| TIMELINESS | 3 | Raised $1 / 10 / 14$ |
| :--- | :--- | :--- |
| SAFETY | $\mathbf{1}$ | Raised $1 / 3197$ | TECHNICAL 3 Raised $74 / 414$ BETA $1.15 \quad(1.00=$ Market $)$ |  | 2017-19 | PROJECTIONS |
| :---: | :---: | :---: |
|  | Price | Gain |
| Ann'I Total |  |  |
| Ritern |  |  |
| High | 100 | $(+55 \%)$ |
| Row | 80 | $+20 \%)$ |
| $14 \%$ |  |  | Lnsider Decisions

AS J N D M A |  | A | S O O | N | D | J | F | M | A |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| to Buy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Options | 3 | 1 | 0 | 0 | 1 | 0 | 4 | 1 | 3 |
| to Sell | 3 | 1 | 0 | 0 | 1 | 1 | 5 | 3 | 4 |
| Institution |  |  |  |  |  |  |  |  |  | Institutional Decisions

|  | $3 Q 2013$ | $4 Q 2013$ | 1 Q2014 |
| :--- | ---: | ---: | ---: |
| to Buy | 494 | 543 | 505 |
| to Sell | 534 | 532 | 580 |
| Hld's(000) | 611852 | 614720 | 609696 |
| 1993 | 1999 | 2000 | 2001 | | 1998 | 1999 | 2000 | 2001 |
| :---: | :---: | :---: | :---: |
|  |  |  |  |


| High: Low: | $\begin{aligned} & 46.0 \\ & 34.7 \\ & \hline \end{aligned}$ | $\begin{aligned} & 49.4 \\ & 39.9 \\ & \hline \end{aligned}$ | 54.9 37.6 | $\begin{aligned} & 49.7 \\ & 38.5 \end{aligned}$ | 53.9 42.3 | $\begin{aligned} & 52.5 \\ & 21.3 \end{aligned}$ | $\begin{aligned} & 35.6 \\ & 16.0 \end{aligned}$ | $\begin{aligned} & 50.2 \\ & 31.9 \end{aligned}$ | $\begin{aligned} & 57.0 \\ & 37.1 \end{aligned}$ | $\begin{aligned} & 57.5 \\ & 417 \end{aligned}$ | $\begin{aligned} & \hline 65.0 \\ & 45.1 \end{aligned}$ | $\begin{aligned} & 69.8 \\ & 59.3 \end{aligned}$ |  |  | Target 2017 | Price 2018 | Range 2019 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| LEGENDS10.0 $x^{\prime C}$ Cash Flow" $p$ sh$\ldots$. Relative Price StrengthOptions: YesShaded area indicates recession |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $\text { ـ } 128$ |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | ----- | -- | - 96 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | - 86 |
|  |  |  |  |  |  |  |  |  |  |  | $\pi r^{1+1+1}$ | ('10- | -- |  |  |  | -64 |
|  |  |  | ${ }^{1 l_{14}}$ |  |  |  |  |  | ${ }^{n+1 \pi}\|1\|$ | $\operatorname{Hn}_{11}$ |  |  |  |  |  |  | -48 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 40 |
| - |  |  |  |  |  |  |  |  |  |  | '111 | ITII |  |  |  |  |  |  | -32 |
|  |  |  | $* * *$ |  |  |  | $\left.1_{1}^{1}\right\|^{111}$ |  |  |  |  |  |  |  |  |  | -24 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -24 -16 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | \% TOT. RETURN 6/14 |  |  | -12 |
| Percent 15 |  |  |  | - |  |  |  |  | ***** | , |  |  |  | -12 |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | ** |  |  | $\begin{aligned} & \text { THIS } \\ & \text { STOCK } \end{aligned}$ | L ARITH.* INDEX |  |
|  |  |  |  |  |  |  |  |  |  |  | \||| |  |  | 1 yr . | 28.3 | 25.1 | - |
| shares traded |  | T ${ }^{1}$ |  |  |  |  |  |  |  |  | $1{ }^{1}$ | , |  | 3 yr . | 33.5 | 52.6 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | 5 yr . | 205.6 | 168.7 |  |
| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |  | UE LINE PU | B. LLC | 7-19 |


| 21.99 | 25.76 | 27.10 | 24.68 |
| ---: | ---: | ---: | ---: |
| 3.88 | 4.09 | 4.54 | 2.98 |
| 2.54 | 2.58 | 2.73 | 1.19 |
| 1.37 | 1.38 | 1.40 | 1.40 |
| 1.99 | 1.97 | 1.85 | 1.49 |
| 12.18 | 12.09 | 12.52 | 14.19 |
| 1126.2 | 1045.1 | 1042.9 | 1002.0 |
| 25.3 | 24.6 | 18.0 | 36.5 |
| 1.32 | 1.40 | 1.17 | 1.87 |
| $2.1 \%$ | $2.2 \%$ | $2.9 \%$ | $3.2 \%$ |

CAPITAL STRUCTURE as of $3 / 31114$ Total Debt $\$ 11317$ mill. Due in 5 Yrs $\$ 6406$ mill. LT Debt $\$ 9298$ mill. LT Interest $\$ 350.0$ mill. Total Debt Incl. \$26.0 mill. capital leases (Total interest coverage: 9.1x) ( $36 \%$ of Cap') Leases, Uncapitalized Annual rentals $\$ 288$ mill. Pension Assets-12/13 $\$ 20.6$ bill. Oblig. $\$ 26.3$ bill. Pfd Stock $\$ 237.0$ mill. Pfd Div'd $\$ 10.0$ mill. Includes 700,000 shs. $\$ 3.50$ cum. callable at $\$ 102$; $1,673,000$ shs. $\$ 4.50$ cum. callable at $\$ 120$

Common Stock $918,348,000$ shs As of 4/15/14
MARKET CAP: $\$ 60$ billion (Large Cap)

| CURRENT POSITION <br> (\$MILL.) | $\mathbf{2 0 1 2}$ | $\mathbf{2 0 1 3}$ | $\mathbf{3 / 3 1 / 1 4}$ |
| :--- | ---: | ---: | ---: |
| Cash Assets | 4407 | 9086 | 3849 |
| Receivables | 5452 | 6047 | 8040 |
| Inventory (LIFO) | 7422 | 8042 | 7610 |
| Other | 3910 | 1209 | 1335 |
| Current Assets | $\frac{21191}{}$ | 24384 | 20834 |
| Accts Payable | 4853 | 5180 | 3905 |
| Debt Due | 1275 | 1721 | 2019 |
| Other | 7421 | 6466 | 5161 |
| Current Liab. | 13549 | 13367 | 11085 |


| ANNUAL RATES | Past | Past | Est'd '11-'13 |
| :--- | ---: | :---: | :---: |
| of change (per sh) | 10 Yrs. | 5 Yrs. | to '17.'19 |
| Sales | $4.5 \%$ | $4.0 \%$ | $5.5 \%$ |
| "Cash Flow" | $5.0 \%$ | $3.0 \%$ | $8.5 \%$ |
| Earnings | $8.0 \%$ | $3.0 \%$ | $8.5 \%$ |
| Dividends | $2.0 \%$ | $2.0 \%$ | $4.0 \%$ |
| Book Value | $1.0 \%$ | $4.5 \%$ | $13.0 \%$ |

QUARTERLY SALES (\$ mill.)
endar Mar. 31 Jun. 30 Sep. 30 Dec. 31 Year

| 2011 | 10034 | 10264 | 9238 | 8425 | 37961 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2012 | 10180 | 9917 | 7390 | 7325 | 34812 |
| 2013 | 1040 | 9844 | 7735 | 7747 | 35734 |


| 2012 | 10180 | 9917 | 7390 | 7325 | 34812 |
| ---: | ---: | ---: | ---: | ---: | ---: |
| 2013 | 10408 | 9844 | 7735 | 7747 | 35734 |
| 2014 | 10128 | 10150 | 8100 | 8222 | 36600 |


| 2015 | 10800 | 10700 | 8600 | 8700 | 38800 |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | EARNGS PER SHARE A |  |  |  |  |


|  |  |  |
| :---: | :---: | :---: |
| endar | Mar. 31 Jun. 30 Sep. 30 |  |
|  | . 521.37 |  |


| 2011 | 1.52 | 1.37 | .69 | .35 | 3.93 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2012 | 1.51 | 1.40 | .32 | .10 | 3.33 |
| 2013 | 1.56 | 1.28 | .45 | .59 | 3.88 |
| 2014 | 1.58 | 1.50 | .55 | .67 | 4.30 |
| 2015 | 1.75 | 1.65 | .65 | .75 | 4.80 |
| Cal- | QUARTERLY DVIVENDS PAID B |  |  |  |  |
| endar | Full |  |  |  |  |
| Mar.31 | Jun.30 | Sep. 30 | Dec. 31 | Year |  |
| 2010 | .41 | .41 | .41 | .41 | 1.64 |
| 2011 | .41 | .41 | .41 | .41 | 1.64 |
| 2012 | .41 | .43 | .43 | .43 | 1.70 |
| 2013 | .43 | .45 | .45 | .45 | 1.78 |
| 2014 | 45 | 45 |  |  |  |

BUSINESS: DuPont is engaged in science and technology in a range of disciplines, including high performance materials, electronics, safety and security, and biotechnology. The company operates on a global scale, manufacturing a wide range of products for distribution and sale to many different markets, including automotive, construction, agricultural, medical, protective apparel, electronics

## DuPont reported mixed results for the

first quarter. The top line declined roughly 3\% for the March period. The Agriculture, Electronics \& Communications, and Performance Chemicals businesses all posted lower sales. Volumes were weak in the Americas, but increased nicely elsewhere. Expenses declined somewhat, and share earnings advanced modestly.

## We expect good performance in the

 coming quarters, assuming solid growth in global industrial demand. Sales and share net should advance at a nice pace in 2014 and 2015. Favorable industry fundamentals augur well for the Agriculture and Nutrition \& Health segments. Demand for more nutritious, safe and affordable food should continue to grow in the coming years. Meanwhile, the Electronics \& Communications line ought to benefit from solid demand in photovoltaic markets. Elsewhere, the Industrial Biosciences business should be able to capitalize on favorable market conditions for enzymes used in ethanol production. We also expect strong results at the Safety \& Protection segment. Effortsand nutrition. In 2013: Research \& Development, $6.0 \%$ of sales; depreciation rate, $4.0 \%$. Has approx. 64,000 employees. BlackRock, Inc. owns $6.2 \%$ of common stock; officers and directors, less than 1\% (3/14 Proxy). Chair and CEO: Ellen Kullman. Incorporated: Delaware. Address: 1007 Market St., Wilmington, Delaware 19898. Telephone: 302-774-1000. Internet: www.dupont.com.

## profit margins a boost.

Stock buybacks should continue to support earnings per share. The board of directors has authorized a $\$ 5$ billion share-repurchase program. The company expects to spend $\$ 2$ billion on this front in the current year, with the remainder to be completed thereafter.
This stock is neutrally ranked for Timeliness. Looking further out, we envision healthy bottom-line growth for the company in the coming years. Moreover, DuPont earns good marks for Safety, Financial Strength, and Price Stability. This issue offers good risk-adjusted total return potential, helped by the healthy dividend yield. Still, a pullback in the share price may present patient investors with a more suitable entry point.
Michae Napoli, CFA
J uly 11, 2014

|  | 2012 | 2013 | 2014 | 2015 |
| :--- | ---: | ---: | ---: | ---: |
|  | $13843(13.7 \%)$ | $15201(16.0 \%)$ | $15600(18.0 \%)$ | $16200(19.0 \%)$ |
| Agric. \& Nutr. | $1169(14.4 \%)$ | $1211(14.0 \%)$ | $1300(17.0 \%)$ | $1500(17.0 \%)$ |
| Ind. Biosc. | $2684(5.0 \%)$ | $2534(8.0 \%)$ | $2600(9.5 \%)$ | $3200(11.0 \%)$ |
| Electronics | $13297(19.5 \%)$ | $12902(17.1 \%)$ | $13350(18.5 \%)$ | $14000(19.5 \%)$ |
| Perform. Mat. | $3814(9.4 \%)$ | $3880(17.9 \%)$ | $3740(19.0 \%)$ | $3890(19.0 \%)$ |
| Safety \& Prot. | $5(\mathrm{MMF})$ | $6(\mathrm{NMF})$ | $10(\mathrm{NMF})$ | $10(\mathrm{NMF})$ |
| Other | $34812(15.2 \%)$ | $35734(15.6 \%)$ | $36600(16.5 \%)$ | $38800(17.0 \%)$ |

[^0]
[^0]:    A) Diluted earnings. Excl. nonrec. items: '98, '12,

    17c): '99 (\$2.57): '00, (54c): '01, \$2.99' '02 (\$3.12); '03, (69¢); '04, (62¢)'; '05, (25¢); '06, $\quad$ rpt. due late July. (B) Div'd historically paid in 50¢; '07, (6¢); '08, (53¢); '09, (12¢); '11, (25¢); mid-March, June, Sept., and Dec. - Div'd rein-

