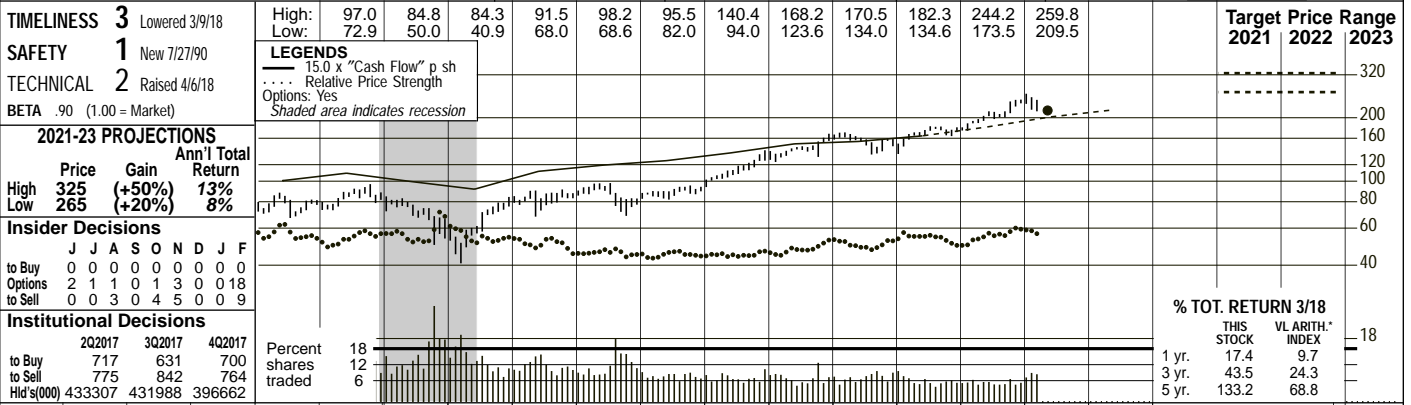


3M COMPANY NYSE-MMM

RECENT PRICE **216.33** P/E RATIO **21.2** (Trailing: 23.6 Median: 15.0) RELATIVE P/E RATIO **1.15** DIV'D YLD **2.5%** VALUE LINE



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	53.22	57.20	60.35	Sales per sh	73.65
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	10.93	12.04	13.45	14.55	14.55	"Cash Flow" per sh	18.20
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	9.17	10.60	11.50	Earnings per sh ^A	14.75
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	4.70	5.44	5.82	Div'ds Decl'd per sh ^B	7.10
.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	2.31	2.55	2.65	Cap'l Spending per sh	3.20
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	19.54	22.90	27.60	Book Value per sh	34.15
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	594.88	590.00	580.00	Common Shs Outst'g ^C	550.00
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	22.3	20.6	22.3	Avg Ann'l P/E Ratio	20.0
1.33	1.30	1.16	1.01	.82	.80	.88	.94	.92	.91	.90	.96	1.01	1.04	1.08	1.14	1.08	1.14	Relative P/E Ratio	1.10
2.00	1.9%	1.8%	2.2%	2.4%	2.3%	2.8%	3.2%	2.5%	2.5%	2.7%	2.2%	2.4%	2.6%	2.6%	2.3%	2.6%	2.3%	Avg Ann'l Div'd Yield	2.4%

CAPITAL STRUCTURE as of 12/31/17		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
Total Debt	\$13949 mill. Due in 5 Yrs \$6686 mill.	25269	23123	26662	29611	29904	30871	31821	30274	30109	31657	33750	35000	Sales (\$mill)	40500						
LT Debt	\$12096 mill. LT Interest \$279.2 mill. (47% of Capital)	25.2%	25.8%	26.4%	25.0%	26.0%	26.0%	26.8%	27.7%	28.9%	29.5%	30.0%	30.5%	Operating Margin	31.5%						
Leases, Uncapitalized:	Annual rentals \$258 mill.	1153.0	1157.0	1120.0	1236.0	1288.0	1371.0	1408.0	1435.0	1474.0	1544	1625	1700	Depreciation (\$mill)	2000						
Pension Assets-12/17	\$22.4 bill. Oblig. \$24.9 bill.	3460.0	3193.0	4169.0	4283.0	4444.0	4659.0	4956.0	4833.0	5050.0	5620	6300	6750	Net Profit (\$mill)	8000						
Preferred Stock	None	33.4%	32.2%	26.2%	27.8%	29.0%	28.1%	28.9%	29.0%	28.3%	25.4%	21.0%	21.5%	Income Tax Rate	22.0%						
Common Stock	594,884,237 shares	13.7%	13.8%	15.6%	14.5%	14.9%	15.1%	15.6%	16.0%	16.8%	17.8%	18.7%	19.3%	Net Profit Margin	19.8%						
MARKET CAP:	\$129.0 billion (Large Cap)	3759.0	5898.0	6126.0	6799.0	7430.0	5235.0	5767.0	3868.0	5507.0	6590	7600	7750	Working Cap'l (\$mill)	8700						
CURRENT POSITION (SMILL.)		5166.0	5097.0	4183.0	4484.0	4916.0	4326.0	6731.0	8799.0	10723	12096	11000	10000	Long-Term Debt (\$mill)	8000						
Cash Assets	1916	2678	4129											Shr. Equity (\$mill)	18775						
Receivables	4154	4392	4911											Return on Total Cap'l	27.0%						
Inventory (FIFO)	3518	3385	4034											Return on Shr. Equity	42.5%						
Other	1398	1271	1203											Retained to Com Eq	22.0%						
Current Assets	10986	11726	14277											All Div'ds to Net Prof	49%						
Accts Payable	1694	1798	1945																		
Debt Due	2044	972	1853																		
Other	3380	3449	3889																		
Current Liab.	7118	6219	7687																		

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 (34.5% of 2017 sales); Safety & Graphics (19.4%); Health Care (18.4%); Electronics and Energy (16.3%); Consumer (14.5%).

Elimination of Dual Credit was a 3.1% drag. 2017 R&D: \$1.9 billion, 5.8% of sales. Employs about 91,536. Officers & directors own less than 1.0% of common stock; The Vanguard Group, 8.2%; State Street, 7.6%; BlackRock, 6.8% (3/18 proxy). Chairman, President, & CEO: Inge G. Thulin. Incorporated: DE. Address: 3M Center, St. Paul, MN 55144. Telephone: 651-733-1110. Internet: www.3m.com.

3M stock has hit a rough patch of late. Indeed, on the heels of a strong performance in 2017, investor sentiment took a turn for the worse in February, and the stock is well off its year-to-date high. That said, we think the selloff is a bit unwarranted, and had more to do with the overall sluggishness of the industrial sector rather than company-specific reasons. **The global conglomerate reported another round of better-than-expected results for the fourth quarter of 2017.** Although share repurchase activity was slower than anticipated, a top-line beat more than picked up the slack and drove an 11.7% earnings improvement over the prior-year tally. The \$2.10-a-share result was also \$0.07 higher than our estimate. Sales were strong across the board, but the 3.0% gain registered in the United States was somewhat surprising as well as encouraging, given that domestic growth had been hard to come by in recent years. **We've upped our 2018 expectations.** On top of the aforementioned success, management raised its earnings-per-share guidance to \$10.20-\$10.70, from \$9.60-\$10.00. It maintained its 3%-5% organic sales forecast, but lowered its anticipated tax rate about six percentage points, to 20%-22% based on the U.S. Tax Cuts and Jobs Act. Although margin growth was not as impressive in the December quarter as we've been accustomed to seeing out of 3M, we think that further cost savings will be realized as management continues to streamline the business. All told, we now look for the company to post earnings of \$10.60 a share for all of 2018, \$0.75 above our previous call. **Our initial 2019 share-earnings call assumes lower, albeit still healthy, momentum.** While top-line growth and contributions from tax rate reform are likely to slow, margin gains and share repurchases ought to enable earnings to reach the \$11.50-a-share vicinity. **The recent pullback in price presents a buying opportunity, in our view.** This neutrally ranked stock now offers worthwhile 3- to 5-year total return potential, especially on a risk-adjusted basis. The company's strong cash flow generation ought to remain a boon for years to come, underpinning a fair share of our optimism. *Andre J. Costanza April 13, 2018*

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	7578	7686	7712	7298	30274
2016	7409	7662	7709	7329	30109
2017	7685	7810	8172	7990	31657
2018	8275	8475	8700	8300	33750
2019	8600	8750	9000	8650	35000

(A) Diluted earnings. Excludes nonrecurring: '10, (12c). Excludes discontinued: '06, 47c; '07, 60c; '17, (\$1.24). Earnings may not sum due to rounding or changes in shares outstanding. (B) Dividends historically paid mid-March, June, September, and December. (C) In millions.