

ModernGraham Valuation



Company Name:

E I Du Pont De Nemours And Co

Company Ticker DD

Date of Analysis

8/28/2016

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	\$60,385,212,650	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.16	Pass
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	25.61%	Fail
6. Moderate PEmg Ratio	PEmg < 20	21.16	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.92	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	2.16	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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	\$3.29
MG Growth Estimate	1.27%
MG Value	\$36.35
MG Value based on 3% Growth	\$47.72
MG Value based on 0% Growth	\$27.98
Market Implied Growth Rate	6.33%

MG Opinion

Current Price	\$69.65
% of Intrinsic Value	191.60%
Opinion	Overvalued
MG Grade	C+

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.74
Graham Number	\$28.57
PEmg	21.16
Current Ratio	2.16
PB Ratio	5.92
Current Dividend	\$1.52
Dividend Yield	2.18%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.14	Next Fiscal Year Estimate	\$3.29
Dec2015	\$2.16	Dec2015	\$3.44
Dec2014	\$3.92	Dec2014	\$3.99
Dec2013	\$5.18	Dec2013	\$3.82
Dec2012	\$2.91	Dec2012	\$3.03
Dec2011	\$3.77	Dec2011	\$3.02
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	-\$1.11	Dec2002	\$2.37
Dec2001	\$4.16	Dec2001	\$4.03
Dec2000	\$2.19	Dec2000	\$3.86
Dec1999	\$6.99	Balance Sheet Information	
Dec1998	\$3.90	6/1/2016	
Dec1997	\$2.08	Total Current Assets	\$18,091,000,000
Dec1996	\$3.18	Total Current Liabilities	\$8,378,000,000
		Long-Term Debt	\$0
		Total Assets	\$42,266,000,000
		Intangible Assets	\$8,212,000,000
		Total Liabilities	\$31,929,000,000
		Shares Outstanding (Diluted Average)	879,179,000





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 ModernGraham posts about the company

- [5 Overvalued Dow Components – July 2016](#)
- [E.I. du Pont de Nemours Valuation – February 2016 \\$DD](#)
- [E I du Pont de Nemours & Co Valuation – November 2015 Update \\$DD](#)
- [E.I. du Pont de Nemours Valuation – February 2016 \\$DD](#)
- [E I du Pont de Nemours & Co Valuation – November 2015 Update \\$DD](#)

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- [3M Company Valuation – August 2016 \\$MMM](#)
- [General Electric Co Valuation – July 2016 \\$GE](#)
- [Illinois Tool Works Inc Valuation – July 2016 \\$ITW](#)
- [Raven Industries Inc Valuation – July 2016 \\$RAVN](#)
- [E.I. du Pont de Nemours Valuation – February 2016 \\$DD](#)
- [Honeywell International Inc Valuation – February 2016 \\$HON](#)
- [3M Company Valuation – February 2016 Update \\$MMM](#)
- [Raven Industries Inc Valuation – January 2016 Update \\$RAVN](#)
- [Illinois Tool Works Inc Valuation – January 2016 Update \\$ITW](#)
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