

abbvie

# J.P. Morgan Healthcare Conference

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*Chief Executive Officer*

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# Forward-Looking Statements and Non-GAAP Financial Information

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Some statements in this presentation are, or may be considered, forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project" and similar expressions, among others, generally identify forward-looking statements. AbbVie cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, challenges to intellectual property, competition from other products, difficulties inherent in the research and development process, adverse litigation or government action, and changes to laws and regulations applicable to our industry. Additional information about the economic, competitive, governmental, technological and other factors that may affect AbbVie's operations is set forth in Item 1A, "Risk Factors," of AbbVie's 2016 Annual Report on Form 10-K, which has been filed with the Securities and Exchange Commission. AbbVie undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

This presentation contains GAAP and certain non-GAAP financial measures. Non-GAAP financial measures are adjusted for certain non-cash items and for factors that are unusual or unpredictable, and exclude those costs, expenses and other specified items presented in AbbVie's reconciliation tables. AbbVie's management believes non-GAAP financial measures provide useful information to investors regarding AbbVie's results of operations and assist management, analysts and investors in evaluating the performance of the business. Non-GAAP financial measures should be considered in addition to, and not as a substitute for, measures of financial performance prepared in accordance with GAAP. Reconciliations of these non-GAAP financial measures to the most comparable GAAP measures are available in the appendix to this presentation and on the company's website at [www.abbvieinvestor.com](http://www.abbvieinvestor.com).

# AbbVie's Represents a Unique Investment Opportunity

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**Track record of strong execution, consistently meeting or exceeding financial commitments**

**Industry-leading growth, supported by a portfolio of leading brands in attractive and sustainable markets**

**Impressive pipeline of late-stage, de-risked assets with potential to drive significant growth**

**Compelling capital allocation philosophy, balanced between supporting growth and returning capital to shareholders**

# Outstanding Track Record of Execution

## % Revenue Growth

ABBV Rank vs. Peer Group\*

Period	Rank
2017E	<b>#1 of 11</b>
3 Years (‘15, ‘16, ‘17E)	<b>#1 of 11</b>
5 Years (‘13, ‘14, ‘15, ‘16, ‘17E)	<b>#2 of 11</b>

## % Adjusted EPS Growth

ABBV Rank vs. Peer Group\*

Period	Rank
2017E	<b>#2 of 11</b>
3 Years (‘15, ‘16, ‘17E)	<b>#1 of 11</b>
5 Years (‘13, ‘14, ‘15, ‘16, ‘17E)	NA**

## Total Shareholder Return

ABBV Rank vs. Peer Group\*

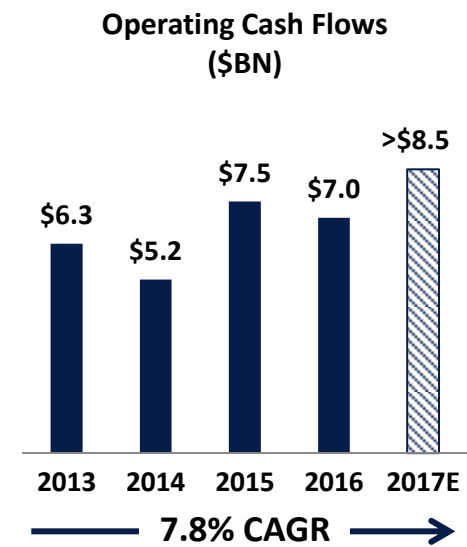
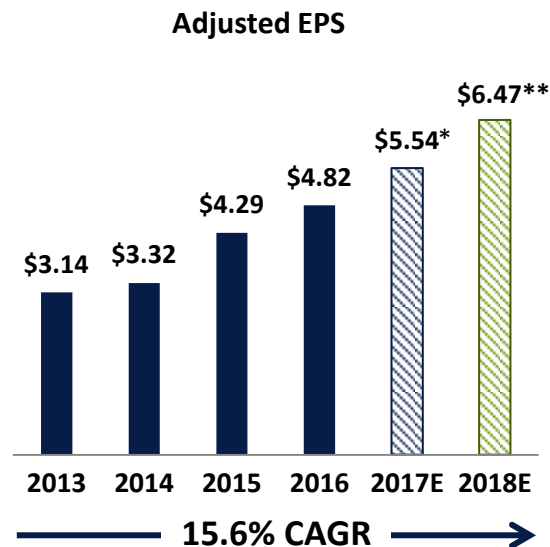
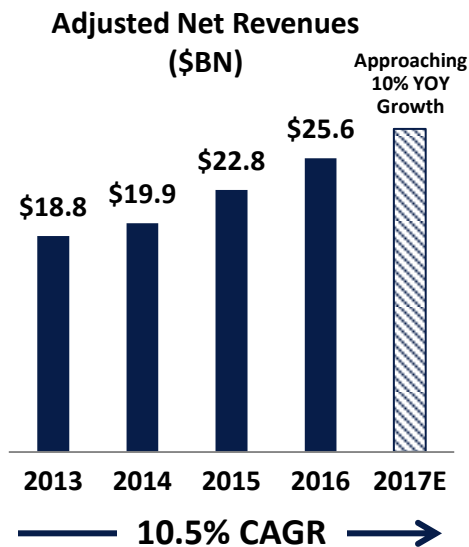
Period	Rank
2017	<b>#1 of 11</b>
3 Years (‘15, ‘16, ‘17)	<b>#1 of 11</b>
5 Years (‘13, ‘14, ‘15, ‘16, ‘17)	<b>#1 of 11</b>

2017E revenue and EPS reflect current consensus estimates. 2017 estimates are as of January 4, 2018.

\* Peer group: ABBV, JNJ, MRK, PFE, NVS, AMGN, GILD, BMY, LLY, AZN, GSK

\*\*Note: 5-year adjusted EPS comparison not available because AbbVie did not report adjusted EPS in 2012.

# Strong Financial Execution Since Inception as an Independent Company



- Expect to drive top-tier industry performance again in 2018, with adjusted EPS of \$6.37 to \$6.57, representing growth of ~15% to 19%
- On track and committed to delivering on our target of 50% operating margin by 2020
- Top-tier revenue growth and double digit EPS growth on average expected through 2020
- Strong and growing dividend and share repurchases – since inception, quarterly dividend increased by more than 77% and significant number of shares repurchased

Notes: Peer group defined as ABBV, AMGN, AZN, BMY, GILD, GSK, JNJ, LLY, MRK, NVS, PFE. Net revenues and EPS are adjusted for specified items. See reconciliation of GAAP to non-GAAP in the appendix. 2017E and 2018E reflect the company's guidance as of the date of this presentation. Operating cash flows in 2014 excluded the impact of costs incurred in connection with the termination of proposed Shire transaction.

\*Represents the midpoint of the company's guidance for 2017 (\$5.53-\$5.55) as of the date of this presentation.

\*\*Represents the midpoint of the company's guidance for 2018 (\$6.37-\$6.57) as of the date of this presentation.

# AbbVie: An Innovation-Driven, Patient-Focused, Specialty Biopharmaceutical Company

## Immunology

- Strong leadership position with **Humira**
- Late-stage assets, **upadacitinib** and **risankizumab**, will sustain leadership
- AbbVie Immunology will evolve from a single product to a **portfolio of therapies**

## Oncology

- Building strong leadership in blood cancers with **Imbruvica** and **Venclexta**
- Expanding and advancing pipeline to **transform treatment approaches in solid tumors**
- **Pioneering early-stage programs**, including Stemcentrx platform, immuno-oncology, bi-specifics and ADCs will continue to broaden AbbVie's solid tumor pipeline

## Neuroscience

- **Long-term vision** to create **innovative disease-modifying therapies** for neurodegenerative disorders
- Advancing research across several neurodegenerative disorders, including **Alzheimer's disease, Parkinson's disease and multiple sclerosis**
- AbbVie Neuroscience to begin **fueling sales growth by ~2025**

## Virology

- HCV represents **large global market**, sustainable well into the 2020s
- Recently approved **Mavyret** offers a **compelling clinical profile** and allows AbbVie to **grow our position in HCV**

## Focused Investments

- **Women's Health: Elagolix** – Late-stage programs in **endometriosis** and **uterine fibroids**, both **large, under-served patient populations**
- Other programs, including **cystic fibrosis**, where we're evaluating CFTR modulators in early clinical studies for a **triple combination therapy**

# AbbVie Immunology To Evolve From a Single Product to a Portfolio of Therapies

## Development Programs Focus on Re-defining Standard of Care Across Immune-Mediated Diseases

		Rheumatology				Dermatology			Gastroenterology		Other
		RA	PsA	AS	AxSpA	PsO	AD	HS	CD	UC	
On Market	Humira	✓	✓	✓	✓	✓		✓	✓	✓	Uveitis
Late Stage	Upadacitinib	✓	✓	✓			✓		✓	✓	
	Risankizumab		✓			✓			✓	✓	
Early Pipeline*	ABBV-323 Anti-CD40								✓	✓	Sjögren's SLE
	ABBV-3373 Anti-TNF/ Steroid ADC	✓						✓	✓	✓	
	ABBV-599 JAK1i/BTKi Combo	✓									Sjögren's SLE

\* Represents potential indications for early Immunology pipeline assets prioritized for evaluation based on scientific rationale and unmet need in market

# AbbVie Immunology Pipeline

## *Differentiated Late-Stage Assets and Promising Early-Stage Programs*

Risankizumab Anti-IL-23 Antibody	Upadacitinib Oral JAK1-Selective Inhibitor	Early-Stage Programs Innovative Biologics & Small-Molecules, Novel Targets
<ul style="list-style-type: none"><li>Recently reported Phase 3 psoriasis data support high levels of complete skin clearance and strong durability</li></ul>	<ul style="list-style-type: none"><li>Strong results from the first three Phase 3 studies in rheumatoid arthritis support our view of potential best-in-class therapy</li></ul>	<ul style="list-style-type: none"><li>Anti-TNF/Steroid ADC (ABBV-3373) targeting RA, IBD and HS</li></ul>
<ul style="list-style-type: none"><li>Phase 2 data in Crohn's disease demonstrate strong activity and support advancement to Phase 3</li></ul>	<ul style="list-style-type: none"><li>Phase 2 data in atopic dermatitis and Crohn's disease demonstrate strong activity and support advancement to Phase 3</li></ul>	<ul style="list-style-type: none"><li>CD40 antagonist (ABBV-323) targeting IBD, SLE and Sjögren's</li></ul>
<ul style="list-style-type: none"><li>Expect to begin a Phase 3 study in ulcerative colitis in the first half of 2018</li></ul>	<ul style="list-style-type: none"><li>Development also ongoing in psoriatic arthritis, ankylosing spondylitis, ulcerative colitis</li></ul>	<ul style="list-style-type: none"><li>JAK1i/BTKi combo (ABBV-599) targeting RA, SLE and Sjögren's</li></ul>
<ul style="list-style-type: none"><li>Expect to launch in four indications by 2023, starting with PsO in 2019</li></ul>	<ul style="list-style-type: none"><li>Expect to launch in six indications by 2022, starting with RA in 2019</li></ul>	

**Upadacitinib and risankizumab expected to be significant growth drivers, with 2025 nominal sales potential of ~\$6.5Bn and ~\$5Bn, respectively**



# Opportunity to Impact Patient Care Across a Broad Range of Hematologic Malignancies

Enable BTK and Bcl-2 inhibitors to become foundation therapies in CLL and other hematological malignancies

Transform the therapeutic approach, allowing patients to achieve more durable, deeper responses, including the option for some patients to stop treatment

Drive better long-term control of hematological malignancies, ideally with chemotherapy-free regimens

AbbVie's Portfolio in Hematologic Malignancies								
	LEUKEMIA		NON-HODGKIN'S LYMPHOMA				MYELOMA	
	CLL	AML	MCL	WM	MZL	FL	DLBCL	MM
Imbruvica	1L+		2L+ 1L+	1L+	2L+	2L+*	1L	
Venclexta	2L+ 17p del 1L+	1L	2L+			2L+	1L	2L+

Current Indication
In development

\*Imbruvica also in development in 1L FL for patients not fit for chemotherapy.  
 Imbruvica also approved in 2L+ cGvHD and in late-stage development for 1L cGvHD and mid-stage development for pancreatic cancer.

# Imbruvica Strategy

**Establish Imbruvica as the Standard of Care across many B-cell malignancies, making Imbruvica the most successful hematologic oncology brand**

## CLL

- Achieve broad use of Imbruvica in CLL; +80 % should benefit from an Imbruvica based therapy at one point in time
- Additional studies underway to augment body of evidence in CLL; novel combinations and patient populations, including Young/Fit and Watch & Wait

## NHL

- Expand Imbruvica use into multiple segments of NHL, either used alone or in combo with current standard of care
- Already approved for four segments (MCL 2L+, WM 1L & 2L+, 2L+ MZL)
- Currently studying four additional NHL indications

## Other

- Explore Imbruvica's potential in additional diseases, such as pancreatic cancer

**Imbruvica on track to generate risk-adjusted peak revenues to AbbVie in excess of \$7 billion**

# Venclexta Strategy

## Establish Venclexta use as an agent demonstrating strong disease control across hematologic malignancies

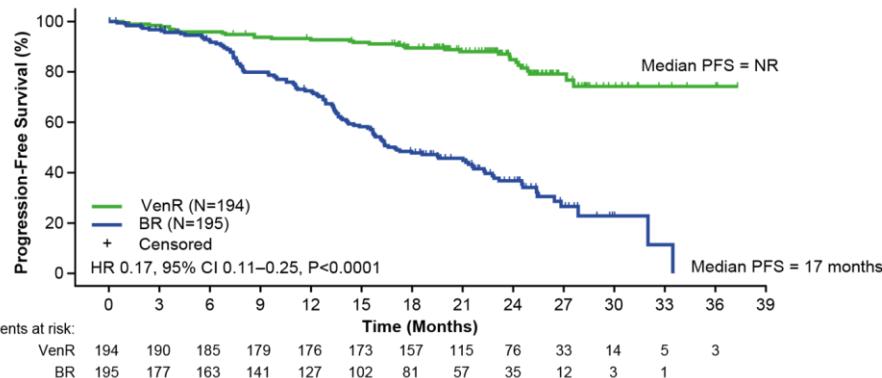
### CLL

- Establish Venclexta as a foundational treatment in CLL based on PFS, response rates and depth of response
- First launch in niche, high unmet need R/R CLL 17p del population; followed by expansion into broader R/R and 1L CLL patients; then, expand as a foundational therapy across multiple hematologic malignancies
- Continue to drive towards chemo-free regimens in CLL

### Other Heme Malignancies

- Expand as a foundational therapy across multiple hematologic malignancies
- Phase 3 ongoing in AML – 2 Breakthrough Therapy Designations and strong efficacy in data to-date
- Started Phase 3 study in MM based on strong signals of activity in combination with Velcade and dexamethasone
- Exploring combination therapies in NHL

### Investigator-Assessed PFS Superior for VenR vs. BR in MURANO Study



### In MURANO, Venclexta plus Rituxan:

- Superior to bendamustine plus Rituxan in prolonging PFS in adults with relapsed/refractory CLL
- Treatment effect with VenR consistent across subgroups
- Superior ORR and rate of peripheral blood MRD negativity – maintained over time
- Clinically meaningful improvement in overall survival

**Based on results, VenR should be considered as a standard therapeutic option in patients with relapsed/refractory CLL**

# AbbVie Solid Tumor Efforts

*Biology and Technology Focus to Transform Treatment Approaches in Solid Tumors*

Making significant investments – both internal and external –  
in groundbreaking technologies and platforms

## Biology Focus

Cancer Stem Cells

Immuno-oncology

Other Emerging Science:  
Apoptosis, B-Cell Signaling

## Technology Focus

Antibody Drug  
Conjugates

Bispecific  
Antibodies

Targeted Small  
Molecule-Kinases

TCR-Based Therapeutics,  
Tri-Specifics,  
Oncolytic Viruses

- ✓ 23 active clinical development programs in solid tumors
- ✓ 10+ solid tumor assets anticipated to enter clinic in the next 12 months

# Stemcentrx Provides Highly Attractive Discovery Platform for Solid Tumors, Utilizing Cancer Stem Cell Biology

## Stemcentrx

**Unique approach of targeting tumor initiating cells via newly discovered proteins**

**Productive, biology-driven discovery engine; selecting novel targets using extensive, proprietary library of patient-derived tumor xenograft (PDX) models**

**Stemcentrx pipeline includes 8 novel clinical candidates**

**Lead asset, Rova-T, represents a compelling growth platform with multi-billion dollar peak potential**

**Strong track record of identifying novel targets demonstrating single agent activity**

# AbbVie: Two High Value Components

Humira plus attractive pipeline of new medicines represents significant growth potential

## AbbVie Growth Platform

Currently >\$9Bn of on-market sales with strong growth trajectory

Potential for >\$35Bn in risk-adjusted sales in 2025

De-risked late-stage pipeline with 20+ launches (new products/indications) by 2020

Leadership positions in Immunology and Oncology

Attractive prospects in HCV, Women's Health and Neuroscience

## Humira

Humira to remain a cornerstone of leading Immunology franchise

Strong growth dynamics leading up to direct biosimilar competition in 2022 at the earliest

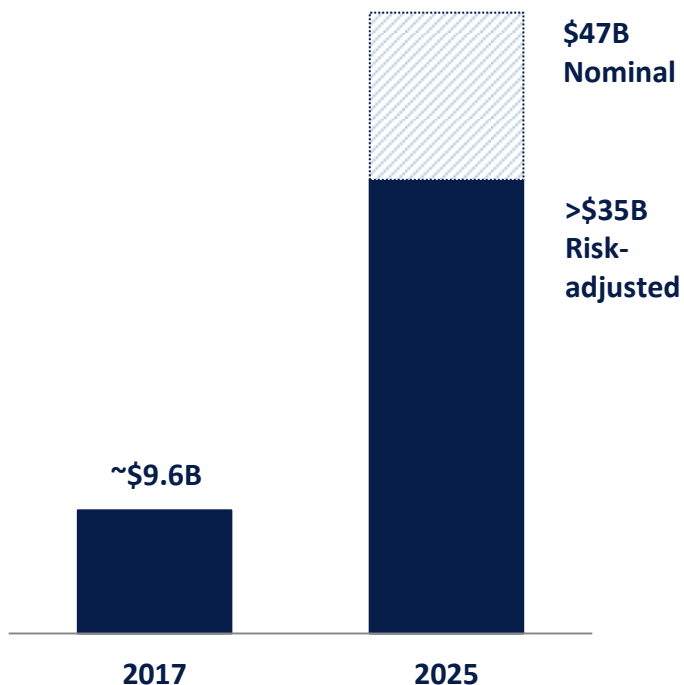
- Recent developments support confidence
- Increasing guidance for 2020
- Manageable erosion after biosimilar entry

Robust cash flow generation through 2025 creates opportunities to fund:

- Pipeline
- Shareholder returns

# Embedded Within AbbVie Is a Platform with Market Leading Growth Prospects

## AbbVie Sales Excluding Humira



## Key Assets

	Launch	Indication Expansion
<b>Imbruvica</b>	✓	2017 - 2021
<b>Venclexta</b>	✓	2018 - 2022
<b>Mavyret</b>	✓	N/A
<b>Zinbryta</b>	✓	N/A
<b>Rova-T</b>	Late 2018/Early 2019 (3L+ SCLC)	2019 - 2023+
<b>Elagolix</b>	2018 (Endometriosis)	2020
<b>Upadacitinib</b>	2019 (RA)	2021 - 2023
<b>Risankizumab</b>	2019 (Psoriasis)	2021 - 2023

**Non-HUMIRA sales expected to grow from approximately \$9.6 billion in 2017 to more than \$16 billion\* in 2020 and to more than \$35 billion\* in 2025**

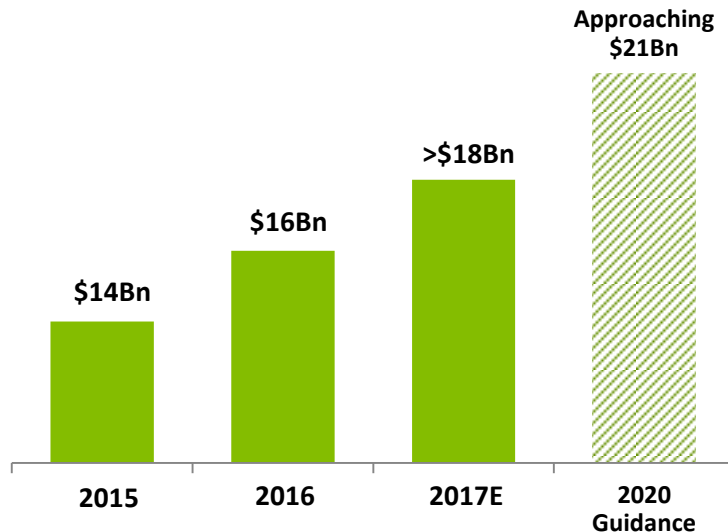
\*Risk adjusted estimates

# Humira Growth Dynamics to Continue into the 2020s

*Global Sales Approaching \$21 Billion in 2020*

## Humira Growth Dynamics

### Global Humira Sales



Low penetration rates offer potential for continued market growth for biologics

Humira expected to remain most widely prescribed front-line autoimmune agent

Loss of exclusivity assumed in international markets in 4Q2018, with manageable erosion expected based on experience with other biosimilars

Humira to remain a significant part of ABBV cash generation story through 2025 and beyond



# Strategic Partnerships Accelerate Development

R & D / Venture	In-License/Other	Co-Development/ Co-Promotion	Acquisition

Note: Slide represents select examples only

# AbbVie: A Unique Investment Opportunity with Potential for Continued Strong Shareholder Returns

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## AbbVie Growth Platform

Embedded within AbbVie is an underappreciated growth platform with potential to grow to >\$35Bn by 2025

## Humira

Humira expected to drive robust growth and generate significant cash flow

## Pipeline

De-risked, late-stage programs poised to deliver significant growth

## Capital Allocation

Attractive return of capital

## Track Record

History of strong execution

**A unique investment vehicle, offering top-tier revenue and EPS growth, significant cash flow and strong return of capital to shareholders**

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# GAAP to Non-GAAP Reconciliations

## Diluted earnings per share

	2013	2014	2015	2016	2017E
<b>As reported (GAAP)</b>	<b>\$2.56</b>	<b>\$1.10</b>	<b>\$3.13</b>	<b>\$3.63</b>	<b>\$4.28</b>
Adjusted for specified items:					
Acquisition related expenses	0.23	0.18	0.45	0.68	0.91
Separation costs	0.10	0.24	0.13	--	--
Acquired in-process R&D, milestones and other R&D expenses	0.21	0.17	0.35	0.17	0.30
Calico collaboration	--	0.46	--	--	--
Shire termination	--	1.12	0.10	--	--
Venezuelan devaluation loss	--	--	--	0.18	--
Other	0.04	0.05	0.13	0.16	0.05
<b>As adjusted (non-GAAP)</b>	<b>\$3.14</b>	<b>\$3.32</b>	<b>\$4.29</b>	<b>\$4.82</b>	<b>\$5.54</b>

Acquisition related expenses primarily include intangible asset amortization, changes in the fair value of contingent consideration, and compensation, financing and other costs associated with acquisitions. Separation costs are expenses related to the separation of AbbVie from Abbott. Acquired in-process R&D, milestones and other R&D expenses primarily consist of upfront and milestone payments associated with R&D collaborations and licensing arrangements. Other primarily relates to restructuring charges associated with streamlining global operations.

## Net revenues

Adjusted net revenues exclude other revenue of \$81 million in 2014, \$40 million in 2015 and \$78 million in 2016. Other revenue primarily represents collaboration milestone revenue and prior period royalty revenue.

Note: 2017E reflects the company's current guidance as of the date of this presentation.