



This thesis is an investment analysis of GlaxoSmithKline, a pharmaceutical company. The purpose is to give a recommendation for the investors to buy, hold, or sell the shares. The analysis is based on fundamental analysis theory, which includes economic analysis, industry analysis, company analysis, and share valuation.

In the UK economy, pharmaceuticals industry is consistently in top three industrial sectors in term of trade surplus. The pharmaceutical industry is contributing over £2 billion to the UK's trade balance and providing 60,000 high quality jobs meaning that the industry is an important contributor to the UK's trade figures. This industry is highly related with long term and risky business. Therefore, flexible and accessible capital market is important factors for this industry.

The company strategy that concern on R&D and product innovation is well represented on its financial ratio performance. As for the share valuation, the valuation result shows that GlaxoSmithKline's share price at the cut off date is overvalued. However, there are some factors that must be carefully considered by the investors. The nature of the industry and the company position shows promising future, even though the result of the share valuation is overvalued. Thus, the risk-taker investors are recommended to hold the share.

Keywords: investor, share, fundamental analysis, company analysis, share valuation