

DOWDUPONT NYSE-DWDP

RECENT PRICE **49.09**

P/E RATIO **12.0**

13.5 NMF

RELATIVE P/E RATIO **0.84**

DIV'D YLD **3.4%**

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

77.1
49.0

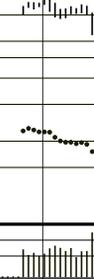
Target Price Range
2021 2022 2023

2021-23 PROJECTIONS
Ann'l Total
Price Gain Return
High 105 (+115%) 23%
Low 75 (+55%) 14%

Insider Decisions
F M A M J J A S O
to Buy 0 0 0 0 0 0 1 0 0
Options 5 13 14 2 14 0 4 12 0
to Sell 2 1 0 2 2 0 1 0 0

Institutional Decisions
1Q2018 2Q2018 3Q2018
to Buy 800 795 799
to Sell 891 841 820
Hld's(000)162635416244911631944

Percent 15
shares 10
traded 5



% TOT. RETURN 11/18
THIS STOCK VL ARITH. INDEX
1 yr. -17.7 0.2
3 yr. 21.9 33.1
5 yr. 73.6 40.9

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.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^c	2018	2019	© VALUE LINE PUB. LLC	21-23
Sales per sh	--	--	--	--	--	--	--	--	--	34.17	38.20	41.35	Sales per sh	54.75
"Cash Flow" per sh	--	--	--	--	--	--	--	--	--	4.81	6.45	7.35	"Cash Flow" per sh	9.90
Earnings per sh ^A	--	--	--	--	--	--	--	--	--	3.07	3.80	4.40	Earnings per sh ^A	6.00
Div'ds Decl'd per sh ^E	--	--	--	--	--	--	--	--	--	.38	1.52	1.68	Div'ds Decl'd per sh ^E	2.20
Cap'l Spending per sh	--	--	--	--	--	--	--	--	--	1.53	1.50	1.80	Cap'l Spending per sh	2.60
Book Value per sh	--	--	--	--	--	--	--	--	--	43.11	44.55	47.10	Book Value per sh	55.70
Common Shs Outst'g ^B	--	--	--	--	--	--	--	--	--	2327.3	2290.0	2250.0	Common Shs Outst'g ^B	2100.0
Avg Ann'l P/E Ratio	--	--	--	--	--	--	--	--	--	17.7	17.3		Avg Ann'l P/E Ratio	15.0
Relative P/E Ratio	--	--	--	--	--	--	--	--	--	.88	.92		Relative P/E Ratio	.85
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	.7%	2.3%		Avg Ann'l Div'd Yield	2.4%
Sales (\$mill)	--	--	--	--	--	--	--	--	--	79535	87500	93000	Sales (\$mill)	115000
Operating Margin	--	--	--	--	--	--	--	--	--	14.0%	15.0%	16.0%	Operating Margin	16.5%
Depreciation (\$mill)	--	--	--	--	--	--	--	--	--	3969	6000	6500	Depreciation (\$mill)	8000
Net Profit (\$mill)	--	--	--	--	--	--	--	--	--	7223	8800	10000	Net Profit (\$mill)	12750
Income Tax Rate	--	--	--	--	--	--	--	--	--	7.5%	20.0%	21.0%	Income Tax Rate	21.0%
Net Profit Margin	--	--	--	--	--	--	--	--	--	9.1%	10.1%	10.8%	Net Profit Margin	11.1%
Working Cap'l (\$mill)	--	--	--	--	--	--	--	--	--	23765	20000	25000	Working Cap'l (\$mill)	35000
Long-Term Debt (\$mill)	--	--	--	--	--	--	--	--	--	30056	28500	31000	Long-Term Debt (\$mill)	40000
Shr. Equity (\$mill)	--	--	--	--	--	--	--	--	--	100330	102000	106000	Shr. Equity (\$mill)	117000
Return on Total Cap'l	--	--	--	--	--	--	--	--	--	6.0%	7.0%	7.5%	Return on Total Cap'l	8.5%
Return on Shr. Equity	--	--	--	--	--	--	--	--	--	7.2%	8.5%	9.5%	Return on Shr. Equity	11.0%
Retained to Com Eq	--	--	--	--	--	--	--	--	--	6.3%	5.0%	6.0%	Retained to Com Eq	7.0%
All Div'ds to Net Prof	--	--	--	--	--	--	--	--	--	12%	40%	38%	All Div'ds to Net Prof	36%

CAPITAL STRUCTURE as of 9/30/18
Total Debt \$35168 mill. Due in 5 Yrs \$20391 mill.
LT Debt \$27293 mill. LT Interest \$1120 mill.
(21% of Cap'l)

Pfd Stock None

Common Stock 2,294,243,816 shs.
as of 10/31/18
MARKET CAP: \$113 billion (Large Cap)

CURRENT POSITION (\$MILL.)	2016	2017	9/30/18
Cash Assets	--	14394	7309
Receivables	--	11314	14542
Inventory (Avg Cost)	--	16992	16441
Other	--	7193	7113
Current Assets	--	49893	45405
Accts Payable	--	12861	12952
Debt Due	--	4015	7875
Other	--	9252	6853
Current Liab.	--	26128	27680

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Sales	--	--	NMF
"Cash Flow"	--	--	NMF
Earnings	--	--	NMF
Dividends	--	--	NMF
Book Value	--	--	NMF

Cal-endar	QUARTERLY SALES (\$ mill.) ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	--	--	--	20066	79535
2018	21510	24245	20123	21622	87500
2019	22500	25000	22500	23000	93000

Cal-endar	EARNINGS PER SHARE ^{A C}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	--	--	--	.74	3.07
2018	1.01	1.26	.63	.90	3.80
2019	1.15	1.40	.80	1.05	4.40

Cal-endar	QUARTERLY DIVIDENDS PAID ^E				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	--	--	--	--	--
2016	--	--	--	--	--
2017	--	--	--	.38	.38
2018	.38	.38	.38	.38	
2019					

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 eight reportable segments. Off. & dir. own .4% of

common stock; The Vanguard Group, 7.4%; BlackRock, Inc., 6.7% (3/18 proxy). Executive Chairman: Jeff M. Fettig. Chief Executive Officer: Edward D. Breen. Inc.: DE. Dow Chemical addr.: 2211 H.H. Dow Way, Midland, MI 48674. Dow Chemical tel.: 800-422-8193. DuPont addr.: 974 Centre Road, Wilmington, DE 19805. DuPont tel.: 302-774-3034. Web: www.dow-duPont.com.

DowDuPont posted solid top-line results for the third quarter. Sales of \$20.1 billion marked an increase of 10%, on a year-over-year pro-forma basis. Volume increased 5%, with gains in all divisions and regions. Growth was particularly strong in the Asia/Pacific region. The Industrial Intermediates & Infrastructure and Nutrition & Biosciences lines reported especially healthy sales advances. However, expenses also increased, and earnings per share of \$0.63 were somewhat below the pro-forma tally of \$0.69 from the prior-year period.

with separation plans. The company is expected to split into three distinct entities by June of 2019. The Materials Science Division will be called Dow. The Agriculture Division will be named Corteva Agriscience, and the Specialty Products Division will be named DuPont. The senior leadership teams for the three businesses have been announced, as well as the boards of directors.

Shares of DowDuPont did not fare well in 2018. The stock sold off significantly during the fourth quarter, in conjunction with weakness in the broader equity market. As a diversified chemicals manufacturer, DowDuPont can be particularly vulnerable to a downturn in the global economy. A measure of unevenness may well impact performance here in the near term. We have lowered our sales and share-net estimates for 2018 and 2019 somewhat, but still anticipate solid growth for these years.

Long-term prospects look favorable for these businesses. The company appears to be well positioned in markets with attractive long-term growth potential. DowDuPont ought to benefit as broad-based consumer strength drives economic expansion. Much of the company's portfolio is likely to experience healthy growth in the coming years.

This stock remains unranked for year-ahead performance, due to its short trading history. From the recent quotation, this equity offers attractive long-term total return potential. This is supported by a healthy dividend yield. Patient investors seeking exposure to the diversified chemicals industry should take a closer look.

DowDuPont continues to progress

Michael Napoli, CFA January 4, 2019

(A) Based on diluted shares. Excludes non-recurring gain (loss): '17, (\$1.90); '18, (\$1.04). Next earnings report due early February.
(B) In millions.

(C) Results for 2017 based on Pro forma data. Quarterly breakdown not available for 2017; totals do not sum.
(D) Unranked due to short trading history.

(E) Dividend initiated in December of 2017. Dividends paid in March, June, September, and December.

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

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