

DOWDUPONT NYSE-DWDP

RECENT PRICE **69.35** P/E RATIO **26.7** (Trailing:NMF Median:NMF) RELATIVE P/E RATIO **1.36** DIV'D YLD **2.5%** VALUE LINE

TIMELINESS — D
SAFETY **2** New 10/6/17
TECHNICAL — D
BETA NMF (1.00 = Market)

LEGENDS
... Relative Price Strength
Options: Yes
Shaded area indicates recession

High:	70.5	Target Price Range	2020	2021	2022
Low:	69.2				
			128	96	80
			64	48	40
			32	24	16
			12		
		% TOT. RETURN 8/17			
		THIS STOCK	11.7		
		VL ARITH. INDEX	19.3		
		1 yr.	85.3		
		3 yr.			
		5 yr.			

2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+30%)	9%
Low	65	(-5%)	1%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	4Q2016	1Q2017	2Q2017	Percent shares traded
to Buy	0	0	607	15
to Sell	0	0	546	10
Hld's(000)	000	000	903755	5

DowDuPont was formed with the merger of diversified chemicals manufacturers DuPont and Dow Chemical on August 31, 2017. DuPont shareholders received 1.282 shares of DowDuPont for each unit owned. Stockholders of Dow Chemical received one share of DowDuPont for each unit owned. Shares of DowDuPont commenced trading on the New York Stock Exchange on September 1, 2017.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
	--	--	--	--	--	--	--	--	--	--	34.15	36.45	Sales per sh	50.00
	--	--	--	--	--	--	--	--	--	--	5.05	5.95	"Cash Flow" per sh	7.80
	--	--	--	--	--	--	--	--	--	--	3.10	3.80	Earnings per sh A	5.10
	--	--	--	--	--	--	--	--	--	--	1.60	1.75	Div'ds Decl'd per sh	2.30
	--	--	--	--	--	--	--	--	--	--	2.10	2.35	Cap'l Spending per sh	3.45
	--	--	--	--	--	--	--	--	--	--	17.15	18.20	Book Value per sh	22.00
	--	--	--	--	--	--	--	--	--	--	2300.0	2250.0	Common Shs Outst'g B	2100.0
	--	--	--	--	--	--	--	--	--	--	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	--	--	--	--	--	--	--	--	--	--			Relative P/E Ratio	.95
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	3.0%
	--	--	--	--	--	--	--	--	--	--	78500	82000	Sales (\$mill)	105000
	--	--	--	--	--	--	--	--	--	--	16.0%	17.5%	Operating Margin	16.5%
	--	--	--	--	--	--	--	--	--	--	4500	4800	Depreciation (\$mill)	6250
	--	--	--	--	--	--	--	--	--	--	7160	8590	Net Profit (\$mill)	10130
	--	--	--	--	--	--	--	--	--	--	30.0%	30.0%	Income Tax Rate	30.0%
	--	--	--	--	--	--	--	--	--	--	9.1%	10.5%	Net Profit Margin	9.6%
	--	--	--	--	--	--	--	--	--	--	22500	25000	Working Cap'l (\$mill)	33000
	--	--	--	--	--	--	--	--	--	--	28000	25000	Long-Term Debt (\$mill)	22500
	--	--	--	--	--	--	--	--	--	--	39500	41000	Shr. Equity (\$mill)	46250
	--	--	--	--	--	--	--	--	--	--	11.5%	13.5%	Return on Total Cap'l	15.5%
	--	--	--	--	--	--	--	--	--	--	18.0%	21.0%	Return on Shr. Equity	22.0%
	--	--	--	--	--	--	--	--	--	--	9.0%	11.5%	Retained to Com Eq	11.5%
	--	--	--	--	--	--	--	--	--	--	51%	46%	All Div'ds to Net Prof	48%

CAPITAL STRUCTURE as of 6/30/17

SEE TEXT

SEE TEXT

CURRENT POSITION 2015 2016 6/30/17 (\$MILL.)

Cash Assets			
Receivables		SEE TEXT	
Inventory (Avg Cost)			
Other			
Current Assets			
Accts Payable			
Debt Due		SEE TEXT	
Other			
Current Liab.			

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '14-'16 to '20-'22

Sales	--	--	NMF
"Cash Flow"	--	--	NMF
Earnings	--	--	NMF
Dividends	--	--	NMF
Book Value	--	--	NMF

QUARTERLY SALES (\$ mill.) C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	--	--	--	--	--
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	--	--	17500	18500	78500
2018	19500	21000	19500	22000	82000

EARNINGS PER SHARE A C

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	--	--	--	--	--
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	--	--	.42	.73	3.10
2018	.90	1.00	.85	1.05	3.80

QUARTERLY DIVIDENDS PAID

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	--	--	--	--	--
2014	--	--	--	--	--
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	--	--	--	--	--

BUSINESS: DowDuPont is a holding company formed with the merger of diversified chemicals manufacturers DuPont and Dow Chemical in August of 2017. It operates on a global scale, manufacturing a wide range of products to many different markets, including agriculture, medical, protective apparel, electronics, and nutrition. The company has three operating divisions: Agriculture, Materials

Science, and Specialty Products. Executive Chairman: Andrew N. Liveris. Chief Executive Officer: Edward D. Breen. Incorporated: Delaware. Dow Chemical address: 2030 Dow Center, Midland, Michigan 48674. Dow Chemical telephone: 800-422-8193. DuPont address: 974 Centre Road, Wilmington, Delaware 19805. DuPont telephone: 302-774-3034. Internet: www.dow-dupont.com.

DowDuPont is making its debut in The Value Line Investment Survey. DowDuPont is a holding company formed from the merger of diversified chemicals manufacturers DuPont and Dow Chemical at the end of August. The company is headquartered in both Michigan and Delaware. The recent merger is expected to result in run-rate cost savings of about \$3 billion. The combination has created 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 likely occur within 18 months.

is now looking to move businesses with sales exceeding \$8 billion from the materials science segment to the specialty products line. The company believes that this will better align these businesses with the end markets they serve, and enhance their competitive advantages. This move comes in response to activist investors and the conclusions of a review process by the companies that lasted several months.

The combined company has yet to report quarterly earnings. As a result, our Capital Structure and Current Position boxes contain no data at this time. Moreover, the quarterly breakdown is unavailable for sales and earnings per share for the first half of the current year. We expect DowDuPont will report performance for the September quarter by the end of October.

This stock is unranked for year-ahead performance, due to its short trading history. The company appears to be well positioned in the markets it serves, and we expect healthy operating improvement here out to early next decade. But the shares don't seem to stand out for long-term appreciation potential, as this issue presently trades within our 3- to 5-year Target Price Range. Prospective investors may prefer to remain on the sidelines for the time being, at least until the combined entity has reported quarterly operating results a couple of times. We believe that consolidated data for full-year 2017 will be available with the company's fourth-quarter earnings release.

DowDuPont is making changes to its initial separation plans. Specifically, it

Michael Napoli, CFA October 6, 2017

(A) Based on diluted shares. Next earnings report due late October.
(B) In millions.
(C) Quarterly breakdown for 2017 not available; totals do not sum.
(D) Unranked due to short trading history.

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

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