| TIMELIN | ESS 3 | Raised 1／1 | 10／14 | High： Low： | $\begin{array}{r} 49.4 \\ 39.9 \\ \hline \end{array}$ | $\begin{aligned} & 54.9 \\ & 37.6 \\ & \hline \end{aligned}$ | 49.7 38.5 | $\begin{aligned} & 53.9 \\ & 42.3 \end{aligned}$ | $\begin{aligned} & 52.5 \\ & 21.3 \end{aligned}$ | $\begin{aligned} & 35.6 \\ & 16.0 \end{aligned}$ | $\begin{aligned} & 50.2 \\ & 31.9 \end{aligned}$ | $\begin{array}{l\|} \hline 57.0 \\ 37.1 \end{array}$ | $\begin{aligned} & \hline 57.5 \\ & 41.7 \end{aligned}$ | $\begin{aligned} & 65.0 \\ & 45.1 \end{aligned}$ | $\begin{aligned} & 75.8 \\ & 59.3 \end{aligned}$ | $\begin{aligned} & 80.6 \\ & 47.1 \end{aligned}$ |  |  | Target Price 20182019 | Range 2020 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| SAFET | － | Raised 1／3 | 13197 | LEGEN | S |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| TECH | CAL | Raised | /18/15 |  | x＂Cash | Fow ${ }^{\text {p s }}$ Strengh |  |  |  |  |  |  |  |  |  |  |  |  |  | －128 |
| BETA | $\text { . } 10.00$ | = Market) |  | Options： <br> Shaded | area indica | tes recess |  |  |  |  |  |  |  |  |  |  |  |  |  | 86 |
|  | 8－20 PRO | OJECTIO |  |  |  |  |  |  |  |  |  |  |  |  | اللا | ${ }^{11}$ |  |  |  | 64 |
|  | 2 | A | n＇I Total |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 48 |
|  | Price | Gain | Return | ｜－1｜1 | 川い！ | H｜4 | ＋1，1 |  | ＋ |  |  |  |  |  |  |  |  |  |  | 48 40 |
| High |  | $\begin{aligned} & +90 \% \\ & +45 \% \end{aligned}$ | $\begin{aligned} & 19 \% \\ & 13 \% \end{aligned}$ | ， 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | － 32 |
| Insider | Decisi | ions |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 24 |
|  | N D D 0 | F M A 3 | $\begin{array}{cccc}\mathbf{M} & J & J \\ 2 & 0 & 0\end{array}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | －16 |
| Options | 010 | 000 | 1 0 00 |  |  |  |  |  | －＊ |  |  |  |  |  |  |  |  |  |  | 12 |
| to Sell | 011 | 100 | 000 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | RETURN 8／15 |  |
| Institu | tional D | Decision |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | THIS VLAR |  |
|  | 402014 | 1 Q2015 | 202015 |  |  |  |  |  |  |  |  |  |  |  |  | \％ |  |  | STOCK INDEX |  |
| to Buy | 537 | 451 | 498 |  | 20 |  |  |  |  |  |  |  |  |  |  |  |  |  | －20．0 |  |
| to Sell | 581 | 712 | 608 | traded |  |  |  |  |  |  |  |  |  |  |  |  |  | 3 yr ¢ | $\begin{array}{ll}13.3 & 49.7 \\ 476 & 986\end{array}$ |  |
| Hld＇s（000） | 19088 | 625781 | 617636 |  |  | 山لll | Ш11 |  |  |  |  |  |  |  | 屾 |  |  | 5 yr ． | $47.6 \quad 98.6$ |  |
| 1999 | 2000 | 2001 | 2002 | 2003 | 04D | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 015 ${ }^{\text {E }}$ | 2016 | © V | E LINE PUB．LLC | 18－20 |
| 25.76 | 27.10 | 24.68 | 24.15 | 27.07 | 27.50 | 28.97 | 29.74 | 32.67 | 33.83 | 28.89 | 34.35 | 40.99 | 37.31 | 38.55 | 38.37 | 33.80 | 34.50 | Sales p | er sh | 51.25 |
| 4.09 | 4.54 | 2.98 | 3.54 | 3.19 | 3.75 | 3.97 | 4.40 | 4.89 | 4.33 | 3.70 | 4.80 | 5.67 | 5.19 | 5.64 | 5.87 | 5.60 | 5.90 | ＂Cash | Flow＂per sh | 8.35 |
| 2.58 | 2.73 | 1.19 | 2.01 | 1.65 | 2.38 | 2.32 | 2.88 | 3.28 | 2.73 | 2.04 | 3.28 | 3.93 | 3.33 | 3.88 | 4.01 | 3.45 | 3.60 | Earnin | gs per sh ${ }^{\text {A }}$ | 5.35 |
| 1.38 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 | 1.46 | 1.48 | 1.52 | 1.64 | 1.64 | 1.64 | 1.64 | 1.70 | 1.78 | 1.84 | 1.72 | 1.58 | Div＇ds | Decl＇d per sh ${ }^{\text {B }}$－ | 2.00 |
| 1.97 | 1.85 | 1.49 | 1.29 | 1.72 | 1.24 | 1.46 | 1.66 | 1.76 | 2.19 | 1.45 | 1.64 | 1.99 | 1.92 | 2.03 | 2.28 | 2.30 | 2.70 | Cap＇IS | pending per sh | 3.40 |
| 12.09 | 12.52 | 14.19 | 8.88 | 9.57 | 11.20 | 9.43 | 9.96 | 12.12 | 7.63 | 7.72 | 9.86 | 9.02 | 10.56 | 17.25 | 14.46 | 16.10 | 17.25 | Book | alue per sh | 22.50 |
| 1045.1 | 1042.9 | 1002.0 | 993.94 | 997.28 | 994.34 | 919.61 | 922.07 | 899.29 | 902.37 | 903.81 | 917.31 | 926.12 | 933.02 | 926.99 | 904.98 | 870.00 | 840.00 | Comm | Shs Outst＇g ${ }^{\text {c }}$ | 800.00 |
| 24.6 | 18.0 | 36.5 | 21.5 | 25.1 | 18.4 | 19.5 | 14.9 | 15.0 | 15.2 | 13.9 | 12.2 | 12.7 | 14.7 | 14.2 | 16.8 | Bold figu | ures are | Avg An | n＇I P／E Ratio | 15.0 |
| 1.40 | 1.17 | 1.87 | 1.17 | 1.43 | ． 97 | 1.04 | ． 80 | ． 80 | ． 91 | ． 93 | ． 78 | ． 80 | ． 94 | ． 80 | ． 89 | Value | Line | Relativ | P／E Ratio | ． 95 |
| 2．2\％ | 2．9\％ | 3．2\％ | 3．2\％ | 3．4\％ | 3．2\％ | 3．2\％ | 3．5\％ | 3．1\％ | 3．9\％ | 5．8\％ | 4．1\％ | 3．3\％ | 3．5\％ | 3．2\％ | 2．7\％ | estim | a | Avg An | n＇I Div＇d Yield | 2．5\％ |
| CAPITAL | L STRUC | CTURE a | as of 6／30／1 |  |  | 26639 | 27421 | 29378 | 30529 | 26109 | 31505 | 37961 | 34812 | 35734 | 34723 | 29400 | 29000 | Sales | mill） | 41000 |
| Total De | bt \＄1273 | 35 mill．D | Due in 5 Y | rs \＄6000 | mill． | 13．7\％ | 13．2\％ | 14．5\％ | 9．5\％ | 11．8\％ | 14．0\％ | 14．7\％ | 15．2\％ | 15．6\％ | 17．7\％ | 16．5\％ | 17．0\％ | Operat | ng Margin | 17．0\％ |
| LT Debt | \＄12088 | mill． | T Interes | \＄480．0 |  | 1358.0 | 1384.0 | 1371.0 | 1444.0 | 1503.0 | 1380.0 | 1560.0 | 1713.0 | 1603.0 | 1617.0 | 1800 | 1900 | Deprec | ation（\＄mill） | 2350 |
| $\begin{aligned} & \text { Total De } \\ & \text { (Total int } \end{aligned}$ | bt Incl．\＄ | $\$ 13.0$ mill． | capital le $12.6 \mathrm{x})$ | （47\％of | f Cap＇l） | 2300.3 | 2684.0 | 3033.7 | 2477.1 | 1853.8 | 3032.5 | 3698.2 | 3137.0 | 3632.0 | 3703.0 | 3070 | 3060 | Net Pro | fit（\＄mill） | 4335 |
| Leases， | Uncapit | talized A | nnual rent | tals \＄303 | mill． | 35．4\％ | 19．8\％ | 18．8\％ | －－ | 14．5\％ | 17．7\％ | 12．8\％ | 12．8\％ | 12．8\％ | 25．6\％ | 30．0\％ | 30．0\％ | Income | Tax Rate | 30．0\％ |
| Pension | Assets－1 | －12／14 \＄2 | 2.4 bill． | Oblig．\＄29 | 9.7 bill． | 8．6\％ | 9．8\％ | 10．3\％ | 8．1\％ | 7．1\％ | 9．6\％ | 9．7\％ | 9．0\％ | 10．2\％ | 10．7\％ | 10．4\％ | 10．6\％ | Net Pro | fit Margin | 10．6\％ |
| Pfd Sto | ck \＄237．0 | 0 mill． P | Pfd Div＇d | \＄10．0 mill |  | 4959.0 | 4930.0 | 4619.0 | 5601.0 | 7898.0 | 9670.0 | 6873.0 | 7642.0 | 11017 | 9108.0 | 12500 | 13500 | Workin | Cap＇l（\＄mill） | 16000 |
| $\begin{aligned} & \text { Includes } \\ & 1.673 .00 \end{aligned}$ | 700，000 | shs．\＄3． | 50 cum．callable | callable at at $\$ 120$ | \＄102； | 6783.0 | 6013.0 | 5955.0 | 7638.0 | 9528.0 | 10137 | 11736 | 10465 | 10741 | 9271.0 | 12500 | 13000 | Long－T | Frm Debt（\＄mill） | 16000 |
| 1，673，00 | shs．\＄4 | \＄4．50 cum | ．callable | at \＄120 |  | 8907.0 | 9422.0 | 11136 | 7125.0 | 7215.0 | 9278.0 | 8593.0 | 10088 | 16229 | 13320 | 14000 | 14500 | Shr．Eq | uity（\＄mill） | 18000 |
| Commo | S Stock | 904，838， | 000 shs． |  |  | 16．0\％ | 18．6\％ | 18．9\％ | 17．8\％ | 12．1\％ | 17．1\％ | 19．2\％ | 16．3\％ | 14．2\％ | 17．1\％ | 12．0\％ | 11．5\％ | Return | on Total Cap＇l | 13．5\％ |
| As of 7／1 | 15／15 |  |  |  |  | 25．8\％ | 28．5\％ | 27．2\％ | 34．8\％ | 25．7\％ | 32．7\％ | 43．0\％ | 31．1\％ | 22．4\％ | 27．8\％ | 22．0\％ | 21．0\％ | Return | on Shr．Equity | 24．0\％ |
| MARKE | T CAP：\＄ | \＄43 billio | n（Large | Cap） |  | 9．9\％ | 14．2\％ | 14．9\％ | 14．2\％ | 5．2\％ | 16．9\％ | 25．9\％ | 15．7\％ | 12．3\％ | 15．3\％ | 11．0\％ | 12．0\％ | Retain | d to Com Eq | 15．0\％ |
| CURRE | NT POSI | ITION | 2013 | 2014 | 6／30／15 | 63\％ | 51\％ | 46\％ | 60\％ | 80\％ | 49\％ | 41\％ | 51\％ | 46\％ | 46\％ | 49\％ | 43\％ | All Div＇ | ds to Net Prof | 37\％ |


| （\＄MILLL．） |  |  |  |
| :--- | ---: | ---: | ---: |
| Cash Assets | 9086 | 7034 | 5302 |
| Receivables | 6047 | 6005 | 8308 |
| lnventory（LIFO） | 8042 | 7841 | 6514 |
| Other | 1209 | 868 | 921 |
| Current Assets | 24384 | 21748 | 21045 |
| Accts Payable | 5180 | 4822 | 3399 |
| Debt Due | 1721 | 1423 | 647 |
| Other | 6466 | 6395 | 4659 |
| Current Liab． | $\frac{13367}{}$ | 12640 | 8705 |


| ANNUAL RATES <br> of change（per sh） Sales <br> ＂Cash Flow＂ <br> Earnings <br> Dividends <br> Book Value |  | Past 10 Yrs． 4．0\％ 6．5\％ $3.5 \%$$3.5 \%$ |    <br>  Past Est＇ <br>  5 Yrs． to <br> $\%$ $3.5 \%$  <br> $\%$ $5.0 \%$  <br> $\%$ $7.0 \%$  <br> $\%$ $2.0 \%$  <br>  $9.0 \%$  |  | $\begin{aligned} & \text { Est'd '12-'14 } \\ & \text { to'18-20 } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 7．0\％ |  |  |
|  |  |  |  |  |
|  |  | 6．0\％ |  |  |
|  |  | 8．0\％ |  |  |
|  |  |  |  |  |
| Cal－ endar | QUARTERLY SALES（\＄mill．） |  |  |  | Full Year |
|  | Mar． 31 | Jun． 30 | Sep． 30 | Dec． |  |
| 2012 | 10180 | 9917 | 7390 | 7325 | 34812 |
| 2013 | 10408 | 9844 | 7735 | 7747 | 35734 |
| 2014 | 10128 | 9706 | 7511 | 7378 | 34723 |
| 2015 | 9172 | 8595 | 5825 | 5808 | 29400 |
| 2016 | 8400 | 8000 | 6300 | 6300 | 29000 |
| Cal－ endar |  |  |  |  | Full <br> Year |
|  | EARNINGS PER SHARE A <br> Mar． 31 Jun． 30 Sep． 30 Dec． 31 |  |  |  |  |
| 2012 | 1.51 | 1.40 | ． 32 | ． 10 | 3.33 |
| 2013 | 1.56 | 1.28 | ． 45 | ． 59 | 3.88 |
| 2014 | 1.58 | 1.17 | ． 54 | ． 71 | 4.01 |
| 2015 | 1.34 | 1.18 | ． 40 | ． 53 | 3.45 |
| 2016 | 1.20 | 1.15 | ． 55 | ． 70 | 3.60 |
| Cal－ | QUARTE | ERLY DIVI | IDENDS PA | ID ${ }^{\text {B }}$ | II |
| endar | Mar． 31 | Jun． 30 | Sep． 30 | Dec． 31 | Year |
| 2011 | ． 41 | ． 41 | ． 41 | ． 41 | 1.64 |
| 2012 | ． 41 | ． 43 | ． 43 | ． 43 | 1.70 |
| 2013 | ． 43 | ． 45 | ． 45 | ． 45 | 1.78 |
| 2014 | ． 45 | ． 45 | ． 47 | ． 47 | 1.84 |
| 2015 | 47 | 49 | 38 |  |  |

BUSINESS：DuPont is engaged in science and technology in a
range of disciplines，including high performance materials，electron－
ics，safety and security，and biotechnology．The company operates
on a global scale，manufacturing a wide range of products for distri－
bution and sale to many different markets，including automotive，
construction，agricultural，medical，protective apparel，electronics，
Shares of DuPont have declined sig－ nificantly in price since March．The company has been operating in a challeng－ ing environment in recent times．A stronger U．S．dollar hurt performance in the recent quarter，and sales dedined in all business lines．On the bright side，oper－ ating margins were higher in five of six segments，thanks to greater productivity． Share net of $\$ 1.18$ was a modest improve－ ment over the prior－year tally，but fell short of our estimate．
We expect significant share repur－ chases in connection with the recent separation of The Chemours Compa－ ny．DuPont intends to buy back shares with the $\$ 4$ billion of distribution proceeds received from Chemours．The board has authorized the repurchase of $\$ 2$ billion of common stock by yearend，with the re－ mainder to be bought back next year．The quarterly dividend is now \＄0．38 per share compared to the previous payout of $\$ 0.49$ a share（while DuPont still contained the Performance Chemicals line）．
Weakness will likely persist in the near term．Performance at the Agricul－ ture business should be hurt by less
and nutrition．In 2014：Research \＆Development， $6.0 \%$ of sales； depreciation rate， $4.9 \%$ ．Has approx． 63,000 employees．Black－ Rock，Inc．owns $6.3 \%$ of common stock；The Vanguard Group， $5.5 \%$ ；off．and dir．，less than $1 \%$（3／15 Proxy）．Chair and CEO：Ellen Kullman．Inc．：DE．Address： 974 Centre Road，Wilmington，DE 19805．Telephone：302－774－1000．Internet：www．dupont．com．
demand in global crop protection markets， lower expected corn area in Latin America， and less－than－anticipated soybean volumes in N orth America．The strength of the U．S． dollar should also remain a headwind．
This issue offers worthwhile total re－ turn potential out to late decade．We expect improved operating performance for DuPont during this time frame．The com－ pany ought to benefit from solid growth from its agriculture and nutrition，bio－ based industrials，and advanced materials businesses in the coming years．The stock＇s valuation appears reasonable at this time，and the healthy dividend will also support returns．Moreover，DuPont earns high marks for Safety，Financial Strength，Price Stability，and Price Growth Persistence．
Michad Napoli，CFA
October 9， 2015 Restated Sales（Pre－tax Operating Margins）by Business Line

|  | 2013 | 2014 | 2015 | 2016 |
| :--- | ---: | ---: | ---: | ---: |
| Agric．\＆Nutr． | $15201(16.0 \%)$ | $14825(20.5 \%)$ | $14100(18.0 \%)$ | $13900(19.0 \%)$ |
| Ind．Biosc． | $1211(14.0 \%)$ | $1244(15.9 \%)$ | $1150(17.0 \%)$ | $1100(17.0 \%)$ |
| Electronics | $2534(8.0 \%)$ | $2381(11.4 \%)$ | $2200(9.5 \%)$ | $2150(11.0 \%)$ |
| Perform．Mat． | $12902(17.1 \%)$ | $12366(20.2 \%)$ | $8240(18.5 \%)$ | $8200(19.5 \%)$ |
| Safety \＆Prot． | $3880(17.9 \%)$ | $3892(19.1 \%)$ | $3700(19.0 \%)$ | $3640(19.0 \%)$ |
| Other | $6(\mathrm{NMF})$ | $5($ NMF $)$ | $10(\mathrm{NMF})$ | $10(\mathrm{NMF})$ |
| Company Total | $35734(15.6 \%)$ | $34723(17.7 \%)$ | $29400(16.5 \%)$ | $29000(17.0 \%)$ |

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[^0]:    A）Diluted earnings．Excl．nonrec．items：＇99，（844）；14，（11c）．Excl．gain from discon．ops．：in mid－March，June，Sept．，and Dec．I Div＇d （\＄2．57）；＇00，（544）；＇01，\＄2．99；＇02，（\＄3．12）；＇03，＇99，\＄6．98；＇12，344；＇13，\＄2．14；＇14，2c．Earn－reinvest．plan available．（C）In mill．（D）Sold （69¢）；＇04，（62¢）；＇05，（25¢）；＇06，50c；＇07，（6c）；ings may not sum due to rounding．Next egs．Textile division in 2004．（E）Completed spinoff ＇08，（53¢）；＇09，（12¢）；＇11，（25c）；＇12，（72c）；＇13，rpt．due late October．（B）Div＇d historically paid of The Chemours Company in July of 2015.

