

# ModernGraham Valuation

Company Name:

3M Co

Company Ticker MMM

Date of Analysis

12/13/2016



## 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	\$108,253,217,261	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.90	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	54.70%	Pass
6. Moderate PEmg Ratio	PEmg < 20	23.68	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	9.22	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	1.90	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.92	Fail
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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$7.55
MG Growth Estimate	4.70%
<b>MG Value</b>	<b>\$135.24</b>
MG Value based on 3% Growth	\$109.52
MG Value based on 0% Growth	\$64.20
Market Implied Growth Rate	7.59%

### MG Opinion

Current Price	\$178.83
% of Intrinsic Value	132.24%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$15.95
Graham Number	\$60.49
PEmg	23.68
Current Ratio	1.90
PB Ratio	9.22
Current Dividend	\$4.36
Dividend Yield	2.44%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$8.15		\$7.55
Dec2015	\$7.58	Dec2015	\$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	\$4.87
Dec2008	\$4.89	Dec2008	\$4.90
Dec2007	\$5.60	Dec2007	\$4.69
Dec2006	\$5.06	Dec2006	\$4.03
Dec2005	\$3.98	Dec2005	\$3.33
Dec2004	\$3.56	Dec2004	\$2.88
Dec2003	\$3.02	Dec2003	\$2.47
Dec2002	\$2.50	Dec2002	\$2.15
Dec2001	\$1.79	Dec2001	\$1.99
Dec2000	\$2.23	Dec2000	\$2.08
Dec1999	\$2.19	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$1.49	Total Current Assets	\$12,179,000,000
Dec1997	\$2.53	Total Current Liabilities	\$6,400,000,000
Dec1996	\$1.82	Long-Term Debt	\$11,079,000,000
		Total Assets	\$34,051,000,000
		Intangible Assets	\$11,852,000,000
		Total Liabilities	\$22,049,000,000
		Shares Outstanding (Diluted Average)	618,800,000





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](#)
- [21 Companies in the Spotlight This Week – 5/9/15](#)
- [3M Company Quarterly Valuation – May 2015 \\$MMM](#)

Other  
ModernGraham  
posts about related  
companies

- [E I du Pont de Nemours & Co Valuation – August 2016 \\$DD](#)
- [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](#)