|  | 01 | $N Y!$ |  |  |  |  |  | $\begin{aligned} & \text { ENT } \\ & \mathrm{CE} \end{aligned}$ | $67.2$ |  | $20$ | $\left(\begin{array}{l} \mathrm{Tr} \\ \mathrm{Me} \end{array}\right.$ | $\begin{aligned} & 9: 23.2 \\ & \hline 15: 15.0 \end{aligned}$ | $\begin{array}{\|l\|l\|} \hline \text { RELATII } \\ \text { P/E RA } \end{array}$ | $1 .$ | $\begin{aligned} & \text { DIV'D } \\ & \text { YLD } \end{aligned}$ |  |  | $\begin{aligned} & \text { ALUE } \\ & \text { LINE } \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| TIMELIN | ESS - ${ }^{\text {F }}$ | Susp. 12 |  | High: Low: | $\begin{aligned} & 54.9 \\ & 37.6 \\ & \hline \end{aligned}$ | $\begin{aligned} & \hline 49.7 \\ & 38.5 \\ & \hline \end{aligned}$ | 53.9 42.3 | $\begin{aligned} & \hline 52.5 \\ & 21.3 \end{aligned}$ | $\begin{aligned} & 35.6 \\ & 16.0 \end{aligned}$ | $\begin{aligned} & 50.2 \\ & 31.9 \end{aligned}$ | $\begin{aligned} & 57.0 \\ & 37.1 \end{aligned}$ | $\begin{aligned} & 57.5 \\ & 41.7 \end{aligned}$ | $\begin{aligned} & \hline 65.0 \\ & 45.1 \end{aligned}$ | $\begin{array}{l\|} \hline 75.8 \\ 59.3 \end{array}$ | $\begin{aligned} & \hline 80.6 \\ & 47.1 \end{aligned}$ | $\begin{aligned} & 71.1 \\ & 50.7 \end{aligned}$ |  |  | Target Pric 2019202 | Range 2021 |
| SAFET |  | Raised 1/ |  | LEGEN | DS ${ }^{\text {"Cash }}$ | w"p ph |  |  |  |  |  |  |  |  |  |  |  |  |  | $\mathbf{c}^{<0<1} \begin{aligned} & 128 \end{aligned}$ |
| TECHNIC BETA 1 | $\begin{aligned} & \text { CAL - }-7 \\ & 10(1.00= \end{aligned}$ | Susp. 12 <br> Market) |  | $\begin{aligned} & \ldots \ldots \text { R } \\ & \text { Options: } \\ & \text { Shaded } \end{aligned}$ | ative Pric <br> s <br> rea indic | Strength <br> reces |  |  |  |  |  |  |  |  |  |  |  |  |  | 128 96 80 |
|  | -21 PRO | JECTIO | NS |  |  |  |  |  |  |  |  |  |  | "لال | "1 | 川' |  |  |  | 64 |
|  | rice | - A | ''l Total |  |  |  |  |  |  |  |  |  | w |  |  |  |  |  |  | 48 |
| High | Price | Gain 25\%) | Return | 214 | , | ,1,1 |  | + |  |  |  |  |  |  |  |  |  |  |  | 40 |
| High Low |  |  | 9\% |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 32 |
| Insider | Decisi | ons |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 24 |
| Hew | N D J | F M A | M J J |  |  |  |  |  |  |  |  |  |  |  | $\cdots$ |  |  |  |  | -16 |
| to Buy | $\begin{array}{lll} 0 & 0 & 0 \\ 0 & 18 & 0 \end{array}$ | $\begin{array}{ll} 0 & 0 \\ 11710 \end{array}$ | $\begin{array}{ll} 0 & 0 \\ 0 & 0 \\ 0 & 0 \end{array}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -16 |
| to Sell | 000 | 010 | 00 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | RETURN 8/16 |  |
| Institut | ional D | ecision |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | this vlarith. |  |
|  | 402015 | 102016 | 202016 |  | 30 |  |  |  |  |  |  |  |  |  |  |  |  |  |  | - |
| to Buy |  |  |  | shares traded | 20 10 |  |  |  |  |  |  |  |  |  |  |  |  |  | 38.4 10.9 <br> 33.0 29.8 |  |
| Hld's(000) | 613052 | 630848 | 616308 |  |  | ШلШلШ1 |  |  |  |  |  |  | لШ1ل1 |  |  | 听 |  | 5 yr . | $67.0 \quad 84.5$ |  |
| 2000 | 2001 | 2002 | 2003 | 2004D | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | $\bigcirc$ Q VAL | JE LINE PUB. LLC | 19-21 |
| 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 | 28.84 | 28.85 | 30.95 | Sales p | rsh | 48.10 |
| 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 | 4.54 | 5.00 | 5.70 | "Cash | low" per sh | 8.20 |
| 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 | 2.77 | 3.20 | 3.60 | Earning | per sh A | 5.20 |
| 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 | 1.66 | Div'ds | ecl'd per sh B $\quad$ | 2.00 |
| 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 | 1.87 | 1.40 | 1.80 | Cap'I | ending per sh | 3.10 |
| 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 | 11.20 | 13.35 | 15.50 | Book V | lue per sh | 22.45 |
| 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 | 871.35 | 860.00 | 840.00 | Comm | Shs Outst'g ${ }^{\text {c }}$ | 780.00 |
| 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 | 23.7 | Bold figu | res are | Avg An | 'IP/E Ratio | 15.0 |
| 1.17 | 1.87 | 1.17 | 1.43 | . 97 | 1.04 | . 80 | . 80 | . 91 | . 93 | . 78 | . 80 | . 94 | . 80 | . 88 | 1.20 | Value | Line | Relative | P/E Ratio | . 95 |
| 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\% | 2.6\% |  |  | Avg An | 'I Div'd Yield | 2.6\% |
| CAPITAL STRUCTURE as of $6 / 30 / 16$ <br> Total Debt $\$ 10414$ mill. Due in 5 Yrs $\$ 4484$ mill. <br> LT Debt $\$ 8119$ mill. LT Interest $\$ 300.0$ mill. <br> Total Debt Incl. \$13.0 mill. capital leases <br> (Total interest coverage: 9.0x) <br> (44\% of Cap') <br> Leases, Uncapitalized Annual rentals $\$ 248$ mill. <br> Pension Assets-12/15 $\$ 17.5$ bill. Oblig. $\$ 26.1$ bill. <br> Pfd Stock $\$ 237.0$ mill. Pfd Div'd $\$ 10.0$ mill. <br> Includes 700,000 shs. $\$ 3.50$ cum. callable at $\$ 102$; <br> $1,673,000$ shs. $\$ 4.50$ cum. callable at $\$ 120$ |  |  |  |  |  | 27421 | 29378 | 30529 | 26109 | 31505 | 37961 | 34812 | 35734 | 34723 | 25130 | 24800 | 26000 | Sales | mill) | 37500 |
|  |  |  |  |  |  | 13.2\% | 14.5\% | 9.5\% | 11.8\% | 14.0\% | 14.7\% | 15.2\% | 14.7\% | 17.7\% | 18.0\% | 19.0\% | 20.0\% | Operati | g Margin | 19.0\% |
|  |  |  |  |  |  | 1384.0 | 1371.0 | 1444.0 | 1503.0 | 1380.0 | 1560.0 | 1713.0 | 1603.0 | 1617.0 | 1466.0 | 1500 | 1700 | Depre | ation (\$mill) | 2250 |
|  |  |  |  |  |  | 2684.0 | 3033.7 | 2477.1 | 1853.8 | 3032.5 | 3698.2 | 3137.0 | 3632.0 | 3703.0 | 2503.0 | 2785 | 3080 | Net Pro | it (\$mill) | 4135 |
|  |  |  |  |  |  | 19.8\% | 18.8\% |  | 14.5\% | 17.7\% | 12.8\% | -- | -- | 25.6\% | 21.8\% | 30.0\% | 30.0\% | Income | Tax Rate | 30.0\% |
|  |  |  |  |  |  | 9.8\% | 10.3\% | 8.1\% | 7.1\% | 9.6\% | 9.7\% | 9.0\% | 10.2\% | 10.7\% | 10.0\% | 11.2\% | 11.8\% | Net Pro | it Margin | 11.0\% |
|  |  |  |  |  |  | 4930.0 | 4619.0 | 5601.0 | 7898.0 | 9670.0 | 6873.0 | 7642.0 | 11017 | 9108.0 | 7402.0 | 10500 | 11500 | Workin | Cap'I (\$mill) | 14500 |
|  |  |  |  |  |  | 6013.0 | 5955.0 | 7638.0 | 9528.0 | 10137 | 11736 | 10465 | 10741 | 9271.0 | 7642.0 | 8500 | 9500 | Long-T | rm Debt (\$mill) | 12000 |
|  |  |  |  |  |  | 9422.0 | 11136 | 7125.0 | 7215.0 | 9278.0 | 8593.0 | 10088 | 16229 | 13320 | 9993.0 | 11500 | 13000 | Shr. Eq | ity (\$mill) | 17500 |
| Common Stock 874,325,000 shs. as of $7 / 15 / 16$ MARKET CAP: $\$ 59$ billion (Large Cap) |  |  |  |  |  | 18.6\% | 18.9\% | 17.8\% | 12.1\% | 17.1\% | 19.2\% | 16.3\% | 14.2\% | 17.1\% | 15.0\% | 14.5\% | 14.5\% | Return | - Total Cap'l | 14.5\% |
|  |  |  |  |  |  | 28.5\% | 27.2\% | 34.8\% | 25.7\% | 32.7\% | 43.0\% | 31.1\% | 22.4\% | 27.8\% | 25.0\% | 24.0\% | 23.5\% | Return | o Shr. Equity | 23.5\% |
|  |  |  |  |  |  | $14.2 \%$$51 \%$ | 14.9\% | 14.2\% | 5.2\% | 16.9\% | 25.9\% | 15.7\% | 12.3\% | 15.3\% | 9.8\% | 12.5\% | 13.0\% | Retaine | to Com Eq | 14.5\% |
| CURRENT POSITION (\$MILL.) |  |  | $2014 \quad 2015$ 6/30/16 |  |  |  | 46\% | 60\% | 80\% | 49\% | 41\% | 51\% | 46\% | 46\% | 62\% | 49\% | 45\% | All Div' | s to Net Prof | 38\% |


| (\$MILLL.) |  |  |  |
| :--- | ---: | ---: | ---: |
| Cash Asets | 7034 | 6206 | 5153 |
| Receivables | 6005 | 4643 | 7656 |
| lnventory (LIFO) | 7841 | 6140 | 4756 |
| Other | 868 | 766 | 526 |
| Current Assets | 21748 | 17755 | 18091 |
| Accts Payable | 4822 | 3398 | 2244 |
| Debt Due | 1423 | 1165 | 2295 |
| Other | 6395 | 5790 | 3839 |
| Current Liab. | 12640 | 10353 | 8378 |


| ANNUAL RATES <br> of change (per sh) <br> Sales <br> "Cash Flow" <br> Earnings <br> Dividends <br> Book Value |  | Past 10 Yrs. 2.5 5.5 2.53.5 |  Past Est <br>  5 Yrs. t <br> $\%$ $1.5 \%$  <br> $\%$ $6.5 \%$  <br> $\%$ $1.5 \%$  <br> $\%$ $11.0 \%$  |  | $\begin{aligned} & \text { Est'd '13-'15 } \\ & \text { to '19.'21 } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | $\begin{aligned} & 5.5 \% \\ & 7.5 \% \end{aligned}$ |  |  |
|  |  |  |  |  |
|  |  | 6.5\% |  |  |
|  |  | $\begin{aligned} & 2.0 \% \\ & 8.0 \% \end{aligned}$ |  |  |
|  |  |  |  |  |
| Calendar | QUARTERLY SALES (\$ mill.) |  |  |  | Full Year |
|  | Mar. 31 | Jun. 30 | Sep. 30 | Dec. 31 |  |
| 2013 | 10408 | 9844 | 7735 | 7747 | 35734 |
| 2014 | 10128 | 9706 | 7511 | 7378 | 34723 |
| 2015 | 7837 | 7121 | 4873 | 5299 | 25130 |
| 2016 | 7405 | 7061 | 4850 | 5484 | 24800 |
| 2017 | 7600 | 7400 | 5300 | 5700 | 26000 |
| Cal- <br> endar |  |  |  |  | Full <br> Year |
|  | EARNINGS PER SHAREMar. 31 Jun. 30 Sep. 30 |  |  | Dec. 31 |  |
| 2013 | 1.56 | 1.28 | . 45 | . 59 | 3.88 |
| 2014 | 1.58 | 1.17 | . 54 | . 71 | 4.01 |
| 2015 | 1.24 | 1.08 | . 13 | . 27 | 2.77 |
| 2016 | 1.26 | 1.24 | . 25 | . 45 | 3.20 |
| 2017 | 1.30 | 1.30 | . 40 | . 60 | 3.60 |
|  | QUAR | ERLY DIVI | DENDS | ID ${ }^{\text {B }}$ | Full |
| en | Mar. 31 | Jun. 30 | Sep. 30 | Dec. 31 | 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 | 1.72 |
| 2016 | 38 | 38 | 38 |  |  |

BUSINESS: DuPont is engaged in science and technology in a
range of disciplines, including 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, construc-
tion, agricultural, medical, protective apparel, electronics, and nutri-
DuPont continues to operate in a challenging environment. Macroeconomic unevenness should further constrain sales going forward. Efforts to control costs are benefiting earnings, however. We expect healthy share-net improvement for the company for full-year 2016, despite a slight top-line decline. The Industrial Biosciences and Nutrition \& Health businesses should remain performance drivers here.

## The upcoming merger of equals with

 Dow Chemical is being reviewed by regulatory authorities. The merger has attracted its share of scrutiny, given the size and importance of the deal. The Department of J ustice is currently reviewing the transaction, as is the European Commission. Subject to customary dosing conditions, including the necessary regulatory approvals, the deal will probably be completed by early next year.The new company would be called DowDuPont. The combination is expected to result in run-rate savings of $\$ 3$ billion with about $\$ 1$ billion in growth synergies. It would create leading businesses in agriculture, specialty prod-
tion. In 2015: R\&D, 7.6\% of sales; depreciation rate, 4.6\%. Has approx. 52,000 employees. Capital World Investors owns $8.1 \%$ of common stock; BlackRock, Inc, 6.2\%; The Vanguard Group, 6.1\%; off. and dir., less than 1\% (3/16 Proxy). Chair and CEO: Edward D. Breen. Inc.: DE. Address: 974 Centre Road, Wilmington, DE 19805. Telephone: 302-774-1000. Internet: www.dupont.com.
ucts, and materials science. These will then be separated into three independent, publicly traded companies through taxfree spinoffs. This would likely occur 18 to 24 months following the closing of the merger.
These shares are unranked for Timeliness, due to the pending merger. On its own, the stock offers fairly limited appreciation potential at this juncture, though the dividend yield is slightly above average. DuPont does earn high marks for Safety, Financial Strength, and Price Stability. Still, investors with a long time horizon may want to remain on the sidelines for the time being. This equity currently trades at a price-to-earnings multiple that is somewhat greater than its historical average.
Michad Napoli, CFA
October 7, 2016 Restated Sales (Pre-tax Operating Margins) by Business Line

|  | 2014 | 2015 | 2016 | 2017 |
| :--- | ---: | ---: | ---: | ---: |
| Agric. \& Nutr. | $14825(20.5 \%)$ | $13054(15.1 \%)$ | $13000(16.5 \%)$ | $13400(17.5 \%)$ |
| Ind. Biosc. | $1244(15.9 \%)$ | $1171(16.5 \%)$ | $1100(17.5 \%)$ | $1200(18.5 \%)$ |
| Electronics | $2381(11.4 \%)$ | $2070(16.6 \%)$ | $2000(17.0 \%)$ | $2200(18.0 \%)$ |
| Perform. Mat. | $12376(20.2 \%)$ | $5305(22.5 \%)$ | $5250(23.5 \%)$ | $5500(24.5 \%)$ |
| Safety \& Prot. | $3892(19.1 \%)$ | $3527(19.4 \%)$ | $3445(20.0 \%)$ | $3690(21.0 \%)$ |
| Other | $5($ NMF $)$ | $3($ NMF $)$ | $5($ (NMF) | $10($ NMF) |
| Company Total | $34723(17.7 \%)$ | $25130(18.0 \%)$ | $24800(19.0 \%)$ | $26000(20.0 \%)$ |

[^0] (12¢); '11, (25¢); '12, (72¢); '13, (84¢); '14, (B) Div'd paid mid-March, June, Sept., and (F) Unranked due to upcoming merger.
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| Company's Financial Strength | A++ |
| :--- | ---: |
| Stock's Price Stability | 75 |
| Price Growth Persistence | 65 |
| Earnings Predictability | 60 |

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[^0]:    A) Diluted egs. Excl. nonrec. items: '00, (54c); (11c); 15, (68c). Excl. discon. Items.:' $12,34 \mathrm{c} ;$ Dec. I Div'd reinvest. plan available. (C) In mill. 01, \$2.99; '02, (\$3.12); '03, (69¢); '04, (62c); '13, \$2.14; '14, 2c; '15, 7¢. Egs. may not sum (D) Sold Textile division, 4/04. (E) Completed

