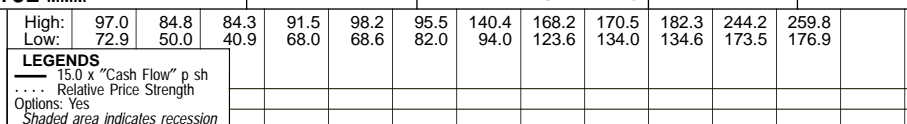


3M COMPANY NYSE-MMM

RECENT PRICE **190.54** P/E RATIO **18.5** (Trailing: 19.5; Median: 16.0) RELATIVE P/E RATIO **1.23** DIV'D YLD **2.9%** VALUE LINE

TIMELINESS 4 Lowered 10/12/18
SAFETY 1 New 7/27/90
TECHNICAL 3 Raised 1/4/19
BETA .95 (1.00 = Market)



Target Price Range	2021	2022	2023

2021-23 PROJECTIONS

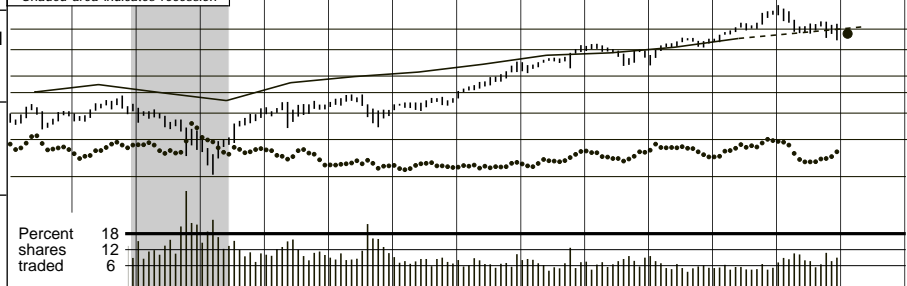
	Price	Gain	Ann'l Total Return
High	315	(+65%)	16%
Low	255	(+35%)	10%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	1
Options	18	0	0	1	2	0	2	1	1
to Sell	9	0	0	0	0	0	1	1	0

Institutional Decisions

	1Q2018	2Q2018	3Q2018
to Buy	757	797	801
to Sell	946	873	820
Hlds(000)	390766	389743	392107



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	56.60	58.70	Sales per sh	71.55
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	12.04	12.85	13.75	"Cash Flow" per sh	17.50
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	10.00	10.85	Earnings per sh ^A	14.00
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	2.35	2.55	Cap'l Spending per sh	3.00
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	19.44	19.45	21.95	Book Value per sh	30.75
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	578.00	570.00	Common Shs Outst'g ^C	545.00
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	21.1		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	1.12	1.12		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%		Avg Ann'l Div'd Yield	2.5%

CAPITAL STRUCTURE as of 9/30/18

Total Debt \$14846 mill. Due in 5 Yrs \$7512 mill.
 LT Debt \$13539 mill. LT Interest \$310.0 mill. (48% of Capital)

Leases, Uncapitalized: Annual rentals \$258 mill.
 Pension Assets-12/17 \$22.4 bill. Oblig. \$24.9 bill.

Preferred Stock None
 Common Stock 582,287,135 shares

MARKET CAP: \$111 billion (Large Cap)

CURRENT POSITION (SMILL.)

	2016	2017	9/30/18
Cash Assets	2678	4129	3523
Receivables	4392	4911	5329
Inventory (FIFO)	3385	4034	4437
Other	1271	1203	1130
Current Assets	11726	14277	14419
Accts Payable	1798	1945	2029
Debt Due	972	1853	1307
Other	3449	3889	4000
Current Liab.	6219	7687	7336

25269	23123	26662	29611	29904	30871	31821	30274	30109	31657	32725	33450	Sales (\$mill)	39000
25.2%	25.8%	26.4%	25.0%	26.0%	26.0%	26.8%	27.7%	28.9%	29.6%	28.5%	29.0%	Operating Margin	30.0%
1153.0	1157.0	1120.0	1236.0	1288.0	1371.0	1408.0	1435.0	1474.0	1544.0	1500	1550	Depreciation (\$mill)	1800
3460.0	3193.0	4169.0	4283.0	4444.0	4659.0	4956.0	4833.0	5050.0	5620.0	5925	6300	Net Profit (\$mill)	7750
33.4%	32.2%	26.2%	27.8%	29.0%	28.1%	28.9%	29.0%	28.3%	25.4%	20.5%	21.5%	Income Tax Rate	22.0%
13.7%	13.8%	15.6%	14.5%	14.9%	15.1%	15.6%	16.0%	16.8%	17.8%	18.1%	18.8%	Net Profit Margin	19.9%
3759.0	5898.0	6126.0	6799.0	7430.0	5235.0	5767.0	3868.0	5507.0	6590.0	8500	8500	Working Cap'l (\$mill)	9000
5166.0	5097.0	4183.0	4484.0	4916.0	4326.0	6731.0	8799.0	10723	12156	13500	12500	Long-Term Debt (\$mill)	8000
9879.0	12764	15663	15420	17575	17502	13109	11708	10298	11563	11250	12500	Shr. Equity (\$mill)	16750
23.6%	18.4%	21.5%	22.0%	20.1%	21.6%	25.3%	23.9%	24.4%	24.3%	24.0%	25.5%	Return on Total Cap'l	31.5%
35.0%	25.0%	26.6%	27.8%	25.3%	26.6%	37.8%	41.3%	49.0%	48.6%	NMF	NMF	Return on Shr. Equity	46.5%
20.9%	13.8%	17.0%	17.7%	16.0%	16.7%	20.9%	19.4%	23.0%	24.4%	25.0%	23.5%	Retained to Com Eq	22.5%
40%	45%	36%	36%	37%	37%	45%	53%	53%	50%	53%	53%	All Div'ds to Net Prof	51%

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Sales	5.0%	4.5%	5.5%
"Cash Flow"	5.5%	7.0%	8.0%
Earnings	5.5%	6.5%	9.5%
Dividends	9.5%	14.5%	8.0%
Book Value	2.5%	-4.5%	9.5%

QUARTERLY SALES (\$mill.)

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	8278	8390	8152	7905	32725
2019	8250	8525	8425	8250	33450

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	1.85	2.02	2.05	1.66	7.58
2016	2.05	2.08	2.15	1.88	8.16
2017	2.16	2.58	2.33	2.10	9.17
2018	2.50	2.59	2.58	2.32	10.00
2019	2.65	2.75	2.85	2.60	10.85

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	1.025	1.025	1.025	1.025	4.10
2016	1.11	1.11	1.11	1.11	4.44
2017	1.175	1.175	1.175	1.175	4.70
2018	1.360	1.360	1.360	1.360	5.44
2019					

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%).

3M reported disappointing third-quarter operating results. While earnings improved 11% on a year-over-year basis, the \$2.58 share-net figure came up more than a dime short of the consensus, as well as our estimate, despite healthy stock repurchases. A top-line miss was the primary reason for the underperformance, with sales decreasing 0.2%, to \$8.2 billion, in the period. We had been looking for sales of about \$8.4 billion, but international business was far weaker than anticipated, falling 3.9% overall. Segmentwise, declines at Health Care, Electronics and Energy, and Consumer offset gains at the Industrial and Safety & Graphics arms.

The multinational probably ran into further trouble in the fourth quarter. Management lowered both its top- and bottom-line expectations for all of 2018, pointing to previously unaccounted for headwinds. Specifically, it now anticipates having earned between \$9.90 and \$10.00 a share, down from its earlier \$10.20 to \$10.45 range. Full-year organic local currency sales growth is now expected to come in at 3% sales growth, where leader-

ship had been forecasting a 3%-4% increase. We've tempered our assumptions accordingly and now look for 3M to earn \$10.00 a share for all of 2018, on \$32.725 billion in sales, assuming that share repurchases and a lower tax rate remained catalysts in the December quarter.

The operating environment will likely remain less than ideal this year. The likelihood of ongoing pressures from the United States' trade wars, as well as rising inflation and slowing global economic growth, paints an unfavorable picture for most of 3M's businesses. Thus, a fair portion of the share-earnings growth we are predicting in 2019 will probably stem from further stock buybacks.

These shares have not been immune to the overall market's recent turbulence and have remained on the decline in recent months. As such, they are unfavorably ranked for Timeliness. The long-term picture is better, on a risk-adjusted basis, though, especially when the company's well-covered dividend is factored in. Strong cash flow generation should aid in further M&A activity, too.

Andre J. Costanza January 11, 2019

(A) Diluted earnings. Excludes nonrecurring: '10, (12c). Excludes discontinued: '06, 47c; '07, 60c; '17, (\$1.24); '18 (\$1.06). Earnings may not sum due to rounding or changes in

shares outstanding. Next earnings report due late January. (B) Dividends historically paid mid-March, June, September, and December. ■ Dividend

reinvestment plan available. (C) In millions.

Company's Financial Strength		A++
Stock's Price Stability		95
Price Growth Persistence		85
Earnings Predictability		100