

ModernGraham Valuation

Company Name:

Company Ticker DD
Date of Analysis

E I Du Pont De
Nemours And Co

2/26/2016



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	\$52,837,057,292	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.71	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	22.34%	Fail
6. Moderate PEmg Ratio	PEmg < 20	18.81	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.44	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	1.71	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.03	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.21
MG Growth Estimate	1.00%
MG Value	\$33.74
MG Value based on 3% Growth	\$46.56
MG Value based on 0% Growth	\$27.30
Market Implied Growth Rate	5.16%

MG Opinion

Current Price	\$60.42
% of Intrinsic Value	179.07%
Opinion	Overvalued
MG Grade	C

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$14.92
Graham Number	\$27.03
PEmg	18.81
Current Ratio	1.71
PB Ratio	5.44
Dividend Yield	2.85%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.90	Next Fiscal Year Estimate	\$3.21
Dec2015	\$2.16	Dec2015	\$3.43
Dec2014	\$3.92	Dec2014	\$3.98
Dec2013	\$5.18	Dec2013	\$3.80
Dec2012	\$2.91	Dec2012	\$3.01
Dec2011	\$3.68	Dec2011	\$2.99
Dec2010	\$3.28	Dec2010	\$2.70
Dec2009	\$1.92	Dec2009	\$2.46
Dec2008	\$2.20	Dec2008	\$2.66
Dec2007	\$3.22	Dec2007	\$2.69
Dec2006	\$3.38	Dec2006	\$2.09
Dec2005	\$2.07	Dec2005	\$1.48
Dec2004	\$1.77	Dec2004	\$1.32
Dec2003	\$0.96	Dec2003	\$1.61
Dec2002	-\$1.12	Dec2002	\$2.37
Dec2001	\$4.16	Dec2001	\$4.03
Dec2000	\$2.19	Dec2000	\$3.86
Dec1999	\$6.99	Balance Sheet Information Dec2015	
Dec1998	\$3.90	Total Current Assets	\$17,755,000,000
Dec1997	\$2.08	Total Current Liabilities	\$10,353,000,000
Dec1996	\$3.18	Long-Term Debt	\$7,642,000,000
		Total Assets	\$41,166,000,000
		Intangible Assets	\$8,392,000,000
		Total Liabilities	\$31,173,000,000
		Shares Outstanding (Diluted Average)	899,527,000





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:

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[E I Du Pont de Nemours & Company Analysis – August 2015 Update \\$DD](#)
[E. I. Du Pont De Nemours and Company Quarterly Valuation – May 2015 \\$DD](#)
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