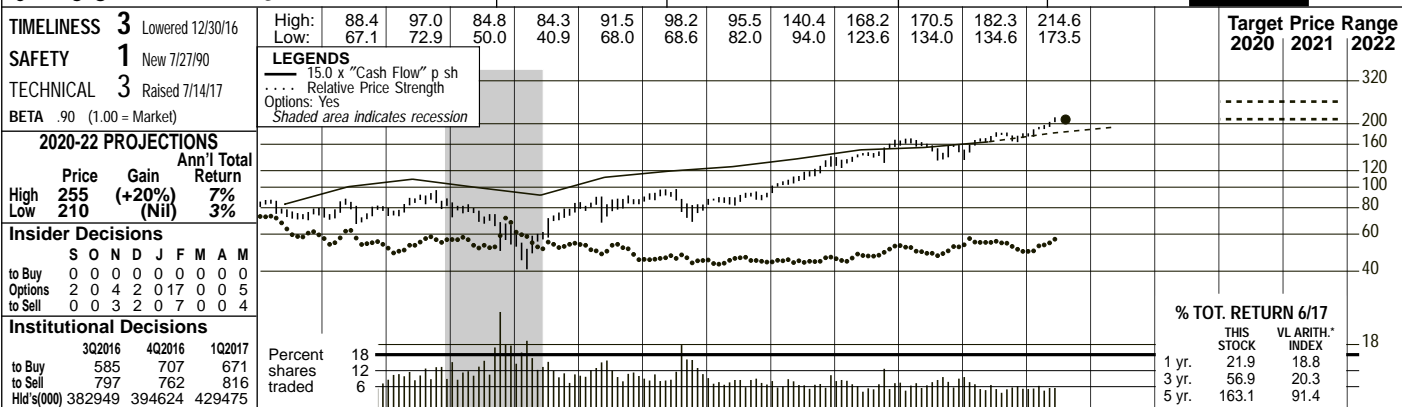


3M COMPANY NYSE-MMM

RECENT PRICE **209.83** P/E RATIO **23.6** (Trailing: 25.4 Median: 15.0) RELATIVE P/E RATIO **1.19** DIV'D YLD **2.2%**

VALUE LINE



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
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	49.68	50.46	53.00	56.60	Sales per sh	69.00
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	10.29	10.93	12.05	12.90	"Cash Flow" per sh	15.95
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	7.58	8.16	8.90	9.55	Earnings per sh ^A	12.25
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	4.44	4.74	5.10	Div's Decl'd per sh ^B	6.40
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	2.40	2.38	2.20	2.15	Cap'l Spending per sh	2.80
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	19.21	17.26	16.65	15.95	Book Value per sh	20.35
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	609.33	596.73	585.00	570.00	Common Shs Outst'g ^C	540.00
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	20.6	20.6	20.6	20.6	Avg Ann'l P/E Ratio	19.0
1.59	1.33	1.30	1.16	1.01	.82	.80	.88	.94	.92	.91	.90	.96	1.01	1.04	1.09	1.01	1.09	Relative P/E Ratio	1.20
2.2%	2.0%	1.9%	1.8%	2.0%	2.4%	2.3%	2.8%	3.2%	2.5%	2.5%	2.7%	2.2%	2.4%	2.6%	2.6%	2.6%	2.6%	Avg Ann'l Div'd Yield	2.7%

CAPITAL STRUCTURE as of 3/31/17		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
Total Debt \$11711 mill. Due in 5 Yrs \$4948 mill.		24462	25269	23123	26662	29611	29904	30871	31821	30274	30109	31000	32250	Sales (\$mill)	37250						
LT Debt \$10802 mill. LT Interest \$166.0 mill. (49% of Capital)		29.7%	25.2%	25.8%	26.4%	25.0%	26.0%	26.0%	26.8%	27.7%	28.9%	29.5%	30.0%	Operating Margin	31.0%						
Leases, Uncapitalized: Annual rentals \$210 mill.		1072.0	1153.0	1157.0	1120.0	1236.0	1288.0	1371.0	1408.0	1435.0	1474.0	1700	1750	Depreciation (\$mill)	1850						
Pension Assets-12/16 \$19.7 bill. Oblig. \$22.8 bill.		4096.0	3460.0	3193.0	4169.0	4283.0	4444.0	4659.0	4956.0	4833.0	5050.0	5350	5600	Net Profit (\$mill)	6750						
Preferred Stock None		33.9%	33.4%	32.2%	26.2%	27.8%	29.0%	28.1%	28.9%	29.0%	27.0%	27.0%	Income Tax Rate	30.0%							
Common Stock 597,239,576 shares		16.7%	13.7%	13.8%	15.6%	14.5%	14.9%	15.1%	15.6%	16.0%	16.8%	17.3%	17.4%	Net Profit Margin	18.1%						
MARKET CAP: \$125.3 billion (Large Cap)		4476.0	3759.0	5898.0	6126.0	6799.0	7430.0	5235.0	5767.0	3868.0	5507.0	4800	4200	Working Cap'l (\$mill)	5500						
CURRENT POSITION (SMILL.)		4019.0	5166.0	5097.0	4183.0	4484.0	4916.0	4326.0	6731.0	8799.0	10723	10000	9500	Long-Term Debt (\$mill)	7500						
Cash Assets		11747	9879.0	12764	15663	15420	17575	17502	13109	11708	10298	9750	9100	Shr. Equity (\$mill)	11000						
Receivables		26.6%	23.6%	18.4%	21.5%	22.0%	20.1%	21.6%	25.3%	23.9%	24.4%	27.5%	30.5%	Return on Total Cap'l	37.0%						
Inventory (FIFO)		34.9%	35.0%	25.0%	26.6%	27.8%	25.3%	26.6%	37.8%	41.3%	49.0%	55.0%	NMF	Return on Shr. Equity	NMF						
Other		34%	40%	45%	36%	36%	37%	37%	45%	53%	53%	52%	28.5%	All Div'ds to Net Prof	52%						
Current Assets		10986	11726	11901																	
Accts Payable		1694	1798	1701																	
Debt Due		2044	972	909																	
Other		3380	3449	3385																	
Current Liab.		7118	6219	5995																	

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 (34.3% of 2016 sales); Safety & Graphics (18.8%); Health Care (18.4%); Electronics and Energy (16.0%); Consumer (14.9%).

3M shares have continued their relatively steady climb higher in recent months. Indeed, they are up more than 10% in value since our April review, and nearly 20% since the start of the year. The most recent share-price momentum followed the release of the company's better-than-expected first-quarter financial results. Specifically, the diversified products maker said that it earned \$2.16 a share, % higher than the year-earlier tally and nicely ahead of our \$2.08 share-net estimate. However, the biggest surprise was the top-line beat recorded during the period. To wit, sales came in at \$7.685 billion, marking a 4% year-over-year advance, a stark improvement over the 0.4% gain inked in the final quarter of 2016. 3M reported healthy top-line advances at every business unit aside its smallest, the Consumer division, which saw sales slip 0.7%. A lower tax rate, additional share repurchases, and operating margin expansion were further boons.

Guidance likely further lifted investor sentiment. Management said that it now expects to earn between \$8.70 and \$9.05 a share this year, notably higher than its previous \$8.45 to \$8.80 range. It has also lifted its organic sales outlook to 2% to 5%, from 1% to 3%. The latter is extremely important in our eyes as 3M had reported a top-line decline in three of the four previous quarters. Given the aforementioned outperformance and the improved forecast, we've decided to tack a quarter onto our 2017 share-net call, which now stands at \$8.90, and have bumped up our sales estimate to \$31.0 billion. Our 2018 sales and earnings-per-share estimates now stand at about \$32.3 billion and \$9.55, respectively. It should be noted, however, that our estimates will probably need to be adjusted going forward as the company has been tweaking the business model in an effort to better focus on core operations.

Growth-oriented investors will want to await a pullback. The aforementioned price momentum discounts a fair portion of the gains we envision from MMM out to 2020-2022. Meanwhile, the stock is an Average selection for Timeliness. However, those stressing safety and income should like what they see here. Healthy cash flow generation is another plus.

Andre J. Costanza July 14, 2017

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	7831	8134	8137	7719	31821
2015	7578	7686	7712	7298	30274
2016	7409	7662	7709	7329	30109
2017	7685	7840	7875	7600	31000
2018	8000	8150	8200	7900	32250

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	1.79	1.91	1.98	1.81	7.49
2015	1.85	2.02	2.05	1.66	7.58
2016	2.05	2.08	2.15	1.88	8.16
2017	2.16	2.39	2.30	2.05	8.90
2018	2.35	2.55	2.45	2.20	9.55

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.635	.635	.635	.635	2.54
2014	.855	.855	.855	.855	3.42
2015	1.025	1.025	1.025	1.025	4.10
2016	1.11	1.11	1.11	1.11	4.44
2017	1.175	1.175			

(A) Diluted earnings. Excludes nonrecurring: '01, (5c); '10, (12c). Excludes discontinued: '06, 47c; '07, 60c. Earnings may not sum due to rounding or changes in shares outstanding. (B) Dividends historically paid mid-March, June, September, and December. ■ Dividend reinvestment plan available. (C) In millions.

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Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	90
Earnings Predictability	100