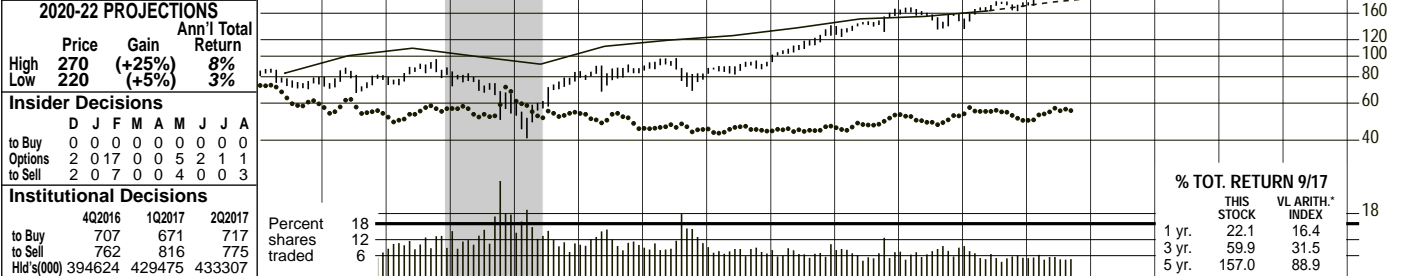


TIMELINESS <b>3</b> Lowered 12/30/16	High: 88.4 97.0 84.8 84.3 91.5 98.2 95.5 140.4 168.2 170.5 182.3 214.6	Low: 67.1 72.9 50.0 40.9 68.0 68.6 82.0 94.0 123.6 134.0 134.6 173.5	Target Price Range 2020 2021 2022
SAFETY <b>1</b> New 7/27/90	LEGENDS — 15.0 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession		320
TECHNICAL <b>2</b> Lowered 8/18/17			200
BETA .90 (1.00 = Market)			160



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	<b>52.70</b>	<b>56.15</b>	Sales per sh	<b>69.00</b>
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	<b>11.90</b>	<b>12.70</b>	"Cash Flow" per sh	<b>15.95</b>
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	<b>8.95</b>	<b>9.50</b>	Earnings per sh <sup>A</sup>	<b>12.25</b>
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	<b>4.70</b>	<b>5.00</b>	Div's Decl'd per sh <sup>B</sup>	<b>6.40</b>
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	<b>2.00</b>	<b>2.10</b>	Cap'l Spending per sh	<b>2.60</b>
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	<b>18.50</b>	<b>17.80</b>	Book Value per sh	<b>22.70</b>
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	<b>585.00</b>	<b>570.00</b>	Common Shs Outst'g <sup>C</sup>	<b>540.00</b>
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	<b>20.6</b>	<b>20.6</b>	Avg Ann'l P/E Ratio	<b>20.0</b>
1.59	1.33	1.30	1.16	1.01	.82	.80	.88	.94	.92	.91	.90	.96	1.01	1.04	1.09	<b>1.04</b>	<b>1.09</b>	Relative P/E Ratio	<b>1.25</b>
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%	<b>2.6%</b>	<b>2.6%</b>	Avg Ann'l Div'd Yield	<b>2.7%</b>

**CAPITAL STRUCTURE as of 6/30/17**

Total Debt \$11301 mill. Due in 5 Yrs \$4538 mill. LT Debt \$11088 mill. LT Interest \$211.9 mill. (49% of Capital)	24462	25269	23123	26662	29611	29904	30871	31821	30274	30109	<b>30835</b>	<b>32000</b>	Sales (\$mill)	<b>37250</b>			
Leases, Uncapitalized: Annual rentals \$210 mill. Pension Assets-12/16 \$19.7 bill. Oblig. \$22.8 bill.	29.7%	25.2%	25.8%	26.4%	25.0%	26.0%	26.0%	26.8%	27.7%	28.9%	<b>30.0%</b>	<b>30.5%</b>	Operating Margin	<b>31.0%</b>			
Preferred Stock None Common Stock 596,767,147 shares	1072.0	1153.0	1157.0	1120.0	1236.0	1288.0	1371.0	1408.0	1435.0	1474.0	<b>1625</b>	<b>1700</b>	Depreciation (\$mill)	<b>1850</b>			
MARKET CAP: \$128.0 billion (Large Cap)	4096.0	3460.0	3193.0	4169.0	4283.0	4444.0	4659.0	4956.0	4833.0	5050.0	<b>5325</b>	<b>5550</b>	Net Profit (\$mill)	<b>6750</b>			
CURRENT POSITION (SMILL.)	33.9%	33.4%	32.2%	26.2%	27.8%	29.0%	28.1%	28.9%	29.0%	28.3%	<b>26.5%</b>	<b>28.0%</b>	Income Tax Rate	<b>30.0%</b>			
Cash Assets	1916	2678	2794	<b>BUSINESS:</b> 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%).													
Receivables	4154	4392	4919	16.7%	13.7%	13.8%	15.6%	14.5%	14.9%	15.1%	15.6%	16.0%	16.8%	<b>17.3%</b>	<b>17.3%</b>	Net Profit Margin	<b>18.1%</b>
Inventory (FIFO)	3518	3385	3838	4476.0	3759.0	5898.0	6126.0	6799.0	7430.0	5235.0	5767.0	3868.0	5507.0	<b>6750</b>	<b>6125</b>	Working Cap'l (\$mill)	<b>7400</b>
Other	1398	1271	1090	4019.0	5166.0	5097.0	4183.0	4484.0	4916.0	4326.0	6731.0	8799.0	10723	<b>10000</b>	<b>9500</b>	Long-Term Debt (\$mill)	<b>7500</b>
Current Assets	10986	11726	12641	11747	9879.0	12764	15663	15420	17575	17502	13109	11708	10298	<b>10825</b>	<b>10150</b>	Shr. Equity (\$mill)	<b>12250</b>
Accts Payable	1694	1798	1782	26.6%	23.6%	18.4%	21.5%	22.0%	20.1%	21.6%	25.3%	23.9%	24.4%	<b>25.5%</b>	<b>28.5%</b>	Return on Total Cap'l	<b>33.5%</b>
Debt Due	2044	972	213	34.9%	35.0%	25.0%	26.6%	27.8%	25.3%	26.6%	37.8%	41.3%	49.0%	<b>49.0%</b>	<b>54.5%</b>	Return on Shr. Equity	<b>55.0%</b>
Other	3380	3449	3702	23.1%	20.9%	13.8%	17.0%	17.7%	16.0%	16.7%	20.9%	19.4%	23.0%	<b>25.0%</b>	<b>26.5%</b>	Retained to Com Eq	<b>26.5%</b>
Current Liab.	7118	6219	5697	34%	40%	45%	36%	36%	37%	37%	45%	53%	53%	<b>49%</b>	<b>51%</b>	All Div'ds to Net Prof	<b>52%</b>

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

Sales	6.0%	6.0%	5.5%
"Cash Flow"	6.0%	8.0%	7.5%
Earnings	6.0%	7.5%	8.0%
Dividends	9.0%	13.5%	8.0%
Book Value	3.5%	-1.5%	1.0%

**3M turned in what we view as a disappointing second-quarter financial performance.** The diversified manufacturer reported share earnings of \$2.58, 24% higher than the year-earlier mark and well ahead of our estimate, but the most recent tally included a \$0.55 gain from the divestiture of a business. While we have decided to use the GAAP figure (given that management has said that it will continue to buy and sell businesses in order to streamline operations and get back to its roots), earnings per share were actually down a nickel on a year-over-year basis excluding this contribution, despite a substantially lower share count. The top line also continued to struggle to gain traction, increasing just 1.9%, to \$7.8 billion, in the most recent quarter.

**We were not overly excited with guidance, either.** Management said that it now expects to earn \$8.80 to \$9.05 a share for the full year, up a dime at the low end of its previous range. It was a similar story from a sales perspective, with the company now calling for 3% to 5% organic local-currency sales growth, up from its prior 2% to 5% forecast. We have tacked a nickel onto our full-year share-net estimate (now \$8.95), but look for share repurchases and other management-driven influences to continue to help mask soft operating results, the result of a less-than-ideal operating environment, and a maturing product portfolio. We have left intact our \$9.50 2018 share-net estimate, to reflect similar trends.

**Investors do not seem overly concerned.** Although the stock dipped immediately after the most recent earnings release, it has rallied back and is up approximately 8% in value since our July review, and 20% since the start of the year. It is neutrally ranked for Timeliness and offers unexciting prospects for the year ahead, though. And while the aforementioned momentum discounts a fair share of the growth potential we envision out to 2020-2022, this issue still holds some investment merit for risk-averse investors looking further out. Solid cash flow generation and top scores for Safety and Price Stability add appeal, as does MMM's income component. We advise buy-and-hold accounts to buy on dips.

*Andre J. Costanza*      *October 13, 2017*

(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.	Next earnings report due October 24th.	(C) In millions.	Company's Financial Strength	A++
(B) Dividends historically paid mid-March, June, September, and December. ■ Dividend reinvestment plan available.			Stock's Price Stability	100
			Price Growth Persistence	90
			Earnings Predictability	100