

# DUPONT NYSE-DD

RECENT PRICE **66.47** P/E RATIO **24.3** (Trailing: 19.8 Median: 15.0) RELATIVE P/E RATIO **1.37** DIV'D YLD **2.4%** **VALUE LINE**

TIMELINESS — F Suspended 12/25/15  
SAFETY **1** Raised 1/31/97  
TECHNICAL — F Suspended 12/25/15  
BETA 1.10 (1.00 = Market)

High: 49.4 54.9 49.7 53.9 52.5 35.6 50.2 57.0 57.5 65.0 75.8 80.6  
Low: 39.9 37.6 38.5 42.3 21.3 16.0 31.9 37.1 41.7 45.1 59.3 47.1

LEGENDS  
— 10.0 x "Cash Flow" p sh  
- - - Relative Price Strength  
Options: Yes  
Shaded area indicates recession

### 2018-20 PROJECTIONS

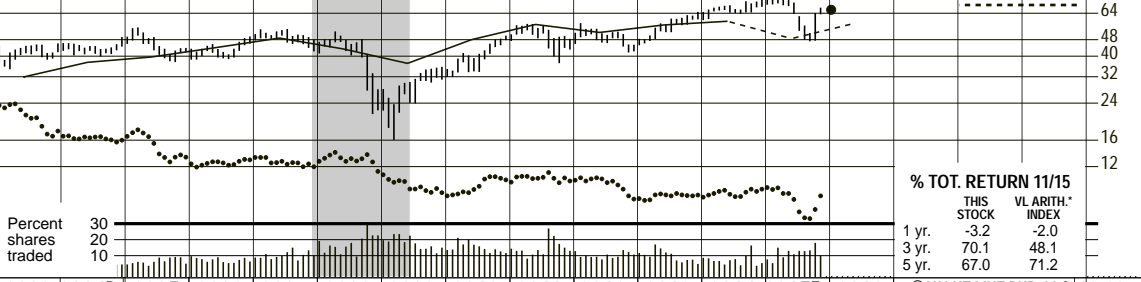
	Price	Gain	Ann'l Total Return
High	85	(+30%)	9%
Low	70	(+5%)	4%

### Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	3	0	0	2	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	1	0	0	0	0	0	0	0	0

### Institutional Decisions

	1Q2015	2Q2015	3Q2015
to Buy	451	498	467
to Sell	712	608	657
Hlds(000)	625781	617636	605858



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE 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	<b>31.90</b>	<b>33.45</b>	Sales per sh	50.00	
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	<b>4.85</b>	<b>5.75</b>	"Cash Flow" per sh	8.25	
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	<b>2.90</b>	<b>3.40</b>	Earnings per sh <sup>A</sup>	5.25	
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	1.64	1.70	1.78	1.84	<b>1.72</b>	<b>1.58</b>	Div'ds Decl'd per sh <sup>B</sup>	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	<b>2.00</b>	<b>2.50</b>	Cap'l Spending per sh	3.25	
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	<b>14.35</b>	<b>16.65</b>	Book Value 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	<b>870.00</b>	<b>840.00</b>	Common Shs Outst'g <sup>C</sup>	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	<b>22.6</b>	<b>22.6</b>	Avg Ann'l 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	<b>1.14</b>	<b>1.14</b>	Relative 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%	<b>2.6%</b>	<b>2.6%</b>	Avg Ann'l Div'd Yield	2.5%	
<b>CAPITAL STRUCTURE as of 9/30/15</b>																				
Total Debt \$9936 mill. Due in 5 Yrs \$6000 mill.																				
LT Debt \$8155 mill. LT Interest \$280.0 mill.																				
Total Debt Incl. \$13.0 mill. capital leases																				
(Total interest coverage: 14.0x) (42% of Cap'l)																				
Leases, Uncapitalized Annual rentals \$303 mill.																				
Pension Assets-12/14 \$20.4 bill. Oblig. \$29.7 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 876,407,000 shs.																				
As of 10/15/15																				
MARKET CAP: \$58 billion (Large Cap)																				
<b>CURRENT POSITION</b>																				
<b>(SMILL.)</b>																				
Cash Assets	9086	7034	3730																	
Receivables	6047	6005	6656																	
Inventory (LIFO)	8042	7841	5888																	
Other	1209	868	772																	
Current Assets	24384	21748	17046																	
Accts Payable	5180	4822	2830																	
Debt Due	1721	1423	1781																	
Other	6466	6395	3743																	
Current Liab.	13367	12640	8354																	

### ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14
change (per sh)	10.0%	10.0%	10.0%
Sales	4.0%	3.5%	4.5%
"Cash Flow"	5.0%	5.0%	7.0%
Earnings	6.5%	7.0%	6.0%
Dividends	2.5%	2.0%	2.0%
Book Value	3.5%	9.0%	8.0%

### QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	10180	9917	7390	7325	34812
2013	10408	9844	7735	7747	35734
2014	10128	9706	7511	7378	34723
2015	9172	8595	4873	5110	27750
2016	7900	7800	6100	6300	28100

### EARNINGS PER SHARE <sup>A</sup>

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.13	.25	2.90
2016	1.25	1.10	.45	.60	3.40

### QUARTERLY DIVIDENDS PAID <sup>B</sup>

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.38	1.62
2016					

**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, and nutrition. In 2014: Research & Development, 6.0% of sales; depreciation rate, 4.9%. Has approx. 63,000 employees. BlackRock, Inc. owns 6.3% of common stock; The Vanguard Group, 5.5%; off. and dir., less than 1% (3/15 Proxy). Chair and CEO: Edward D. Breen, Inc.: DE. Address: 974 Centre Road, Wilmington, DE 19805. Telephone: 302-774-1000. Internet: www.dupont.com.

**DuPont has agreed to combine with Dow Chemical in a historic merger of equals.** Excluding preferred shares, the stockholders of each company will own roughly half of the total entity, which will be called DowDuPont. Dow CEO Andrew N. Liveris will be executive chairman, and DuPont CEO Edward Breen will serve as chief executive officer. The board of DowDuPont will have 16 directors, half from each company. The merger is expected to close in the second half of 2016, subject to regulatory and shareholder approval. We anticipate regulatory scrutiny, given the size and importance of the transaction.

**The deal will result in run-rate cost savings of about \$3 billion and \$1 billion in growth synergies.** It will create highly focused leading businesses in agriculture, materials science, and specialty products. These will then be separated into three independent, publicly-traded companies through tax-free spinoffs. The separation would likely occur 18 to 24 months after the closing of the merger.

**The company has announced a global cost savings and restructuring plan designed to reduce costs by \$700 mil-**

**lion in 2016.** The plan further simplifies DuPont's structure into fewer, larger businesses with integrated functions. The company expects to record a pretax charge to earnings of roughly \$780 million associated with these actions.

**Weakness will likely persist in the near term.** Global economic conditions in agriculture and emerging markets look challenging. Strength in the U.S. dollar should remain a headwind. But we expect better times down the road, as the company appears well positioned in attractive markets. Moreover, DuPont earns good marks for Safety, Financial Strength, Price Stability, and Price Growth Persistence. However, following a recent run-up in the share price, total return potential is nothing to write home about.

Michael Napoli, CFA January 8, 2016

### Restated Sales (Pre-tax Operating Margins) by Business Line

	2013	2014	2015	2016
Agric. & Nutr.	15201(16.0%)	14825(20.5%)	12700(17.0%)	12900(18.5%)
Ind. Biosc.	1211(14.0%)	1244(15.9%)	1250(16.0%)	1200(16.5%)
Electronics	2534(8.0%)	2381(11.4%)	2245(9.0%)	2250(10.5%)
Perform. Mat.	12902(17.1%)	12376(20.2%)	8000(18.0%)	8140(18.0%)
Safety & Prot.	3880(17.9%)	3892(19.1%)	3550(18.5%)	3600(18.5%)
Other	6(NMF)	5(NMF)	5(NMF)	10(NMF)
Company Total	35734(16.6%)	34723(17.7%)	27750(15.5%)	28100(16.5%)

(A) Diluted eps. Excl. nonrec. items: '00, (54¢); '01, \$2.99; '02, (\$3.12); '03, (69¢); '04, (62¢); '05, (25¢); '06, 50¢; '07, (6¢); '08, (53¢); '09, (12¢); '11, (25¢); '12, (72¢); '13, (84¢); '14, (11¢). Excl. gain from discon. ops.: '12, 34¢; '13, \$2.14; '14, 2¢. Egs. may not sum due to rounding. Next egs. rpt. late January. (B) Div'd paid mid-March, June, Sept., and Dec. (C) Div'd reinvest. plan available. (D) Sold Textile division in 2004. (E) Completed spinoff of The Chemours Company in July 2015. (F) Unranked due to upcoming merger.

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### Company's Financial Strength

Stock's Price Stability	A++
Price Growth Persistence	75
Earnings Predictability	60

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