

3M COMPANY NYSE-MMM

RECENT PRICE **145.79** P/E RATIO **18.1** (Trailing: 19.0; Median: 15.0) RELATIVE P/E RATIO **1.03** DIV'D YLD **2.8%**

VALUE LINE

TIMELINESS 2 Raised 5/8/15
SAFETY 1 New 7/27/90
TECHNICAL 4 Lowered 10/9/15
BETA .95 (1.00 = Market)

High: 90.3 87.4 88.4 97.0 84.8 84.3 91.5 98.2 95.5 140.4 168.2 170.5
 Low: 73.3 69.7 67.1 72.9 50.0 40.9 68.0 68.6 82.0 94.0 123.6 134.0

LEGENDS
 — 12.0 x "Cash Flow" p sh
 ... Relative Price Strength
 2-for-1 split 9/03
 Options: Yes
 Shaded area indicates recession

2018-20 PROJECTIONS

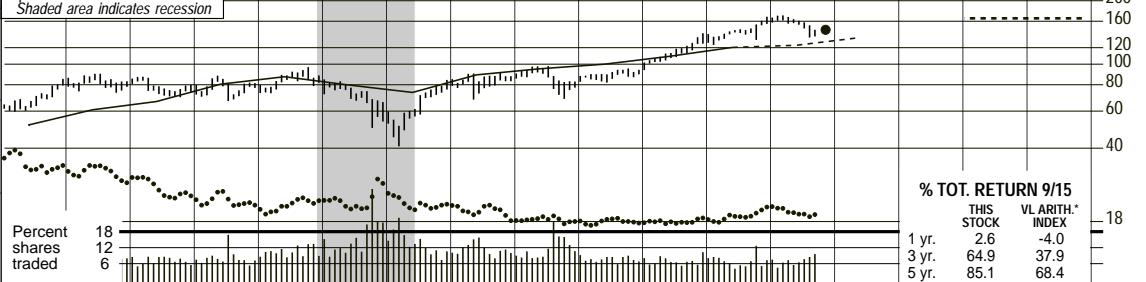
Price	205	Gain	(+40%)	Ann'l Total Return	11%
High	205	Low	165		6%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	0	4	0	1	2	0	0
to Sell	1	0	0	4	0	1	0	0	0

Institutional Decisions

	4Q2014	1Q2015	2Q2015
to Buy	612	596	561
to Sell	714	739	784
Hlds(000)	437933	432606	423719



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
19.64	21.11	20.55	20.94	23.25	25.45	28.05	31.21	34.49	36.43	32.54	37.45	42.61	43.52	46.54	50.10	49.85	53.35	Sales per sh	66.65
3.27	3.64	3.22	3.75	4.29	5.07	5.55	6.71	7.29	6.65	6.12	7.43	7.94	8.34	9.09	10.02	10.25	11.15	"Cash Flow" per sh	14.05
2.11	2.32	1.79	2.50	3.02	3.75	4.12	5.06	5.60	4.89	4.52	5.75	5.96	6.32	6.72	7.49	7.90	8.70	Earnings per sh ^A	11.30
1.12	1.16	1.20	1.24	1.32	1.44	1.68	1.84	1.92	2.00	2.04	2.10	2.20	2.36	2.54	3.42	4.10	4.70	Div's Decl'd per sh ^B	5.75
1.30	1.41	1.25	.98	.86	1.19	1.25	1.59	2.01	2.12	1.27	1.53	1.98	2.16	2.51	2.35	2.15	2.30	Cap'l Spending per sh	2.55
7.89	8.24	7.78	7.68	10.06	13.20	13.39	13.56	16.56	14.24	17.96	22.00	22.19	25.58	26.39	20.64	20.10	20.85	Book Value per sh	28.05
797.42	792.17	782.61	779.96	784.12	786.29	754.54	734.36	709.16	693.54	710.60	711.98	694.97	687.09	663.30	635.13	615.00	600.00	Common Shs Outst'g ^C	570.00
20.8	19.9	31.1	24.4	22.8	21.9	18.9	15.2	15.0	14.6	14.1	14.5	14.5	14.1	17.0	19.1	19.5	20.0	Avg Ann'l P/E Ratio	16.5
1.19	1.29	1.59	1.33	1.30	1.16	1.01	.82	.80	.88	.94	.92	.91	.90	.96	1.00	1.00	1.00	Relative P/E Ratio	1.05
2.6%	2.5%	2.2%	2.0%	1.9%	1.8%	2.2%	2.4%	2.3%	2.8%	3.2%	2.5%	2.5%	2.7%	2.2%	2.4%	2.4%	2.4%	Avg Ann'l Div'd Yield	3.1%

CAPITAL STRUCTURE as of 6/30/15

Total Debt \$8517 mill. Due in 5 Yrs \$4870 mill.	21167	22923	24462	25269	23123	26662	29611	29904	30871	31821	30650	32000	Sales (\$mill)	38000		
LT Debt \$8431 mill. LT Interest \$138.6 mill. (39% of Capital)	31.1%	32.3%	29.7%	25.2%	25.8%	26.4%	25.0%	26.0%	26.0%	26.8%	27.5%	27.5%	Operating Margin	28.5%		
Leases, Uncapitalized: Annual rentals \$225 mill. Pension Assets-12/14 \$20.6 bill. Oblig. \$23.4 bill.	986.0	1079.0	1072.0	1153.0	1157.0	1120.0	1236.0	1288.0	1371.0	1408.0	1355	1375	Depreciation (\$mill)	1500		
Preferred Stock None Common Stock 624,745,409 shares	3199.0	3851.0	4096.0	3460.0	3193.0	4169.0	4283.0	4444.0	4659.0	4956.0	4950	5300	Net Profit (\$mill)	6500		
MARKET CAP: \$91.1 billion (Large Cap)	34.7%	30.6%	33.9%	33.4%	32.2%	26.2%	27.8%	29.0%	28.1%	28.9%	28.5%	29.0%	Income Tax Rate	30.0%		
CURRENT POSITION (SMILL.)	15.1%	16.8%	16.7%	13.7%	13.8%	15.6%	14.5%	14.9%	15.1%	15.6%	16.2%	16.5%	Net Profit Margin	17.1%		
Cash Assets	1877.0	1623.0	4476.0	3759.0	5898.0	6126.0	6799.0	7430.0	5235.0	5767.0	7750	7000	Working Cap'l (\$mill)	8000		
Receivables	1309.0	1047.0	4019.0	5166.0	5097.0	4183.0	4484.0	4916.0	4326.0	6731.0	8000	7000	Long-Term Debt (\$mill)	5000		
Inventory (FIFO)	10100	9959.0	11747	9879.0	12764	15663	15420	17575	17502	13109	12350	12500	Shr. Equity (\$mill)	16000		
Other	28.5%	35.4%	26.6%	23.6%	18.4%	21.5%	22.0%	20.1%	21.6%	25.3%	24.5%	27.5%	Return on Total Cap'l	31.0%		
Current Assets	31.7%	38.7%	34.9%	35.0%	25.0%	26.6%	27.8%	25.3%	26.6%	37.8%	40.0%	42.5%	Return on Shr. Equity	40.5%		
Accts Payable	40%	36%	34%	40%	45%	36%	36%	37%	37%	45%	52%	54%	All Div'ds to Net Prof	50%		
Debt Due	BUSINESS: 3M Company is a diversified manufacturer and technology company with operations in more than 70 countries. It is among the leading manufacturers in many of the markets it serves. The conglomerate currently operates five segments: Industrial (33.7% of 2014 sales); Safety & Graphics (18.0%); Electronics & Energy (17.2%); Health Care (17.0%); Consumer (14.1%). 2014 re-															
Other	search & development: \$1.8 billion, 5.6% of sales. Employs about 89,800. Officers & directors own less than 1.0% of common stock; State Street 7.8%; BlackRock, 6.1%; The Vanguard Group, 6.2% (3/15 proxy). Chairman, President & CEO: Inge G. Thulin. Incorporated: DE. Address: 3M Center, St. Paul, MN 55144. Telephone: 651-733-1110. Internet: www.3m.com.															
Current Liab.	<p>Typically resilient 3M stock has pulled back some more since our July review. It is down roughly 17% from its high price set back in March after declining some 5%-plus over the past three months. Although broader market concerns probably played a role, we believe that investors took issue with the company's second-quarter results. Indeed, June-quarter earnings came in at \$2.02 per share, pennies ahead of guidance and 6% ahead of the year-before mark, but the most recent figure is based on 21.6 million fewer shares outstanding. Earnings improved a more modest 2.6% on an apples-to-apples basis. The top line raised even more eyebrows, with sales dropping 6%, twice as much as we were anticipating. Guidance likely did little to alleviate investor angst. Pointing to global economic sluggishness and currency headwinds, management said that it now expects 3M to earn \$7.80 to \$8.00 a share for the full year, down from its previous \$7.80 to \$8.10 range. It also cut its top-line outlook, now forecasting a 2.0% to 4.5% sales decline for the year. We recognize the obstacles that the</p>															

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	7486	7534	7497	7387	29904
2013	7634	7752	7916	7569	30871
2014	7831	8134	8137	7719	31821
2015	7578	7686	7875	7511	30650
2016	7800	8000	8300	7900	32000

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	1.59	1.66	1.65	1.41	6.32
2013	1.61	1.71	1.78	1.62	6.72
2014	1.79	1.91	1.98	1.81	7.49
2015	1.85	2.02	2.10	1.93	7.90
2016	2.00	2.25	2.32	2.13	8.70

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.55	.55	.55	.55	2.20
2012	.59	.59	.59	.59	2.36
2013	.635	.635	.635	.635	2.54
2014	.855	.855	.855	.855	3.42
2015	1.025	1.025	1.025		

Now may be a good time to initiate a stake in timely 3M stock. The recent share-price weakness presents a good buying opportunity for risk-averse, buy-and-hold-investors seeking total return. Management continues to streamline the business model, using strong cash flow generation and the proceeds from divestitures of peripheral operations to make acquisitions and strengthen its position in core businesses. Recently, the company hired Goldman Sachs to explore strategic options regarding its Health Information Systems segment, but said that it is intent on expanding the Health Care unit.

Andre J. Costanza
 October 16, 2015

(A) Diluted earnings. Excludes nonrecurring: '99, 7c; '00, (10c); '01, (5c); '10, (12c). Excludes discontinued: '06, 47c; '07, 60c. Earnings may not sum due to rounding or changes in shares outstanding. Next earnings report due Oct 22th.	(B) Dividends historically paid mid-March, June, September, and December. ■ Dividend reinvestment plan available.	(C) In millions, adjusted for stock split.	Company's Financial Strength	A++
			Stock's Price Stability	95
			Price Growth Persistence	90
			Earnings Predictability	90