

Company Report

FLASH NOTE
September 19, 2016

Valuation & Research Specialists (VRS)
Equity Research Team
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Share Price (19/09/2016)
NASDAQ, in \$ **\$78.99**

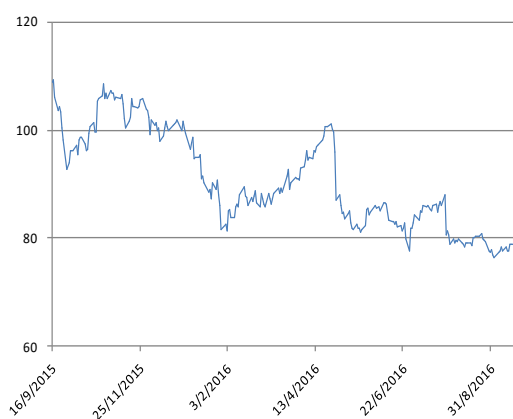
of Shares (mn) 1,319.66
Market Cap (in \$ mn) 104,239.94
A.D. Volume (p) 10,887,710
Beta Co-efficient 1.06

Statistical Data

Max 52 week 109.32 USD
Min 52 week 76.43 USD
1-M Rtn -1.53%
6-M Rtn -13.57%
12-M Rtn -23.73%

Source: VRS Calculations, Reuters.

Stock Price Performance (1 year, in \$)



Note: Share price performance based on share price closes on NASDAQ.
Period as day/month/year.

GILEAD SCIENCES INC.

Listed on NASDAQ Stock Market, USA, [Bloomberg Ticker: GILD:US] [Reuters Ticker: GILD.O]

Business Sector: Health Care, Biotech & Pharma

Corporate & Investment Highlights

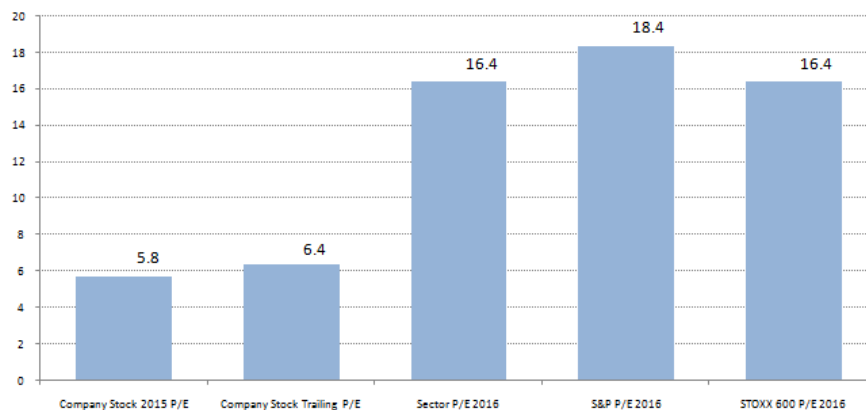
- Gilead Sciences, Inc., incorporated on June 22, 1987, is a research-based biopharmaceutical company. The Company focuses on the discovery, development and commercialization of medicines in areas of unmet medical need.

Consolidated Revenue Breakdown per Operational Segment (USD million, Sales per geographic area)

In \$ million	2010	2011	2012	2013	2014	2015
United States	4,224	4,608	5,592	6,695	18,182	21,234
Sales						
Europe	3,171	3,125	3,333	3,614	5,442	7,528
Sales						
Other countries	555	652	778	893	1,266	3,877
Sales						
Total	7,949	8,385	9,703	11,202	24,890	32,639
Sales						

Source: The Company.

Company Historic P/E Multiple versus Market P/E Multiples (x)



Source: VRS calculations based on consolidated accounts, FACTSET

Important Note:

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BASIC FINANCIAL INDICATORS

(in \$ mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT / EQUITY (x)	ROE %
2010	7,949	4,227	3,914	2,901	35.9	17.8	25.8	0.59	49%
2011	8,385	4,092	3,651	2,804	37.2	15.5	24.7	1.13	42%
2012	9,703	4,288	3,612	2,592	40.2	11.2	25.8	0.88	28%
2013	11,202	4,869	4,208	3,075	33.9	9.2	22.3	0.58	27%
2014	24,890	16,315	14,856	12,101	8.6	6.8	6.5	0.80	78%
2015	32,639	23,291	21,659	18,108	5.8	5.6	4.9	1.20	98%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. Source: Official Consolidated Financial Statements, VRS Calculations. n/c stands for non calculable.

Working Capital Ratios

in \$ million		2010	2011	2012	2013	2014	2015
Revenues	\$ mn	7,949	8,385	9,703	11,202	24,890	32,639
Cost (net of depreciation)	\$ mn	3,927	4,526	5,629	6,535	8,807	9,620
Gross Profit Margin	%	50.60%	46.02%	41.99%	41.66%	64.62%	70.53%
Net Income / Profit	\$ mn	2,901	2,804	2,592	3,075	12,101	18,108
Net Profit Margin	%	36.5%	33.4%	26.7%	27.5%	48.6%	55.5%
Cash & Cash Equivalents	\$ mn	908	9,884	1,804	2,113	10,027	12,851

Stock Days

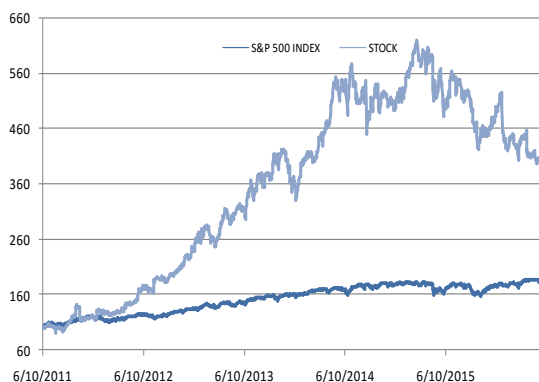
	Days	112	112	113	115	57	74
Stock Inventory	\$ mn	1,204	1,390	1,745	2,056	1,386	1,955
Debtors Days	Days	74	85	66	68	68	65
Debtors - Receivables	\$ mn	1,622	1,951	1,751	2,100	4,635	5,854
Creditors Days	Days	75	97	86	70	40	45
Creditors - Suppliers	\$ mn	803	1,206	1,327	1,255	955	1,178
Operating Cycle (Days)	Days	186	197	179	183	125	140
Cash Cycle (Days)	Days	112	100	93	113	86	95

Source: Official Consolidated Financial Statements, VRS Calculations. Gross profit is calculated by deducting cost of sales (net of depreciation, wherever applicable) from revenues.

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Stock Versus S&P 500 Index (Last 5 Years, Base = 100)



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1st Half 2016 Results (USD million)

(USD million)	6M 2016	%	6M 2015
Revenues	15,570	-1.69%	15,838
Gross Profit	13,513	-3.19%	13,958
EBITDA	14,080	-2.90%	14,500
EBT	8,901	-17.20%	10,750
EATAM	7,063	-19.97%	8,825

Source: The Company.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
GILEAD SCIENCES INC.	GILD:US	GILD.O	\$ 78.99	September 19, 2016	----

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
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5. VRS produces research reports for this company on systematic basis.
6. VRS produces research reports for this company on demand basis.
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