

# DOWDUPONT NYSE-DWDP

RECENT PRICE **71.44** P/E RATIO **25.1** (Trailing:NMF Median:NMF) RELATIVE P/E RATIO **1.22** DIV'D YLD **2.2%** 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: 73.9  
Low: 64.0  
Target Price Range  
2020 2021 2022

2020-22 PROJECTIONS  
Ann'l Total  
Price Gain Return  
High 90 (+25%) 9%  
Low 65 (-10%) 1%

Insider Decisions  
F M A M J J A S O  
to Buy 0 0 0 0 0 0 0 0 0 0  
Options 0 0 0 0 0 0 0 0 12  
to Sell 0 0 0 0 0 0 0 0 0

Institutional Decisions  
1Q2017 2Q2017 3Q2017  
to Buy 0 0 1356  
to Sell 0 0 315  
Hld's(000) 000 000 1683388

Percent shares traded  
15  
10  
5

% TOT. RETURN 11/17  
THIS STOCK VL ARITH. INDEX  
1 yr. 33.7 16.8  
3 yr. 64.5 30.2  
5 yr. 183.4 96.6

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
Sales per sh	--	--	--	--	--	--	--	--	--	--	33.25	36.45	Sales per sh	50.00
"Cash Flow" per sh	--	--	--	--	--	--	--	--	--	--	4.70	5.60	"Cash Flow" per sh	7.75
Earnings per sh A	--	--	--	--	--	--	--	--	--	--	2.95	3.70	Earnings per sh A	5.10
Div'ds Decl'd per sh E	--	--	--	--	--	--	--	--	--	--	1.52	1.60	Div'ds Decl'd per sh E	2.25
Cap'l Spending per sh	--	--	--	--	--	--	--	--	--	--	1.40	1.65	Cap'l Spending per sh	2.85
Book Value per sh	--	--	--	--	--	--	--	--	--	--	43.90	45.55	Book Value per sh	51.20
Common Shs Outst'g B	--	--	--	--	--	--	--	--	--	--	2300.0	2250.0	Common Shs Outst'g B	2100.0
Avg Ann'l P/E Ratio	--	--	--	--	--	--	--	--	--	--	23.9		Avg Ann'l P/E Ratio	15.0
Relative P/E Ratio	--	--	--	--	--	--	--	--	--	--	1.18		Relative P/E Ratio	.95
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	--	2.2%		Avg Ann'l Div'd Yield	2.9%
Sales (\$mill)	--	--	--	--	--	--	--	--	--	--	76500	82000	Sales (\$mill)	105000
Operating Margin	--	--	--	--	--	--	--	--	--	--	16.0%	17.5%	Operating Margin	17.5%
Depreciation (\$mill)	--	--	--	--	--	--	--	--	--	--	4000	4250	Depreciation (\$mill)	5500
Net Profit (\$mill)	--	--	--	--	--	--	--	--	--	--	6815	8360	Net Profit (\$mill)	10760
Income Tax Rate	--	--	--	--	--	--	--	--	--	--	30.0%	20.0%	Income Tax Rate	20.0%
Net Profit Margin	--	--	--	--	--	--	--	--	--	--	8.9%	10.2%	Net Profit Margin	10.2%
Working Cap'l (\$mill)	--	--	--	--	--	--	--	--	--	--	28000	30000	Working Cap'l (\$mill)	35000
Long-Term Debt (\$mill)	--	--	--	--	--	--	--	--	--	--	30000	32000	Long-Term Debt (\$mill)	38000
Shr. Equity (\$mill)	--	--	--	--	--	--	--	--	--	--	101000	102500	Shr. Equity (\$mill)	107500
Return on Total Cap'l	--	--	--	--	--	--	--	--	--	--	5.5%	6.5%	Return on Total Cap'l	8.0%
Return on Shr. Equity	--	--	--	--	--	--	--	--	--	--	6.5%	8.0%	Return on Shr. Equity	10.0%
Retained to Com Eq	--	--	--	--	--	--	--	--	--	--	3.5%	4.5%	Retained to Com Eq	5.5%
All Div'ds to Net Prof	--	--	--	--	--	--	--	--	--	--	51%	43%	All Div'ds to Net Prof	44%

CAPITAL STRUCTURE as of 9/30/17  
Total Debt \$36901 mill. Due in 5 Yrs \$18457 mill.  
LT Debt \$29819 mill. LT Interest \$1125 mill. (22% of Cap'l)

Pfd Stock None

Common Stock 2,339,990,261 shs.  
as of 10/31/17  
MARKET CAP: \$167 billion (Large Cap)

CURRENT POSITION (\$MILL.)	2015	2016	9/30/17
Cash Assets	--	--	14974
Receivables	--	--	11250
Inventory (Avg Cost)	--	--	17255
Other	--	--	11322
Current Assets	--	--	54801
Accts Payable	--	--	11510
Debt Due	--	--	7082
Other	--	--	8686
Current Liab.	--	--	27278

**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.

ANNUAL RATES of change (per sh)	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

**Shares of DowDuPont have traded in a fairly narrow range over the past three months.** The Agriculture segment continued to experience pricing and volume headwinds in the September period, driven by weakness in Latin America as sales channels held high levels of crop protection products. This was partly offset by the penetration of new offerings. Elsewhere, the Materials Science segment benefited from healthy sales figures across the board, and the Specialty Products segment delivered solid results.

**The board of directors has authorized an initial \$4 billion share-repurchase program.** The buyback plan has no expiration date. Share repurchases in the coming years ought to be supported by healthy cash flow from operations.

Cal-endar	QUARTERLY SALES (\$ mill.) C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	--	--	--	--	--
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	--	--	15354	19000	76500
2018	19500	21000	19500	22000	82000

**The newly combined entity is on track with its integration efforts following the close of the merger last August.** It has acquired FMC Corporation's Health and Nutrition business. Moreover, the company has begun to prepare for the separation of its operation into three independent businesses. Looking forward, DowDuPont will probably continue to experience challenges in the near term, especially in agricultural markets. In the plus column, the demand outlook appears favorable for the majority of the company's key end markets. Efforts to reduce costs ought to boost profitability here.

**These shares remain unranked for Timeliness due to their short trading history.** The combined entity has only reported quarterly performance once thus far. As a result, the quarterly breakdown is unavailable for the first and second periods of 2017. We believe that consolidated data for the full-year will be available in the Form 10-K following the company's fourth-quarter earnings release. This is expected to occur in February.

Cal-endar	EARNINGS PER SHARE A C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	--	--	--	--	--
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	--	--	.32	.68	2.95
2018	.85	1.00	.80	1.05	3.70

Cal-endar	QUARTERLY DIVIDENDS PAID E				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	--	--	--	--	--
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	--	--	--	.38	
2018					

**Our model indicates that subscribers can probably find more-attractive choices elsewhere at this juncture.**

We envision greater sales and significant bottom-line improvement for the company over the pull to early next decade. However, this appears to be partly discounted by the recent quotation, and long-term appreciation potential is below the Value Line median.

Michael Napoli, CFA January 5, 2018

(A) Based on diluted shares. Next earnings report due early February.  
(B) In millions.  
(C) Quarterly breakdown for 2017 not available; totals do not sum.  
(D) Unranked due to short trading history.  
(E) Dividend initiated in December of 2017.

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

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