

# DUPONT NYSE-DD

RECENT PRICE **74.96** P/E RATIO **22.0** (Trailing: 24.1; Median: 15.0) RELATIVE P/E RATIO **1.12** DIV'D YLD **2.1%**

VALUE LINE

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

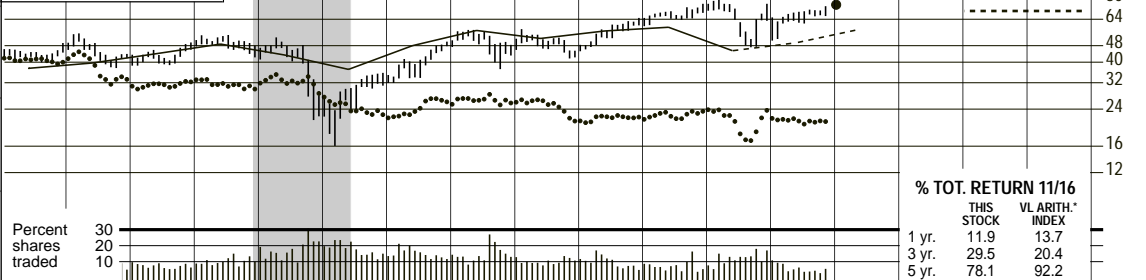
High: 54.9 49.7 53.9 52.5 35.6 50.2 57.0 57.5 65.0 75.8 80.6 75.9  
Low: 37.6 38.5 42.3 21.3 16.0 31.9 37.1 41.7 45.1 59.3 47.1 50.7

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

**2019-21 PROJECTIONS**  
Price **85** Gain **(+15%)** Ann'l Total Return **6%**  
High **85** Low **70** Options **1 17 10 0 17 0 3 17 0**  
to Buy **0 0 0 0 0 0 0 0 0**  
to Sell **0 1 0 0 0 0 0 3 1 0**

**Insider Decisions**  
F M A M J J A S O  
to Buy **0 0 0 0 0 0 0 0 0**  
Options **1 17 10 0 17 0 3 17 0**  
to Sell **0 1 0 0 0 0 0 3 1 0**

**Institutional Decisions**  
10/2016 20/2016 30/2016  
to Buy **407 403 411**  
to Sell **653 601 546**  
Hld's (000) **630848 616308 604365**



2000	2001	2002	2003	2004 <sup>P</sup>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 <sup>E</sup>	2016	2017	© VALUE 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	<b>28.95</b>	<b>30.70</b>	Sales per sh	<b>46.15</b>
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	<b>4.95</b>	<b>5.75</b>	"Cash Flow" per sh	<b>8.20</b>
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	<b>3.25</b>	<b>3.65</b>	Earnings per sh <sup>A</sup>	<b>5.20</b>
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	<b>1.52</b>	<b>1.60</b>	Div'ds Decl'd per sh <sup>B</sup>	<b>2.00</b>
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	<b>1.30</b>	<b>1.65</b>	Cap'l Spending per sh	<b>3.10</b>
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	<b>12.80</b>	<b>14.90</b>	Book Value per sh	<b>22.45</b>
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	<b>860.00</b>	<b>840.00</b>	Common Shs Outst'g <sup>C</sup>	<b>780.00</b>
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	<b>20.3</b>	<b>20.3</b>	Avg Ann'l P/E Ratio	<b>15.0</b>
1.17	1.87	1.17	1.43	.97	1.04	.80	.80	.91	.93	.78	.80	.94	.80	.88	1.20	<b>1.08</b>	<b>1.08</b>	Relative P/E Ratio	<b>.95</b>
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%	<b>2.3%</b>	<b>2.3%</b>	Avg Ann'l Div'd Yield	<b>2.6%</b>

**CAPITAL STRUCTURE as of 9/30/16**  
Total Debt \$11356 mill. Due in 5 Yrs \$5431 mill.  
LT Debt \$8114 mill. LT Interest \$325.0 mill.  
Total Debt Incl. \$13.0 mill. capital leases  
(Total interest coverage: 8.6x) (45% of Cap'l)  
**Leases, Uncapitalized Annual rentals \$248 mill.**  
**Pension Assets-12/15 \$17.5 bill. Oblig. \$26.1 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 869,342,000 shs.**  
**as of 10/17/16**  
**MARKET CAP: \$65 billion (Large Cap)**

CURRENT POSITION	2014	2015	9/30/16
(SMILL.)			
Cash Assets	7034	6206	5532
Receivables	6005	4643	7073
Inventory (LIFO)	7841	6140	5168
Other	868	766	525
Current Assets	21748	17755	18298
Accts Payable	4822	3398	2627
Debt Due	1423	1165	3242
Other	6395	5790	3241
Current Liab.	12640	10353	9110

ANNUAL RATES	Past 10 Yrs	Past 5 Yrs	Est'd '13-'15 to '19-'21
of change (per sh)			
Sales	2.5%	1.5%	4.5%
"Cash Flow"	4.0%	4.5%	7.5%
Earnings	5.5%	6.0%	6.5%
Dividends	2.5%	1.5%	2.0%
Book Value	3.5%	11.0%	8.0%

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	10408	9844	7735	7747	35734
2014	10128	9706	7511	7378	34723
2015	7837	7121	4873	5299	25130
2016	7405	7061	4917	5517	24900
2017	<b>7700</b>	<b>7300</b>	<b>5100</b>	<b>5700</b>	<b>25800</b>

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.34	.41	3.25
2017	<b>1.35</b>	<b>1.30</b>	<b>.40</b>	<b>.60</b>	<b>3.65</b>

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.38	1.52
2017					

**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, construction, agricultural, medical, protective apparel, electronics, and nutrition.

**DuPont likely finished up a challenging year on a solid note.** Macroeconomic weakness has hurt the top line over the past couple of years. But efforts to reduce expenses supported a nice earnings rebound in recent quarters. The Industrial BioSciences and Nutrition & Health businesses have benefited from healthy demand. The Performance Materials, Protection Solutions, and Agriculture lines have experienced moderate growth in operating earnings in recent periods, despite lower sales. But results at the Electronics & Communications arm have been hurt by lower demand and continued weakness in consumer electronics. Looking forward, we expect a nice improvement in sales and earnings per share for the company in 2017. The Industrial BioSciences and Nutrition & Health segments ought to remain the most important performance drivers in the coming quarters.

**The company's merger-of-equals with Dow Chemical appears set to close in the first quarter.** This assumes customary conditions are met, including the necessary regulatory approvals. The new company is to be called DowDuPont.

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.

The combination would create leading businesses in agriculture, specialty products, and materials science. These will then be separated into three independent, publicly traded companies through tax-free spinoffs. This would probably occur 18 to 24 months following the closing of the merger.

**This stock remains unranked for Timeliness due to the upcoming merger.** On its own, this equity offers limited long-term capital gains potential, as the shares presently trade within our Target Price Range. DuPont does earn favorable marks for Safety, Financial Strength, and Price Stability. Nevertheless, patient subscribers can probably find more-attractive opportunities elsewhere at this juncture.

Michael Napoli, CFA January 6, 2017

	2014	2015	2016	2017
Agric. & Nutr.	14825(20.5%)	13054(15.1%)	13100(17.0%)	13300(17.5%)
Ind. Biosci.	1244(15.9%)	1100(13.6%)	1100(14.0%)	1200(18.5%)
Electronics	2381(11.4%)	2070(16.6%)	2000(17.5%)	2200(18.0%)
Perform. Mat.	12376(20.2%)	5305(22.5%)	5250(24.0%)	5400(24.5%)
Safety & Prot.	3892(19.4%)	3527(19.4%)	3445(20.5%)	3690(21.0%)
Other	5(NMF)	3(NMF)	5(NMF)	10(NMF)
Company Total	34723(17.7%)	25130(18.0%)	24900(19.5%)	25800(20.0%)

(A) Diluted eps. Excl. nonrec. items: '00, (54¢); '01, \$2.99; '02, (53.12¢); '03, (69¢); '04, (62¢); '05, (25¢); '06, 50¢; '07, (6¢); '08, (53¢); '09, (12¢); '11, (25¢); '12, (72¢); '13, (84¢); '14, (11¢); '15, (68¢). Excl. discon. items: '12, 34¢; '13, \$2.14; '14, 2¢; '15, 7¢. Egs. may not sum due to rounding. Next egs. rpt. late January. (B) Div'd paid mid-March, June, Sept., and Dec. ■ Div'd reinvest. plan available. (C) In mill. (D) Sold Textile division, 4/04. (E) Completed spinoff of The Chemours Company, 7/15. (F) Unranked due to upcoming merger.

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**Company's Financial Strength** A++  
**Stock's Price Stability** 75  
**Price Growth Persistence** 70  
**Earnings Predictability** 65

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