# **ModernGraham Valuation**

### **Company Name:**

Company Ticker MMM

Date of Analysis

8/5/2016

3M Co



Pass

Pass

## 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	\$107,582,873,564	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.58	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	54.30%	Pass
6.	Moderate PEmg Ratio	PEmg < 20	23.70	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	9.32	Fail
Enterprising Investor; mu	ust pass 4 out of the following 5 tests, or be	suitable for the Defensive Investor.		
1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.58	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.22	Fail
3.	Earnings Stability	Positive EPS for 5 years prior		Pass

4. Dividend Record	Currently Pays Dividend
5. Earnings Growth	EPSmg greater than 5 years ago

#### Suitability

Defensive	No
Enterprising	Yes

#### Stage 2: Determination of Intrinsic Value

	EPSmg		\$7.53
	MG Growth Estimate		4.65%
	MG Value		\$134.09
	MG Value based on 3% Growth		\$109.23
	MG Value based on 0% Growth		\$64.03
	Market Implied Growth Rate		7.60%
MG Opinion			
	Current Price		\$178.57
	% of Intrinsic Value		133.17%
	Opinion	Overvalued	
	MG Grade	В	

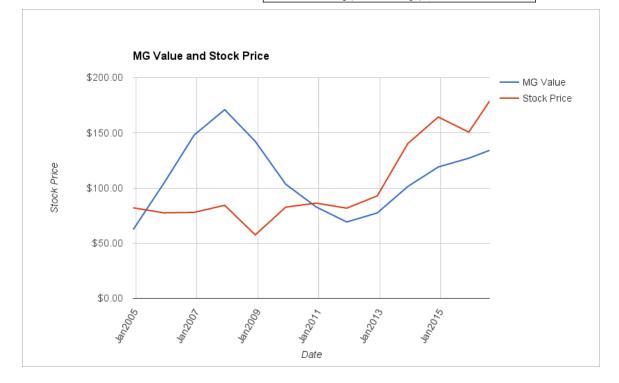
#### Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.95
Graham Number	\$59.75
PEmg	23.70
Current Ratio	1.58
PB Ratio	9.32
Current Dividend	\$4.27
Dividend Yield	2.39%
Number of Consecutive Years of Dividend Growth	20

Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢0.00	Next Fired Very Fatimete	¢7.50
		Next Fiscal Year Estimate	\$7.53
Dec2015	\$7.58		\$7.11
Dec2014	\$7.49	Dec2014	\$6.72
Dec2013	\$6.72	Dec2013	\$6.17
Dec2012	\$6.32	Dec2012	\$5.75
Dec2011	\$5.96	Dec2011	\$5.42
Dec2010	\$5.63	Dec2010	\$5.14
Dec2009	\$4.52	Dec2009	\$4.88
Dec2008	\$4.89	Dec2008	\$4.93
Dec2007	\$5.60	Dec2007	\$4.74
Dec2006	\$5.06	Dec2006	\$4.10
Dec2005	\$4.12	Dec2005	\$3.43
Dec2004	\$3.75	Dec2004	\$2.94
Dec2003	\$3.02	Dec2003	\$2.47
Dec2002	\$2.50	Dec2002	\$2.14
Dec2001	\$1.79	Dec2001	\$1.98
Dec2000	\$2.23	Dec2000	\$2.07
Dec1999	\$2.17	Balance Sheet Information	6/1/2016
Dec1998	\$1.44	Total Current Assets	\$11,436,000,000
Dec1997	\$2.53	Total Current Liabilities	\$7,254,000,000
Dec1996	\$1.82	Long-Term Debt	\$9,299,000,000
		Total Assets	\$33,235,000,000
		Intangible Assets	\$11,833,000,000
		Total Liabilities	\$21,341,000,000
		Shares Outstanding (Diluted Average)	620,900,000





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	3M Company Valuation – February 2016 Update \$MMM
	15 Best Stocks For Value Investors This Week – 9/12/15
	3M Company Analysis – September 2015 Update \$MMM
	15 Best Stocks For Value Investors This Week – 9/12/15
	21 Companies in the Spotlight This Week - 5/9/15
Other	General Electric Co Valuation – July 2016 \$GE
ModernGraham posts about related companies	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
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	Raven Industries Inc Valuation – January 2016 Update \$RAVN
	Illinois Tool Works Inc Valuation – January 2016 Update \$ITW
	E.I. du Pont de Nemours Valuation – February 2016 \$DD
	Honeywell International Inc Valuation – February 2016 \$HON