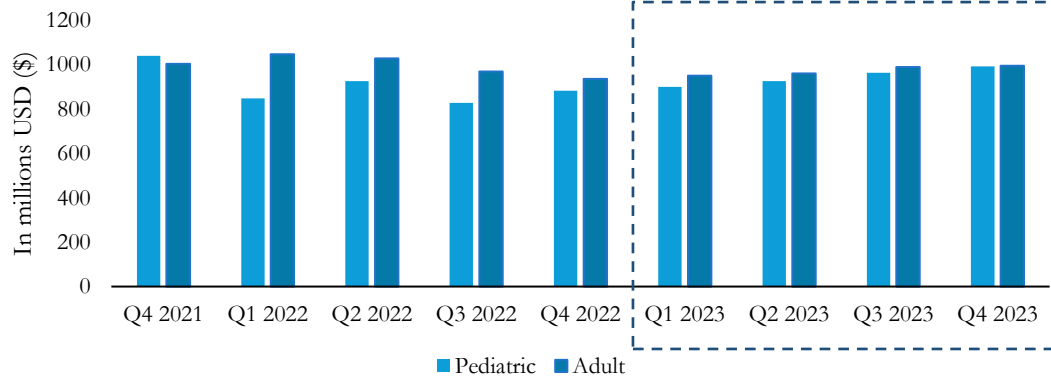
Infant Nutrition Market Share

Abbott actively regaining market share lost from production suspension

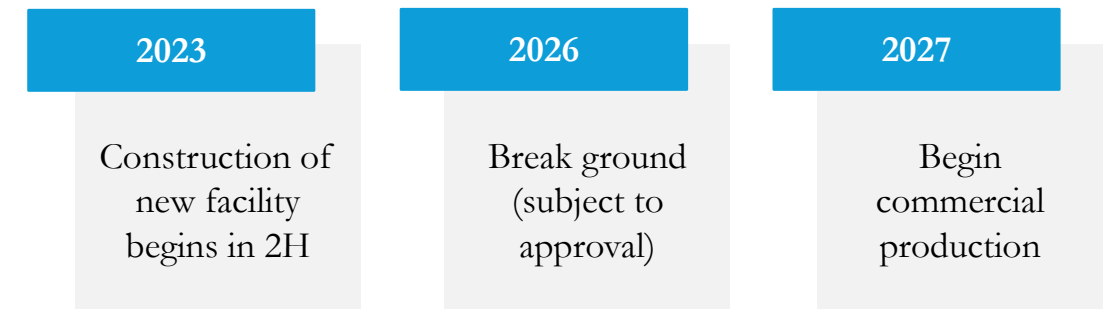


Plan for Recovery

Nutritional Sales



New Facility Opening

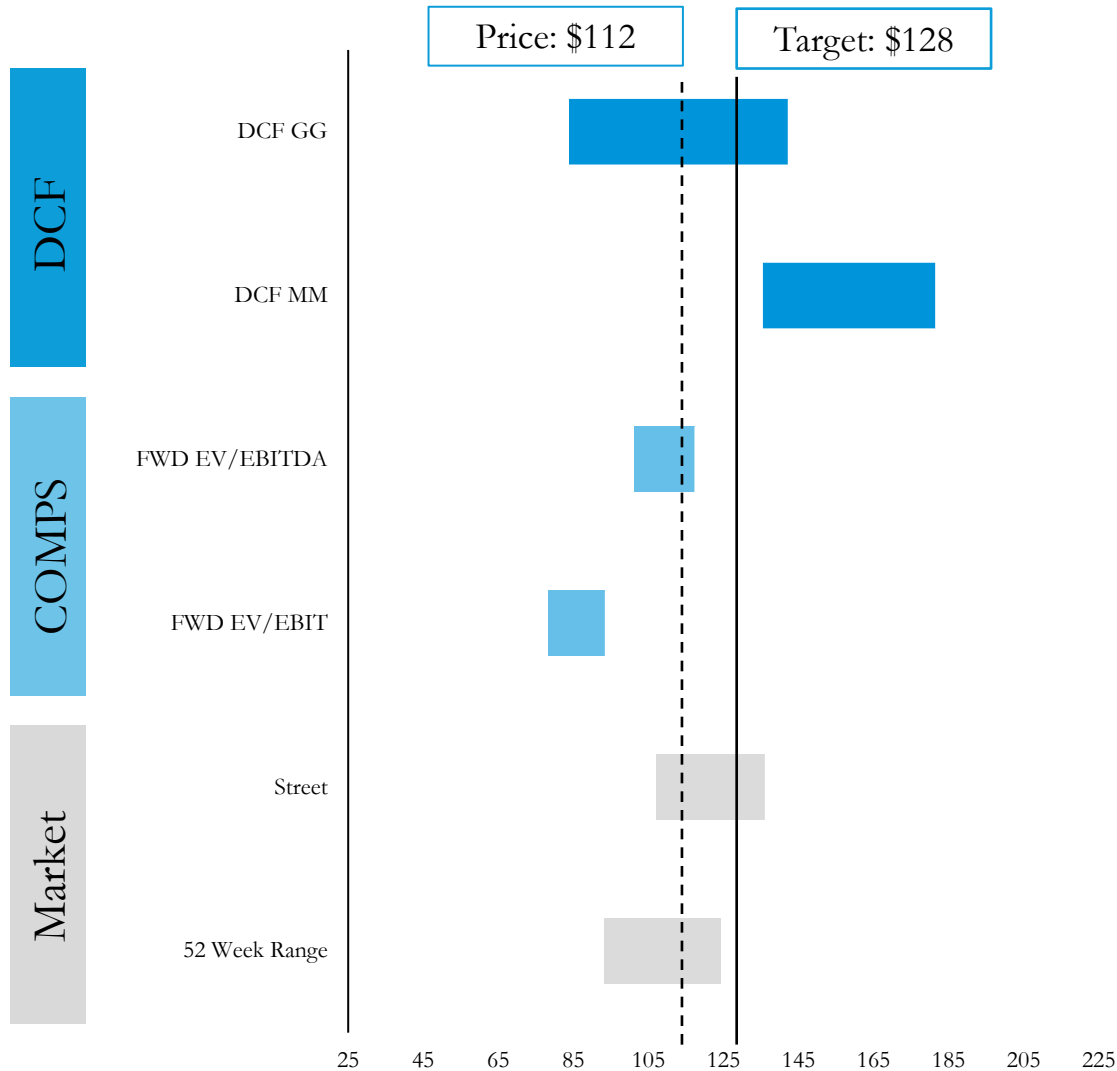


\$500m+ plant will allow Abbott to expand its supply of formulas

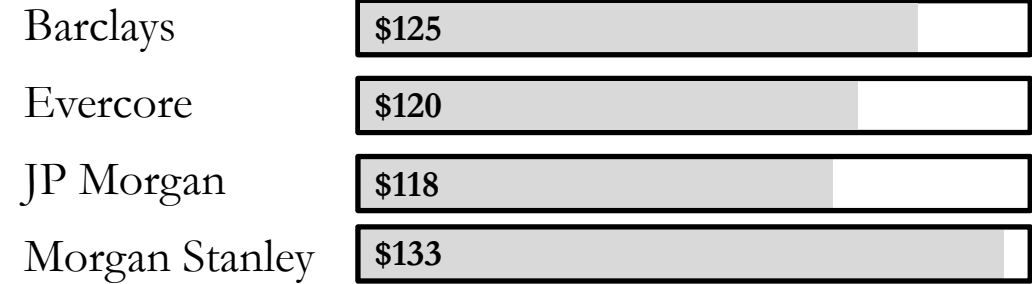
Valuation



Football Field



Street Opinion



Sensitivity Tables

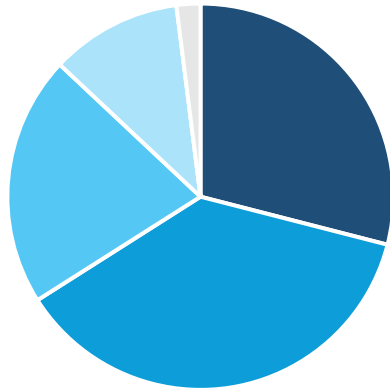
		Terminal Growth Rate				
		2.00%	2.50%	3.00%	3.50%	4.00%
WACC	6.50%	113.24	125.90	142.17	163.87	194.24
	7.00%	101.49	111.45	123.90	139.90	161.25
	7.50%	91.87	99.89	109.68	121.93	137.68
	8.00%	83.86	90.43	98.32	107.96	120.01
	8.50%	77.08	82.55	89.02	96.78	106.27

		EV/EBITDA				
		11	12	13	14	15
WACC	6.50%	135.49	146.38	157.26	168.15	179.03
	7.00%	138.04	149.16	160.28	171.39	182.51
	7.50%	140.64	151.99	163.34	174.69	186.04
	8.00%	143.27	154.86	166.45	178.04	189.64
	8.50%	145.95	157.78	169.62	181.45	193.29

Performance Relative to Industry

Diverse Revenue Portfolio

- Diagnostics
- Medical Devices
- Nutrition
- Established Pharmaceuticals
- Other



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Segments of Revenue

125+
New Product Releases Y/Y

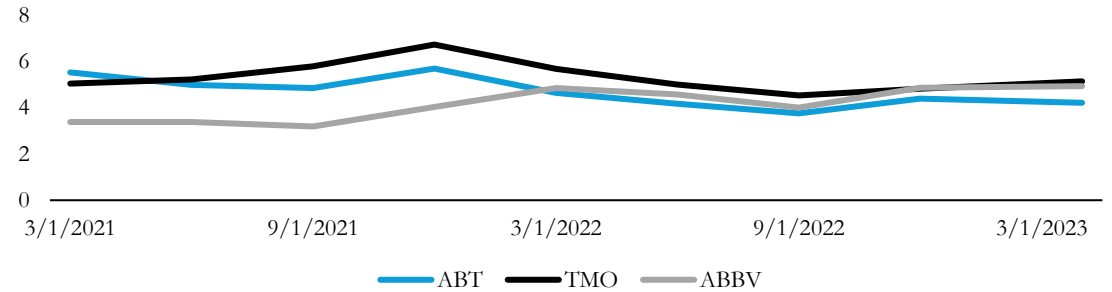
Strong Global Presence

Abbott's Global Presence vs. Industry

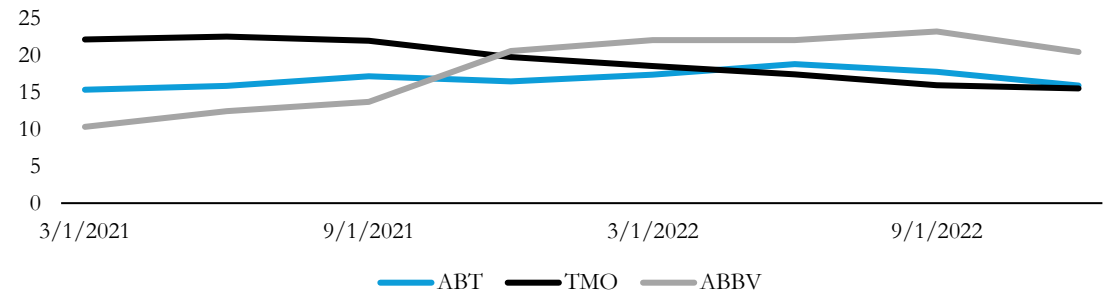


Key Metrics

P/S Ratio ABT vs TMO vs ABBV



TTM Net Profit Margin ABT vs TMO vs ABBV



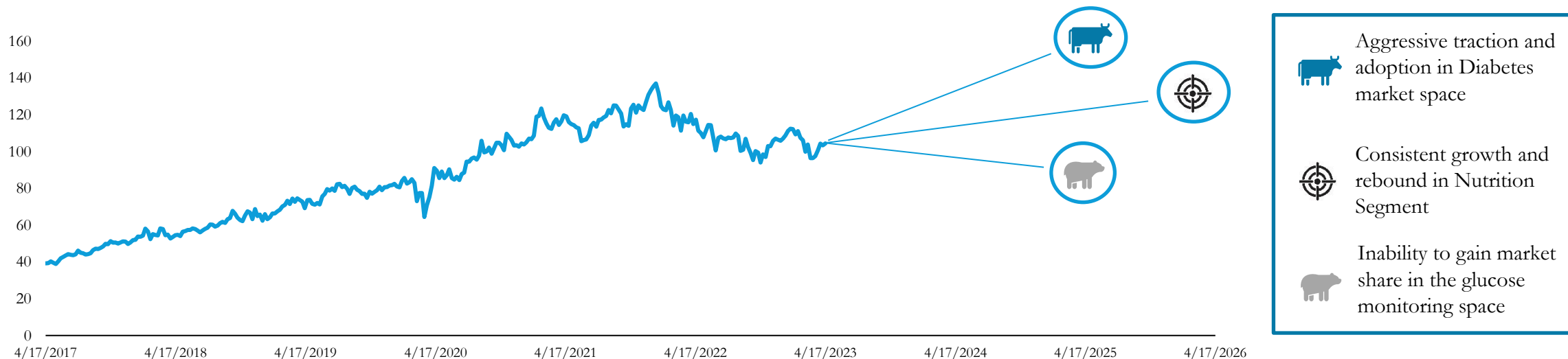
ABT P/E
28x
TMO P/E
33x

+18% 3-year
increase in R&D
investment

Over 135 years of
experience,
growth, and
success

Risks and Mitigations

Bear, Base, Bull Case



Covid-Testing Impact

Hole in revenue stream needs to be filled as Covid testing is less prevalent

Despite the lack of income from Covid-19 testing vs. 2021, the company saw an increase in revenue by 1.3% for FY 2022 and expects \$2.2 bn from the segment this year

Ongoing Investigation

US Department of Justice has opened an investigation into the Michigan plant that was shut down in 2022

Improved protocols for testing and plant upgrades likely to make product safer despite negative correlation to children's deaths

Libre Lawsuit and Recall

Dexcom has filed suit against Abbott for patent infringement for Libre range and current voluntary recall as of April

Lawsuits toward disruptors in a niche market are common and will likely be delayed, dismissed, or result in a one-time payment

Thank You!

Questions?

Appendix Overview

- Appendix A: Income Statement
- Appendix B: Balance Sheet
- Appendix C: Cash Flow Statement
- Appendix D: Revenue Build
- Appendix E: WACC
- Appendix F: Comparable Companies Analysis
- Appendix G: Comps Pt. 2
- Appendix H: Comps Pt. 3
- Appendix I: Discounted Cash Flow
- Appendix J: Annotated Stock Chart
- Appendix K: Recession Resistant

Appendix A: IS



Abbott Laboratories									
CONSOLIDATED STATEMENTS OF OPERATIONS									
<i>Figures in Millions</i>	FY2020	FY2021	FY2022	FY2023E	FY2024E	FY2025E	FY2026E	FY2027E	
Net Sales	34,608	43,075	43,653	39,856	41,844	44,010	46,880	50,229	
<i>% growth</i>		24%	1%	-9%	5%	5%	7%	7%	
Operating Costs and Expenses									
Cost of products sold, excluding amortization of intangible assets	15,003	18,537	19,142	17,337	17,784	18,264	18,986	19,841	
<i>% of revenue</i>	43%	43%	44%	44%	43%	42%	41%	40%	
Amortization of intangible assets	2,132	2,047	2,013	1,993	2,092	2,200	2,344	2,511	
<i>% of revenue</i>	6%	5%	5%	5%	5%	5%	5%	5%	
Research and development	2,420	2,742	2,888	2,790	3,138	3,521	3,985	4,521	
<i>% of revenue</i>	7%	6%	7%	7%	8%	8%	9%	9%	
Selling, general and administrative	9,696	11,324	11,248	10,363	10,879	11,442	12,189	12,557	
<i>% of revenue</i>	28%	26%	26%	26%	26%	26%	26%	25%	
Operating Earnings	5,357	8,425	8,362	7,373	7,950	8,582	9,376	10,799	
Interest expense	546	533	558	550	550	550	550	550	
Interest income	(46)	(43)	(183)	-	-	-	-	-	
Net foreign exchange (gain) loss	(8)	1	2	-	-	-	-	-	
Other (income) expense, net	(103)	(277)	(321)	-	-	-	-	-	
Earnings from Continuing Operations Before Taxes	4,968	8,211	8,306	6,823	7,400	8,032	8,826	10,249	
Taxes on Earnings from Continuing Operations	497	1,140	1,373	1,194	1,295	1,406	1,545	1,794	
<i>Effective tax Rate</i>	10%	14%	17%	18%	18%	18%	18%	18%	
Earnings from Continuing Operations	4,471	7,071	6,933	5,629	6,105	6,626	7,281	8,456	
Net Earnings from Discontinued Operations, net of taxes	24	-	-	-	-	-	-	-	
Net Earnings	4,447	7,071	6,933	5,629	6,105	6,626	7,281	8,456	

Appendix B: BS



Abbott Laboratories			
CONSOLIDATED STATEMENTS OF OPERATIONS			
Figures in Millions	FY2020	FY2021	FY2022
Current assets:			
Cash and cash equivalents	\$ 6,838	\$ 9,799	\$ 9,882
Investments, primarily bank time deposits and U.S. treasury bills	310	450	288
Trade receivables, less allowances of — 2022: \$500; 2021: \$519	6,414	6,487	6,218
Inventories:			
Finished products	3,030	3,081	3,805
Work in process	712	694	680
Materials	1,270	1,382	1,688
Total inventories	5,012	5,157	6,173
Other prepaid expenses and receivables	1,867	2,346	2,663
Total current assets	20,441	24,239	25,224
Investments	821	816	766
Property and equipment, at cost:			
Land	538	525	511
Buildings	4,014	4,007	4,053
Equipment	12,884	13,528	14,164
Construction in progress	1,357	1,304	1,484
Total Long-Term Assets	18,793	19,364	20,212
Less: accumulated depreciation and amortization	9,764	10,405	11,050
Net property and equipment	9,029	8,959	9,162
Intangible assets, net of amortization	14,784	12,739	10,454
Goodwill	23,744	23,231	22,799
Deferred income taxes and other assets	3,729	5,212	6,033
Total Assets	72,548	75,196	74,438
Current liabilities:			
Trade accounts payable	3,946	\$ 4,408	\$ 4,607
Salaries, wages and commissions	1,416	1,625	1,556
Other accrued liabilities	5,165	5,181	5,845
Dividends payable	798	831	887
Income taxes payable	362	306	343
Current portion of long-term debt	7	754	2,251
Total current liabilities	11,694	13,105	15,489
Long-term debt	18,527	17,296	14,522
Post-employment obligations and other long-term liabilities	9,111	8,771	7,522
Total Liabilities	39,332	39,172	37,533
Shareholders' investment:			
Preferred shares, one dollar par value Authorized — 1,000,000 shares, none issued	-	-	-
Common shares, without par value Authorized — 2,400,000,000 shares Issued at stated capital a:	24,145	24,470	24,709
Common shares held in treasury, at cost — Shares: 2022: 248,724,257; 2021: 221,191,228	(10,042)	(11,822)	(15,229)
Earnings employed in the business	27,627	31,528	35,257
Accumulated other comprehensive income (loss)	(8,946)	(8,374)	(8,051)
Total Abbott Shareholders' Investment	32,784	35,802	36,686
Noncontrolling interests in subsidiaries	219	222	219
Total Shareholders' Investment	33,003	36,024	36,905
Total Liabilities/Shareholders Investment	72,548	75,196	74,438

Appendix C: CFS



Abbott Laboratories			
CONSOLIDATED STATEMENTS OF OPERATIONS			
<i>Figures in Millions</i>	FY2020	FY2021	FY2022
Cash Flow From (Used in) Operating Activities:			
Net earnings	4,495	7,071	6,933
Adjustments to reconcile earnings to net cash from operating activities —			
Depreciation	1,195	1,491	1,254
Amortization of intangible assets	2,132	2,047	2,013
Share-based compensation	546	640	685
Investing and financing losses, net	425	55	215
Trade receivables	(924)	(383)	(68)
Inventories	(493)	(456)	(1,413)
Prepaid expenses and other assets	(627)	(312)	(75)
Trade accounts payable and other liabilities	1,766	1,288	420
Income taxes	(614)	(908)	(383)
Net Cash From Operating Activities	7,901	10,533	9,581
Cash Flow From (Used in) Investing Activities:			
Acquisitions of property and equipment	(2,177)	(1,885)	(1,777)
Acquisitions of businesses and technologies, net of cash acquired	(42)	(187)	-
Proceeds from business dispositions	58	134	48
Purchases of investment securities	(83)	(173)	(185)
Proceeds from sales of investment securities	10	77	152
Other	19	26	22
Net Cash From (Used in) Investing Activities	(2,215)	(2,008)	(1,740)
Cash Flow From (Used in) Financing Activities:			
Proceeds from issuance of (repayments of) short-term debt, net and other	2	(204)	47
Proceeds from issuance of long-term debt and debt with maturities over 3 months	1,281	4	7
Repayments of long-term debt and debt with maturities over 3 months	(1,333)	(48)	(753)
Purchases of common shares	(403)	(2,299)	(3,795)
Proceeds from stock options exercised	245	255	167
Dividends paid	(2,560)	(3,202)	(3,309)
Other	(11)	-	-
Net Cash From (Used in) Financing Activities	(2,779)	(5,494)	(7,636)

Appendix D: Revenue Build



Abbott Laboratories																
Revenue Build	FY2020		FY 2021		FY 2022		FY2023		FY 2024		FY 2025		FY2026		FY 2027	
<i>Figures in Millions</i>	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	
Established Pharmaceutical Products																
Total	4,303	4,718	4,912	4,814	5,054	5,307	5,546	5,796								
% Change		10%	4%	-2.00%	5.00%	5.00%	4.50%	4.50%								
% Total	12%	11%	11%	12.08%	12.08%	12.06%	11.83%	11.54%								
Nutritionals																
Total	7,647	8,294	7,459	6,974	7,323	7,762	8,306	8,929								
% Change		8%	-10%	-6.50%	5.00%	6.00%	7.00%	7.50%								
% Total	22%	19%	17%	18.80%	17.50%	17.64%	17.72%	17.78%								
Diagnostics																
Total	10,805	15,644	16,584	14,262	14,833	15,574	16,587	17,831								
% Change		45%	6%	-14.00%	4.00%	5.00%	6.50%	7.50%								
% Total	31%	36%	38%	37.05%	35.45%	35.39%	35.38%	35.50%								
Medical Devices																
Total	11,787	14,367	14,687	13,806	14,634	15,366	16,441	17,675								
% Change		22%	2%	-6.00%	6.00%	5.00%	7.00%	7.50%								
% Total	34%	33%	34%	33.80%	34.97%	34.91%	35.07%	35.19%								
Other	38	52	66													
Total	34,608	43,075	43,653	39,856	41,844	44,010	46,880	50,229								
<i>Growth Rate</i>		24%	1%	-9%	5%	5%	7%	7%								

Appendix E: WACC

Abbot Laboratories Weighted Average Cost of Capital	
Market Value of Debt	17,946
Weight of Debt	9%
Pre-Tax Cost of Debt	5.05%
After-Tax Cost of Debt	4.22%
Market Value of Equity	183,385
Weight of Equity	91%
Market Return	9.0%
Risk-Free-Rate	3.46%
Equity Risk Premium	5.75%
Beta	0.76
Cost of Equity	7.85%
Weighted Average Cost of Capital	7.53%

Appendix F: Comps



Abbott Laboratories									Comparable Companies Analysis									
Company									2022					2025				
Ticker	Industry	Share Price	Shares	Market Cap	Short & Long Term Cash	EV	Revenue	R&D	EBITDA	EBIT	EPS	Revenue	R&D	EBITDA	EBIT	EPS		
Abbott Laboratories	ABT	Medical Equipment & Devices	104.14	1,760	181,650	17,950	9,880	189,720	43,650	2,890	12,900	8,360	3.94	44,010	3,521	11,859	8581.874977	4.36
Danaher Corporation	DHR	Medical Equipment & Devices	252.33	737.1	186,330	20,740	5,990	201,080	31,470	1,740	11,450	8,690	9.80	35,077.10	1,957.98	12,276.10	10,405.50	12.21
Thermo Fisher Scientific	TMO	Medical Equipment & Devices	585.97	393	227,020	36,070	8,520	254,570	44,920	1,470	12,320	8,390	17.75	53,018	1,764.48	14,662	13,436	26.72
Merk & Co	MRK	Large Pharma/ Medical Equipment	115.31	2,540	291,860	31,990	12,690	311,160	59,280	13,550	24,500	17,940	5.73	65,669	13,094.88	31,273	28,572	9.55
									EV/Revenue	EV/R&D	EV/EBITDA	EV/EBIT	P/E	EV/Revenue	EV/R&D	EV/EBITDA	EV/EBIT	P/E
Abbott Laboratories	ABT								4.3x	65.6x	14.7x	22.7x	26.4x	4.3x	53.9x	16.0x	22.1x	23.9x
Danaher Corporation	DHR								6.4x	115.6x	17.6x	23.1x	25.7x	5.7x	102.7x	16.4x	19.3x	20.7x
Thermo Fisher Scientific	TMO								5.7x	173.2x	20.7x	30.3x	33.0x	4.8x	144.3x	17.4x	18.9x	21.9x
Merk & Co	MRK								5.2x	23.0x	12.7x	17.3x	20.1x	4.7x	23.8x	9.9x	10.9x	12.1x
Min									4.3x	23.0x	12.7x	17.3x	20.1x	4.3x	23.8x	9.9x	10.9x	12.1x
Q1									5.0x	55.0x	14.2x	21.4x	24.3x	4.6x	46.4x	14.5x	16.9x	18.5x
Median									5.5x	90.6x	16.1x	22.9x	26.1x	4.8x	78.3x	16.2x	19.1x	21.3x
Q3									5.8x	130.0x	18.3x	24.9x	28.1x	5.0x	113.1x	16.6x	20.0x	22.4x
Max									6.4x	173.2x	20.7x	30.3x	33.0x	5.7x	144.3x	17.4x	22.1x	23.9x
Average									5.4x	94.3x	16.4x	23.4x	26.3x	4.9x	81.2x	14.9x	17.8x	19.6x

Appendix G: Comps Pt. 2



Abbott Laboratories		EV	Debt	Cash	Equity	Shares	Per Share
Comps Output							
EBIT	8,360						
Min	17.3x	144,999.9	17,950	9,880.0	136,929.9	1760.0	77.80
Q1	21.4x	178,540.0	17,950	9,880.0	170,470.0	1760.0	96.86
Median	22.9x	191,582.0	17,950	9,880.0	183,512.0	1760.0	104.27
Q3	24.9x	208,498.0	17,950	9,880.0	200,428.0	1760.0	113.88
Max	30.3x	253,659.7	17,950	9,880.0	245,589.7	1760.0	139.54
EBITDA							
Min	12.7x	163,835.3	17,950	9,880.0	155,765.3	1760.0	88.50
Q1	14.2x	183,248.8	17,950	9,880.0	175,178.8	1760.0	99.53
Median	16.1x	208,132.1	17,950	9,880.0	200,062.1	1760.0	113.67
Q3	18.3x	236,546.9	17,950	9,880.0	228,476.9	1760.0	129.82
Max	20.7x	266,554.6	17,950	9,880.0	258,484.6	1760.0	146.87
Revenue							
Min	4.3x	189,720.0	17,950	9,880.0	181,650.0	1760.0	103.21
Q1	5.0x	219,268.7	17,950	9,880.0	211,198.7	1760.0	120.00
Median	5.5x	238,245.5	17,950	9,880.0	230,175.5	1760.0	130.78
Q3	5.8x	255,255.8	17,950	9,880.0	247,185.8	1760.0	140.45
Max	6.4x	278,905.1	17,950	9,880.0	270,835.1	1760.0	153.88
R&D							
Min	23.0x	66,365.5	17,950	9,880.0	58,295.5	1760.0	33.12
Q1	55.0x	158,881.4	17,950	9,880.0	150,811.4	1760.0	85.69
Median	90.6x	261,848.9	17,950	9,880.0	253,778.9	1760.0	144.19
Q3	130.0x	375,603.6	17,950	9,880.0	367,533.6	1760.0	208.83
Max	173.2x	500,481.2	17,950	9,880.0	492,411.2	1760.0	279.78

Abbott Laboratories			
Comps Price Target			
EV/EBIT	104.27	25%	26.1
EV/EBITDA	113.67	25%	28.4
EV/Revenue	130.78	25%	32.7
EV/R&D	144.19	25%	36.0
			123.2

Appendix H: Comps Pt. 3



Abbott Laboratories							
<i>Fwd Comps Output</i>		EV	Debt	Cash	Equity	Shares	Per Share
EBIT	8,582						
Min	10.9x	93,459.9	17,950	9,880.0	85,389.9	1760.0	48.52
Q1	16.9x	145,314.7	17950	9,880.0	137,244.7	1760.0	77.98
Median	19.1x	164,219.6	17950	9,880.0	156,149.6	1760.0	88.72
Q3	20.0x	171,809.7	17950	9,880.0	163,739.7	1760.0	93.03
Max	22.1x	189,720.0	17950	9,880.0	181,650.0	1760.0	103.21
EBITDA	11,859						
Min	9.9x	128,352.4	17950	9,880.0	120,282.4	1760.0	68.34
Q1	14.5x	186,862.0	17950	9,880.0	178,792.0	1760.0	101.59
Median	16.2x	208,832.3	17950	9,880.0	200,762.3	1760.0	114.07
Q3	16.6x	214,468.8	17950	9,880.0	206,398.8	1760.0	117.27
Max	17.4x	223,977.2	17950	9,880.0	215,907.2	1760.0	122.67
Revenue	44,010						
Min	4.3x	188,169.7	17950	9,880.0	180,099.7	1760.0	102.33
Q1	4.6x	202,162.8	17950	9,880.0	194,092.8	1760.0	110.28
Median	4.8x	208,208.0	17950	9,880.0	200,138.0	1760.0	113.71
Q3	5.0x	219,747.7	17950	9,880.0	211,677.7	1760.0	120.27
Max	5.7x	250,224.3	17950	9,880.0	242,154.3	1760.0	137.59
R&D	3,521						
Min	23.8x	68,672.1	17950	9,880.0	60,602.1	1760.0	34.43
Q1	46.4x	133,965.8	17950	9,880.0	125,895.8	1760.0	71.53
Median	78.3x	226,263.3	17950	9,880.0	218,193.3	1760.0	123.97
Q3	113.1x	326,835.8	17950	9,880.0	318,765.8	1760.0	181.12
Max	144.3x	416,954.2	17950	9,880.0	408,884.2	1760.0	232.32

Abbott Laboratories			
<i>Comps Price Target</i>			
EV/EBIT	88.72	10%	8.9
EV/EBITDA	114.07	30%	34.2
EV/Revenue	113.71	30%	34.1
EV/R&D	123.97	30%	37.2
			114.4

Appendix I: DCF



Abbott Laboratories

CONSOLIDATED STATEMENTS OF OPERATIONS

Figures in Millions

	FY2020	FY2021	FY2022	FY2023E	FY2024E	FY2025E	FY2026E	FY2027E
Revenue	34608	43075	43653	39856	41844	44010	46880	50229
<i>% growth</i>		24%	1%	-9%	5%	5%	7%	7%
EBIT	5357	8425	8362	7373	7950	8582	9376	10799
<i>EBIT Margin</i>	15%	20%	19%	19%	19%	20%	20%	22%
Taxes	497	1140	1373	1194	1295	1406	1545	1794
<i>Rate %</i>	10%	14%	17%	18%	18%	18%	18%	18%
NOPAT	4860	7285	6989	6179	6655	7176	7831	9006
Plus: D&A	3327	3538	3267	2787	2926	3077	3278	3512
Less: CapEx	2177	1885	1777	1594	1674	1760	1875	2009
Less: Δ NWC	-	219	201	-94	198	215	291	593
Free Cash Flow	6,010	8,719	8,278	7,466	7,709	8,278	8,943	9,916
<i>Discount Factor</i>				0.5	1.5	2.5	3.5	4.5
<i>% change</i>				-10%	3%	7%	8%	11%
Present Value of Cash Flows				7,200	6,914	6,904	6,937	7,152

Terminal Value Calculations

Perpetuity Method

Terminal Cash Flow	9,916
WACC	7.53%
Terminal Growth Rate	2.75%
Terminal Value	213,192
PV of Terminal Value	153,783

Enterprise Value

Less: Debt	17,946
Add: Cash	10,378

Equity Value

DSO

Price Per Share

Terminal Multiple Method

Terminal EBITDA	9,916	Terminal Value	14,311
WACC	7.53%	PV of Terminal Value	7.53%
EV/EBITDA	2.75%		13
Terminal Value	213,192		188,890
PV of Terminal Value	153,783		261,861

Enterprise Value

Less: Debt	17,946
Add: Cash	10,378

Equity Value

1754 DSO

103.38 Price Per Share

296,968

17,946

10,378

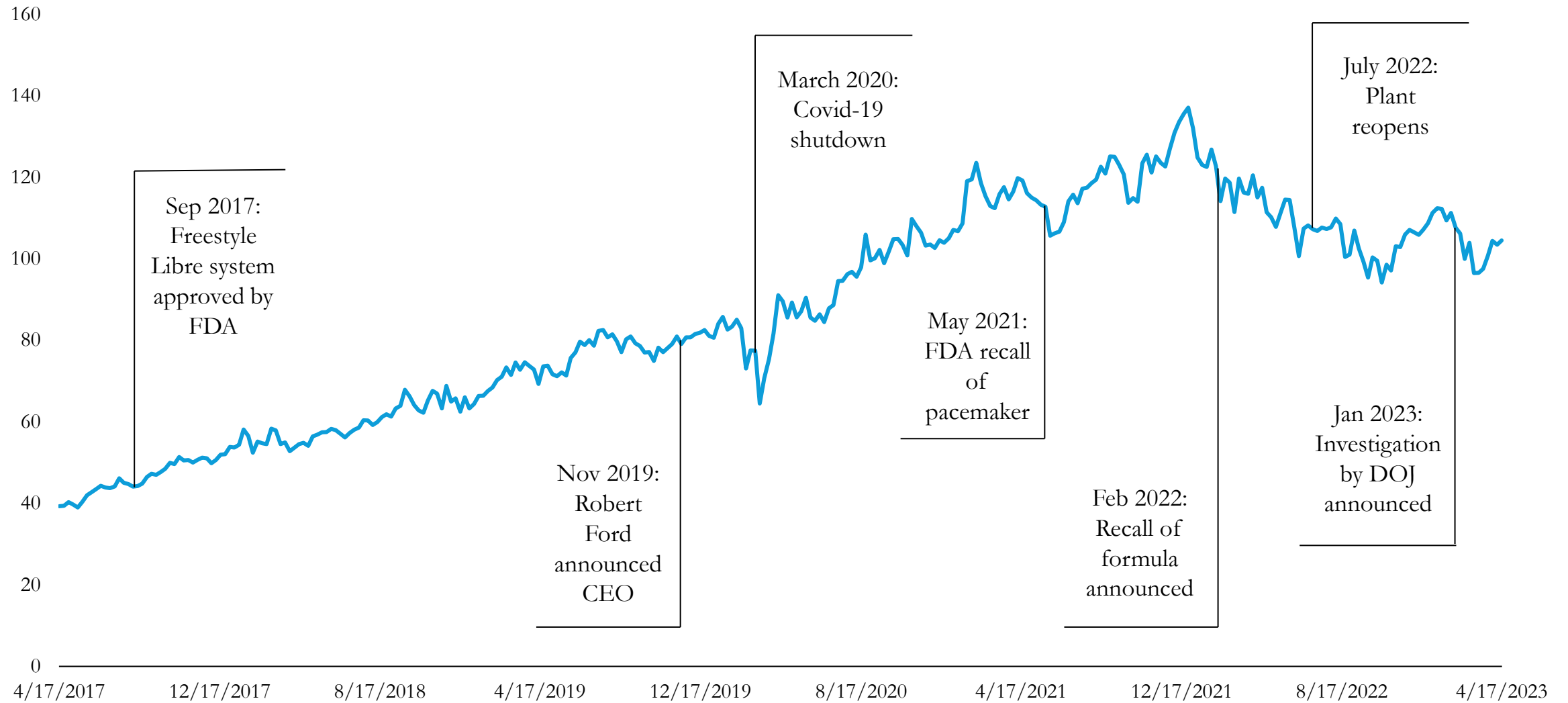
289,400

1754

164.99

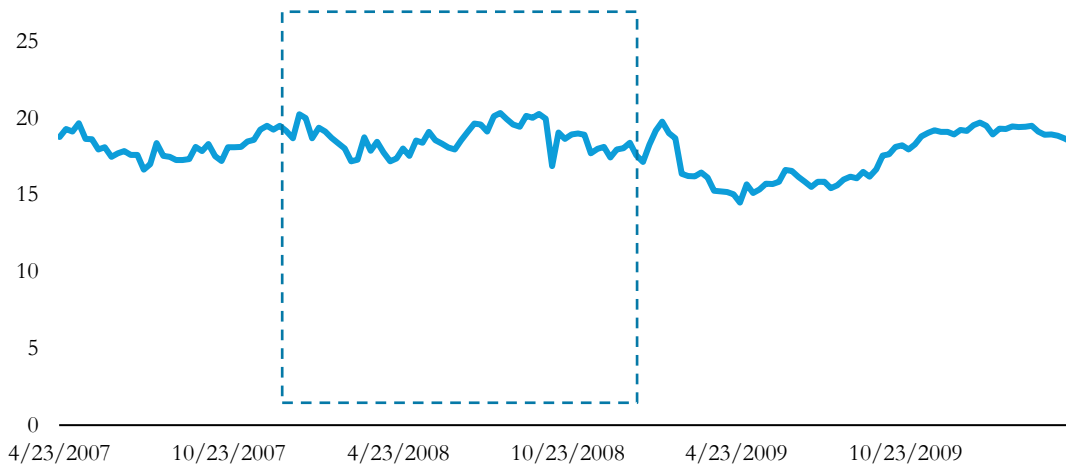
Appendix J: Annotated Stock Chart

Historical Stock Performance April 2017-2023

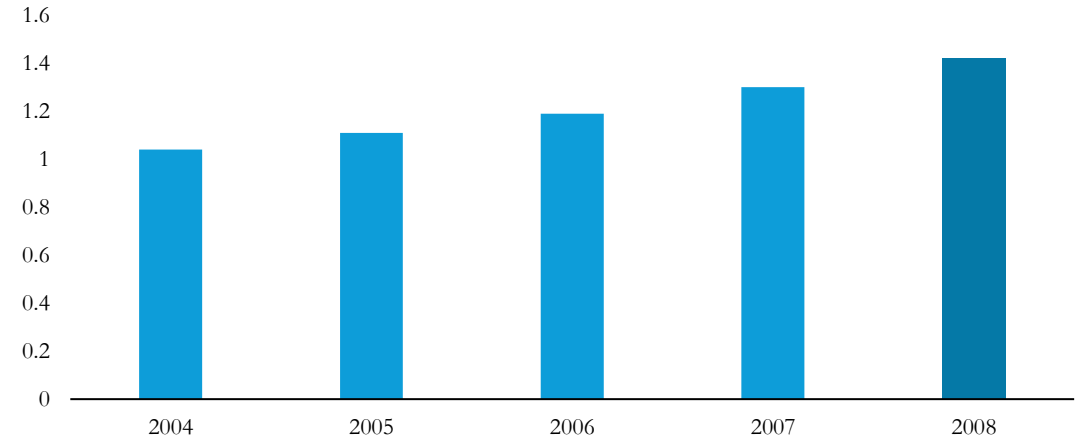


Appendix K: Recession Resistant

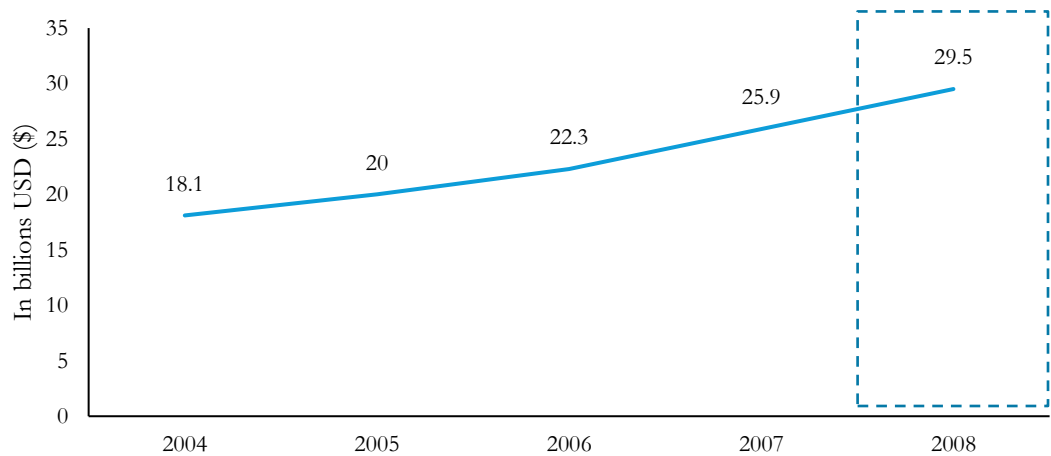
Stock Price during 2008 Recession



Dividends to Shareholders



Net Sales Worldwide



Notable Growth



9 major pharmaceutical product approvals



International growth in nutritional market



2 new indications of Humira, it's leading drug