



## THE WHITMAN INVESTMENT COMPANY

Date: 3/7/18

### 12:03 Call meeting to order

- Go over agenda
- Motion to approve last week's minutes - passes
- Motion to approve agenda - passes

### 12:05 Discussion on Hannon Armstrong

- Kyle reviews company stock pitch from last week
- Conclusion: positive ESG scores, healthy balance sheet, undervalued at its market price, compound annual growth rate of 7.93% on funds from operations, paying out a 7% dividend
- Thesis: a purchase of 1500 shares
- No motion

### 12:15 AbbVie Presentation (Alex, Daniel, Steven, Luc)

- Biopharmaceutical company founded in 2013, separation from Abbott Laboratories.
- Key Financials: MC \$182B, operating margin 37.72%, increasing spending on R&D
- Business Model: new drugs for rare diseases, 11 pipelines creating significant revenues
- FDA Drug Approval Process
- Risks: patent expiration, biosimilar drugs in the market, jammed pipeline/slow R&D,
- Opportunities: Humira patent strength, strong dividend and operating margin, strong late-stage drug pipelines
- DCF: upside 35.45%, new value share price \$156.66
- Recognition: great place to work for, strong profitability and sales growth
- Conclusion: AbbVie will retain its strength in the industry until at least 2023; Humira's sales will continue to increase' constant dividend; competitive late-stage pipelines in the industry
- Thesis: buy 200 shares for about \$23,000, re-evaluate in 2 years,
- Motion: Buy 200 shares – passes (16I : 3O)

### 12:40 Amgen Presentation (Blair, Sinny, Yuki)

- Biopharmaceutical company founded in 1980.
- Key Financials: MC \$133B, operating margin 45.89%, 3-yr revenue growth 4.43%
- Business Model: human therapeutics, largest selling product lines Neulasta/Neupogen

Lost a lawsuit against AbbVie, Amjevita(biosimilar to Humira) went on sale in Europe  
Opportunities: resurgence in R&D, diversified blockbuster drugs, improved manufacturing  
Risks: patent expiration, approval of competitive drugs, recent pipeline inactivity

DCF: upside 50.6%, medium price range \$442.45

Conclusion: the company has had previous major success, continues to grow through acquisition and continued R&D.

Thesis: buy 100-150 shares, 2 years before revaluation

Motion: Buy 150 shares – passes (11I : 6O)

**12:50 Motion to adjourn meeting**

Motion passes