

ModernGraham Valuation

Company Name:

DowDuPont Inc

Company Ticker DWDP

Date of Analysis

11/11/2018



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 | \$134,626,274,767 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.64 | Fail |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Pass |
| 4. Dividend Record | Dividend Payments for 10 years prior | | Pass |
| | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 99.02% | Pass |
| 5. Earnings Growth | | | |
| 6. Moderate PEmg Ratio | PEmg < 20 | 18.37 | Pass |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.36 | Pass |

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 | 1.64 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 1.54 | 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 |
| | Score | | |

Suitability

| | |
|---------------------|------------|
| Defensive | Yes |
| Enterprising | Yes |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|----------------|
| EPSmg | \$3.19 |
| MG Growth Estimate | 4.43% |
| MG Value | \$55.47 |
| MG Value based on 3% Growth | \$46.32 |
| MG Value based on 0% Growth | \$27.15 |
| Market Implied Growth Rate | 4.93% |

MG Opinion

| | |
|----------------------|----------------------|
| Current Price | \$58.68 |
| % of Intrinsic Value | 105.78% |
| Opinion | Fairly Valued |
| MG Grade | A- |

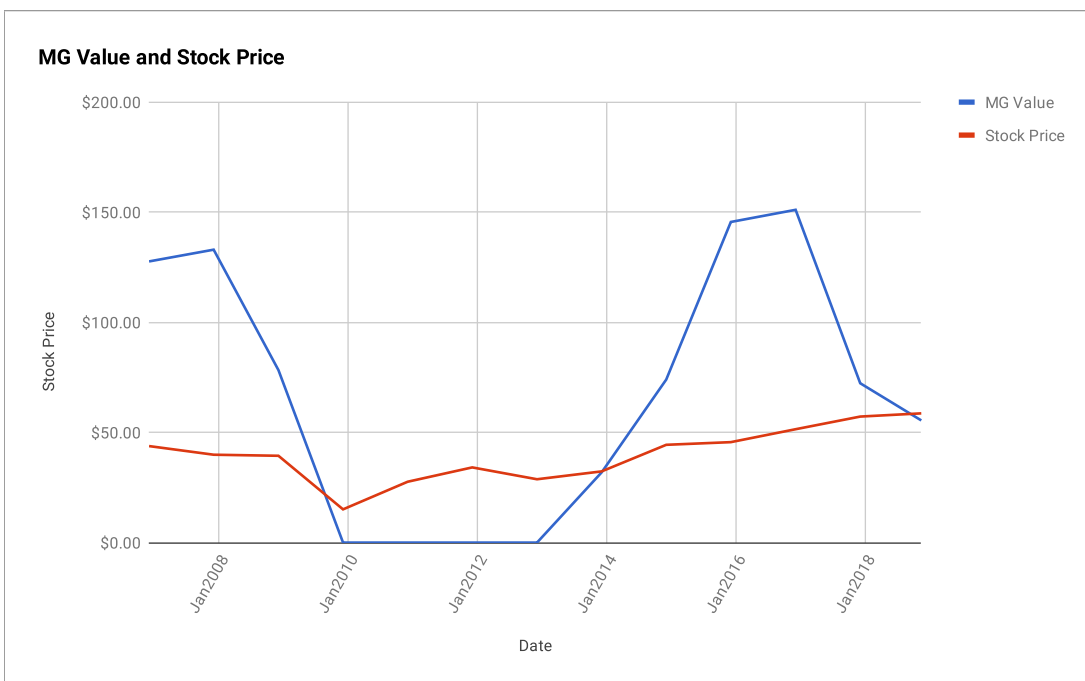
Stage 3: Information for Further Research

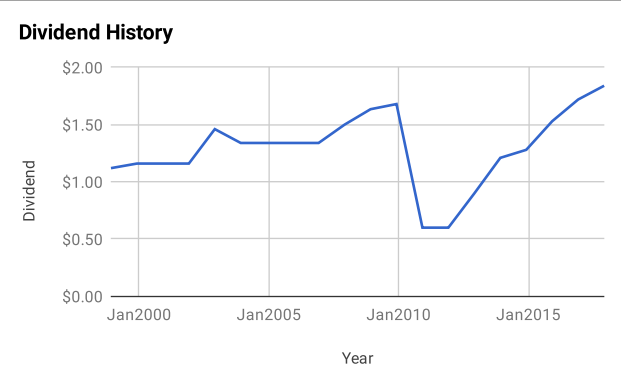
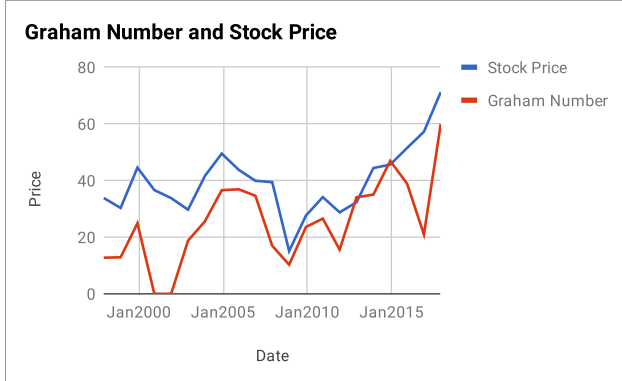
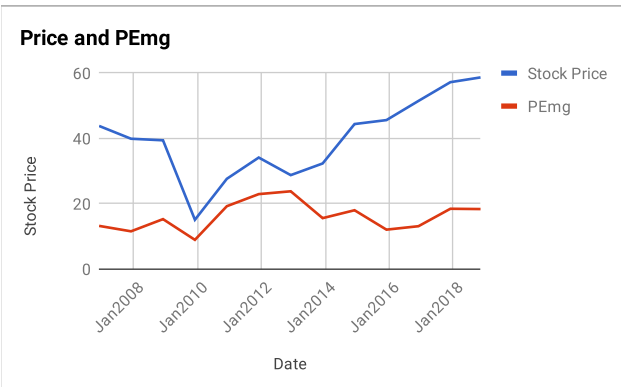
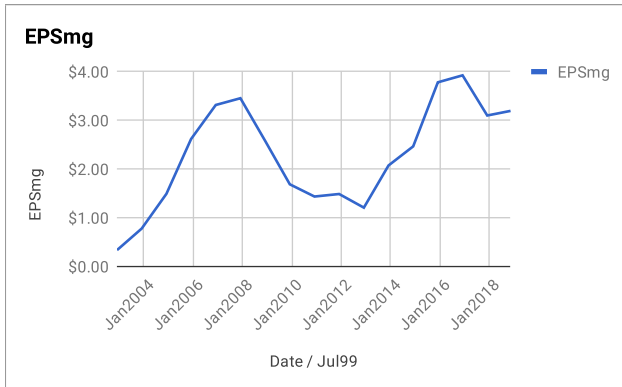
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|--|----------|
| Net Current Asset Value (NCAV) | -\$17.01 |
| Graham Number | \$59.99 |
| PEmg | 18.37 |
| Current Ratio | 1.64 |
| PB Ratio | 1.36 |
| Current Dividend | \$1.76 |
| Dividend Yield | 3.00% |
| Number of Consecutive Years of Dividend Growth | 0 |

Useful Links:

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

| EPS History | | EPSmg History | |
|---------------------------|---------|---|-------------------|
| Next Fiscal Year Estimate | \$3.71 | Next Fiscal Year Estimate | \$3.19 |
| Dec2017 | \$0.91 | Dec2017 | \$3.10 |
| Dec2016 | \$3.52 | Dec2016 | \$3.92 |
| Dec2015 | \$6.15 | Dec2015 | \$3.78 |
| Dec2014 | \$2.87 | Dec2014 | \$2.47 |
| Dec2013 | \$3.68 | Dec2013 | \$2.07 |
| Dec2012 | \$0.70 | Dec2012 | \$1.21 |
| Dec2011 | \$2.05 | Dec2011 | \$1.49 |
| Dec2010 | \$1.72 | Dec2010 | \$1.44 |
| Dec2009 | \$0.32 | Dec2009 | \$1.69 |
| Dec2008 | \$0.62 | Dec2008 | \$2.58 |
| Dec2007 | \$2.99 | Dec2007 | \$3.45 |
| Dec2006 | \$3.82 | Dec2006 | \$3.32 |
| Dec2005 | \$4.62 | Dec2005 | \$2.62 |
| Dec2004 | \$2.93 | Dec2004 | \$1.49 |
| Dec2003 | \$1.87 | Dec2003 | \$0.78 |
| Dec2002 | -\$0.37 | Dec2002 | \$0.34 |
| Dec2001 | -\$0.43 | Balance Sheet Information 9/1/2018 | |
| Dec2000 | \$2.22 | Total Current Assets | \$45,405,000,000 |
| Dec1999 | \$0.66 | Total Current Liabilities | \$27,680,000,000 |
| Dec1998 | \$0.64 | Long-Term Debt | \$27,293,000,000 |
| | | Total Assets | \$184,453,000,000 |
| | | Intangible Assets | \$90,870,000,000 |
| | | Total Liabilities | \$84,709,000,000 |
| | | Shares Outstanding (Diluted Average) | 2,311,300,000 |





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 [DowDuPont Inc Valuation – February 2018 \\$DWDP](#)

Other ModernGraham posts about related companies [Chemtrade Logistics Income Fund Valuation – July 2018 \\$TSE:CHE.UN](#)
[PPG Industries Inc Valuation – May 2018 \\$PPG](#)
[Innospec Inc Valuation – April 2018 \\$IOSP](#)
[Innophos Holdings Inc Valuation – March 2018 \\$IPHS](#)
[Olin Corp Valuation – March 2018 \\$OLN](#)
[A Schulman Inc Valuation – March 2018 \\$SHLM](#)
[FMC Corp Valuation – March 2018 \\$FMC](#)
[Compass Minerals International Inc Valuation – March 2018 \\$CMP](#)
[Ashland Global Holdings Inc Valuation – March 2018 \\$ASH](#)
[Air Products & Chemicals Inc Valuation – March 2018 \\$APD](#)