ModernGraham Valuation

Company Name:

Company Ticker MMM

Date of Analysis

9/10/2015

3M Co



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	Pass
3.	Earnings Stability	Positive EPS for 10 years prior	Pass
	Dividend Record	Dividend Payments for 10 years prior Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass Pass
	Moderate PEmg Ratio	PEmg < 20	Pass
	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	Pass
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

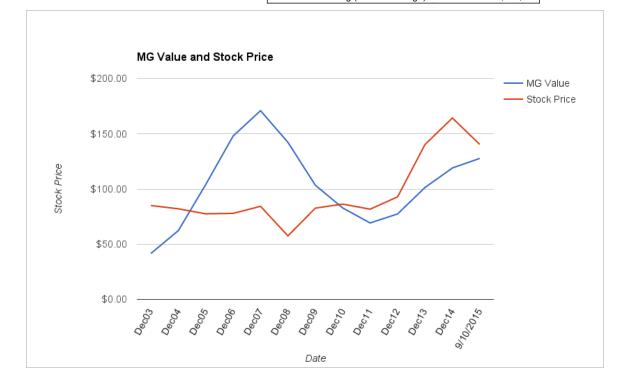
Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

	MG Growth Estimate		
		4.72	%
	MG Value	\$127.7	73
	MG Value based on 3% Growth	\$103.2	26
	MG Value based on 0% Growth	\$60.5	53
	Market Implied Growth Rate	5.60	%
MG Opinion			
	Current Price	\$140.3	86
	% of Intrinsic Value	109.89	%
	Opinion	Fairly Valued	
Stage 3: Infor	mation for Further Research		
	Net Current Asset Value (NCAV)	-\$7.5	56
	Graham Number	\$59.9	95
	PEmg	19.7	71
	Current Ratio	2.6	64
	PB Ratio	6.8	39
	Dividend Yield	2.68	%
	Number of Consecutive Years of Dividend Growth	2	20
Useful Links:	ModernGraham tagged articles	Morningstar	
	Google Finance	MSN Money	
	Yahoo Finance	Seeking Alpha	
	GuruFocus	SEC Filings	
-	Opinion mation for Further Research Net Current Asset Value (NCAV) Graham Number PEmg Current Ratio PB Ratio Dividend Yield Number of Consecutive Years of Dividend Growth ModernGraham tagged articles Google Finance Yahoo Finance	Fairly Valued -\$7.5 \$59.5 19.7 2.6 6.5 2.68 2 Morningstar MSN Money Seeking Alpha	56 95 71 54 39 %

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$7.62	Next Fiscal Year Estimate	\$7.12
Dec14	\$7.49	Dec14	\$6.72
Dec13	\$6.72	Dec13	\$6.17
Dec12	\$6.32	Dec12	\$5.75
Dec11	\$5.96	Dec11	\$5.42
Dec10	\$5.63	Dec10	\$5.14
Dec09	\$4.52	Dec09	\$4.88
Dec08	\$4.89	Dec08	\$4.93
Dec07	\$5.60	Dec07	\$4.74
Dec06	\$5.06	Dec06	\$4.10
Dec05	\$4.12	Dec05	\$3.43
Dec04	\$3.75	Dec04	\$2.94
Dec03	\$3.02	Dec03	\$2.47
Dec02	\$2.50	Dec02	\$2.14
Dec01	\$1.79	Dec01	\$1.98
Dec00	\$2.23	Dec00	\$2.07
Dec99	\$2.17	Dec99	\$1.93
Dec98	\$1.44	Balance Sheet Information	Jun15
Dec97	\$2.53	Total Current Assets	\$13,431,000,000
Dec96	\$1.83	Total Current Liabilities	\$5,095,000,000
Dec95	\$1.16	Long-Term Debt	\$8,431,000,000
		Total Assets	\$31,388,000,000
		Intangible Assets	\$8,340,000,000
		Total Liabilities	\$18,295,000,000
		Shares Outstanding (Diluted Average)	643,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other	21 Companies in the Spotlight This Week - 5/9/15
ModernGraham posts about the	3M Company Quarterly Valuation – May 2015 \$MMM
company	34 Companies in the Spotlight This Week – 2/7/15
	3M Company Quarterly Valuation – February 2015 \$MMM
	27 Companies in the Spotlight This Week – 11/8/14
Other	Honeywell International Inc. Analysis – July 2015 Update \$HON
ModernGraham posts about related	Raven Industries Inc. Analysis – Initial Coverage \$RAVN
companies	Illinois Tool Works Analysis – July 2015 Update \$ITW
	3M Company Quarterly Valuation – May 2015 \$MMM
	Honeywell International Inc. Quarterly Valuation – May 2015 \$HON
	Illinois Tool Works Inc. Quarterly Valuation – March 2015 \$ITW
	General Electric Annual Valuation – 2015 \$GE
	3M Company Quarterly Valuation – February 2015 \$MMM
	Honeywell International Inc. Quarterly Valuation – January 2015 \$HON
	Illinois Tool Works Quarterly Valuation – December 2014 \$ITW