



# Stock Presentation

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# Overview: Materials Sector

The materials sector as a whole is down 0.44%. When it comes to the student investment portfolio our materials stocks are down a total of 0.15%

## Stocks that we own

- DuPont de Nemours
- FMC Corp

The stocks that we are reviewing is DuPont de nemours and FMC Corp. When it comes to these stocks, we believe that it is best to hold the positions that we are currently in due to the recent reactions to macroeconomic events.

# DuPont de Nemours: Business Analysis

- Market cap: \$30B
- Core segments
  - Water and protection
  - Electronics and industrials
- Business drivers
  - Very cyclical
  - Very sensitive to macroeconomic events
  - Supply and demand
    - Semiconductor materials is very depended on Ai computing growth
    - Water and protection is driven by overall infrastructure and ESG trends
  - Margins
    - Cost inflation
    - Volume fluctuations and overall pricing power

# DuPont de Nemours: Financial Analysis

- **Earnings Growth:** 3-5 year EPS growth rate (10%) roughly same as S&P 500 (9.19%)
  - Sherwin Williams one of the top materials company expects 11.6% earnings growth in 2026
- **Sales Growth:** Recent sales growth rate (4.2%) higher than S&P 500's 4%
- Sector underperformed S&P 500 significantly over last 5-10 years, but DuPont seems to be performing well
- **Operating margins**
  - Roughly about 14-16%. Extremely impacted by restructuring costs and inflationary pressures.
- **Free Cash Flow**
  - FCF generation during periods of economic growth, net user of cash during economic downturns. Terminal FCF growth is 2.4%.
- **Net Profit Margin**
  - Roughly about 9-11%
  - Dupont de Nemours has a higher profit margin than FMC Corp (7.97%)

# FMC Corp: Business Analysis

- **Market Cap:** \$5.36 B
- **Core Segments**
  - Agricultural Products
  - Industrial Chemicals
  - Specialty Chemicals
- **Competitive Advantages**
  - Global reach
  - Commitment to sustainability
  - R&D usage
- **Growth Drivers**
  - Innovation emphasis
    - Biologicals
  - Strategic alliances with other firms
  - Macroeconomic factors

# FMC Corp: Financial Analysis

- **Revenue Growth:** \$4.25B (2024) to \$4.29B (2025E), \$4.59B (2026E), \$4.73B (2027E)
- **ROE Compare/Contrast:** Dupont Q1 2025: -0.3%; FMC: ~8%
  - Warning sign for DuPont, hold off buying until potential earnings rebound
  - FMC declined but still positive, and surpasses peers in Chemicals sector; more stable
- **Comparing historic performance to future**
  - FMC has historically performed well, but earnings dipped in 2023-2024
  - Earnings expected to be relatively flat in 2025, but steadily increase going into the future
    - Many growth prospects (growing foreign markets, sustainability trends, R&D innovation)
  - Environment for FMC Corporation's stock performance should improve moving forward
  - Weak 2023-24 demand elevated inventories→ restructuring
    - Lowered FCF in recent quarters→ positive FCF outlook moving forward
    - Roughly \$4.1 B in debt→ positive FCF outlook will allow for debt reduction

# FMC Corp and Dupont de Nemours: Valuation

- **Target Price**
  - Dupont: \$58.21 (-21.4%)
  - FMC: \$50.30 (+14.2%)
- When looking at both DuPont de Nemours and FMC corp we determined that FMC corp is a Buy while Dupont is currently a hold.
- **Historical data**
  - Dupont P/E is currently 45 (historical 20-50 median)
  - FMC P/E currently 16 (historical 20 median)
    - Looks more attractively valued, potential upside if fundamentals recover

# Appendix

## DuPont de Nemours: Income Statement

DuPont de Nemour		FY	FY	FY	FY	FY	FY	FY	
(000\$)		2028E	2027E	2026E	2025	2024	2023	2022	2021
Consensus		5,360,000	4,573,000	4,573,000					
Net Sales		23,248,250,209	18,965,777,622	15,234,780,000	3,066,000,000	12,386,000,000	12,068,000,000	13,017,000,000	12,566,000,000
Cost of Goods Sold		15,018,369,635	12,100,166,123	9,765,493,380	1,920,000,000	7,879,000,000	7,835,000,000	8,402,000,000	7,971,000,000
Gross Profit		8,229,880,574	6,865,611,499	5,469,286,620	1,146,000,000	4,507,000,000	4,233,000,000	4,615,000,000	4,595,000,000
Research and Development Expenses		999,674,759	853,459,993	655,095,540	137,000,000	531,000,000	508,000,000	536,000,000	557,000,000
Selling, general and administrative expenses		2,789,790,025	2,313,824,870	1,797,704,040	369,000,000	1,552,000,000	1,408,000,000	1,467,000,000	1,602,000,000
Amortization of Intangibles		1,115,916,010	910,357,326	731,269,440	146,000,000	595,000,000	600,000,000	590,000,000	566,000,000
Restructuring and asset related charges - net		302,227,253	208,623,554	167,582,580	47,000,000	80,000,000	146,000,000	155,000,000	50,000,000
Goodwill impairment charge		1,418,143,263	1,100,015,102	853,147,680	768,000,000	-	804,000,000	-	-
Acquisition, integration and separation costs		464,965,004	512,075,996	380,869,500	125,000,000	168,000,000	20,000,000	193,000,000	81,000,000
Equity in earnings of nonconsolidated affiliates		69,744,751	75,863,110	45,704,340	1,000,000	60,000,000	51,000,000	75,000,000	85,000,000
Sundry income (expense) - net		209,234,252	151,726,221	45,704,340	101,000,000	76,000,000	102,000,000	191,000,000	145,000,000
Operating Income		1,139,164,260	967,254,659	883,617,240	(446,000,000)	1,438,000,000	594,000,000	1,408,000,000	1,509,000,000
Interest Expense, Net		347,000,000	362,000,000	358,000,000	83,000,000	366,000,000	396,000,000	492,000,000	525,000,000
Income Before Income Taxes		792,164,260	605,254,659	525,617,240	(529,000,000)	1,192,000,000	504,000,000	1,448,000,000	1,444,000,000
Provision for Taxes		245,570,921	102,893,292	115,635,793	119,000,000	414,000,000	(29,000,000)	387,000,000	237,000,000
Net Income from Cont Ops		546,593,340	502,361,367	409,981,447	(648,000,000)	778,000,000	533,000,000	1,061,000,000	1,207,000,000
Less: Net inc attributable to noncont interests		51,146,150	39,828,133	30,469,560	7,000,000	30,000,000	39,000,000	49,000,000	48,000,000
Net Loss from Discort ops		-	-	57,000,000	(34,000,000)	(40,000,000)	(71,000,000)	4,856,000,000	5,308,000,000
Net Income		495,447,189	462,533,234	436,511,887	(689,000,000)	703,000,000	423,000,000	5,868,000,000	6,467,000,000
EPS									
Basic		1.23	1.15	1.09	11.14	1.68	0.94	11.77	11.92
Diluted		1.23	1.15	1.09	10.69	1.67	0.94	11.75	11.89
Consensus - GAAP		1.23	1.15	1.09					
Shares Outstanding									
Basic		401,760,000	401,760,000	401,760,000	418,500,000	419,200,000	449,900,000	498,500,000	542,700,000
Diluted		401,760,000	401,760,000	401,760,000	418,500,000	420,600,000	451,200,000	499,400,000	544,200,000
% buyback from prior year		0.0%	0.0%	-4.0%	-0.5%	-6.8%	-9.7%	-8.2%	-7.4%
Sales		22.58%	24.49%	23.00%	-75.25%	2.64%	-7.29%	3.59%	
Expenses as % of Sales									
Gross Margin		35.4%	36.2%	35.9%	37.4%	36.4%	35.1%	35.5%	36.6%
Research and Development Expenses		4.3%	4.5%	4.3%	4.5%	4.3%	4.2%	4.1%	4.4%
Selling, general and administrative expenses		12.0%	12.2%	11.8%	12.0%	12.5%	11.7%	11.3%	12.7%
Amortization of Intangibles		4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.5%
Restructuring and asset related charges - net		1.3%	1.1%	1.1%	1.5%	0.7%	1.2%	1.2%	0.4%
Goodwill impairment charge		6.1%	5.8%	5.6%	25.0%	0.0%	6.7%	0.0%	0.0%
Acquisition, integration and separation costs		2%	2.7%	2.5%	4.1%	1.4%	0.2%	1.5%	0.6%
Equity in earnings of nonconsolidated affiliates		0.3%	0.4%	0.3%	0.0%	0.5%	0.4%	0.6%	0.7%
Sundry income (expense) - net		0.9%	0.8%	2.4%	3.3%	0.6%	0.8%	1.5%	1.2%
Interest expense		3.2%	2.9%	3%	2.7%	3.0%	3.3%	3.8%	4.2%
Operating Margin		4.9%	5.1%	8.9%	-14.9%	11.6%	4.9%	10.8%	12.0%
Net inc attributable to noncont interests % Sales		0.22%	0.21%	0.20%	0.23%	0.28%	0.32%	0.38%	0.38%
Tax Rate		31.0%	17.0%	22.0%	0.0%	33.0%	6.0%	26.7%	16.4%
D&A		2,208,583,770	1,763,817,319	1,432,069,320	293,000,000	1,194,000,000	1,147,000,000	1,135,000,000	1,112,000,000
% of Sales		9.5%	9.3%	9.4%	9.6%	9.6%	9.5%	8.7%	8.8%
CapEx		883,433,508	720,699,550	649,463,448	249,000,000	579,000,000	619,000,000	662,000,000	788,000,000
% of Sales		3.8%	3.8%	4.3%	8.1%	4.7%	5.1%	5.1%	6.3%
Receivables		5,998,048,554	4,513,855,074	3,046,956,000	2,291,000,000	2,190,000,000	2,370,000,000	2,518,000,000	28,000,000
% of Sales		25.8%	23.8%	20.0%	74.7%	17.7%	19.6%	19.3%	0.2%
Inventory		2,557,307,523	2,086,235,538	1,706,295,360	118,000,000	7,000,000	16,000,000	18,000,000	7,000,000
% of Sales		11.0%	11.0%	11.2%	3.6%	0.1%	0.1%	0.1%	0.1%
Payables		1,627,377,515	1,327,604,434	1,066,434,600	1,657,000,000	77,000,000	(310,000,000)	(138,000,000)	289,396
% of Sales		7.0%	7.0%	7.0%	54.0%	0.6%	-2.6%	-1.1%	0.0%
Change in WC		(1,655,492,383)	(1,585,669,419)	(2,934,816,760)	1,368,000,000	576,000,000	(22,000,000)	(2,639,289,396)	(34,710,604)

# Appendix

## DuPont de Nemours: DCF

DuPont de Nemour (DD)												
	Analyst: Evan Wilson					Terminal Discount Rate = 7.6%						
	5/3/25					Terminal FCF Growth = 2.4%						
	(000s)											
Year	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	
<b>Revenue</b>	15,234,780,000	18,965,777,622	23,248,250,209	23,596,973,962	23,950,928,572	24,310,192,500	24,674,945,388	25,044,968,069	25,420,642,590	25,801,952,228	26,188,981,512	
% Growth		24.9%	22.6%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
<b>Operating Income</b>	883,617,240	967,254,659	1,139,164,260	1,250,639,620	1,269,399,214	1,288,440,203	1,332,441,651	1,352,428,276	1,372,714,700	1,393,305,420	1,414,205,002	
Operating Margin	5.8%	5.1%	4.9%	5.3%	5.3%	5.3%	5.4%	5.4%	5.4%	5.4%	5.4%	
<b>Interest Expense (Income)</b>	358,000,000	362,000,000	347,000,000	352,205,000	357,488,075	362,850,396	368,293,152	373,817,549	379,424,813	385,116,185	390,892,928	
Interest % of Sales	2.3%	1.9%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
<b>Income Before Taxes</b>	525,617,240	605,254,659	792,164,260	898,434,620	911,911,139	925,589,806	964,148,499	978,610,726	993,289,887	1,008,189,236	1,023,312,074	
<b>Taxes</b>	115,635,793	102,893,292	245,570,921	278,514,732	282,692,453	286,932,840	298,886,035	303,369,325	307,919,865	312,538,663	317,226,743	
Tax Rate	22.0%	17.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	
<b>Net Income from Cont Ops</b>	409,981,447	502,361,367	546,593,340	619,919,888	629,218,686	638,656,966	665,262,464	675,241,401	685,370,022	695,650,573	706,085,331	
<b>Less: Net inc attributable to noncont interests</b>	30,469,560	39,828,133	51,146,150	51,913,343	52,692,043	53,482,424	54,284,660	55,098,930	55,925,414	56,764,295	57,615,759	
% of Revs	0.20%	0.21%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	
<b>Net Income</b>	436,511,887	462,533,234	436,511,887	568,006,545	629,218,686	638,656,966	665,262,464	675,241,401	685,370,022	695,650,573	706,085,331	
% Growth		6.0%	-5.6%	30.1%	10.8%	1.5%	4.2%	1.5%	1.5%	1.5%	1.5%	
<b>Add Depreciation/Amort</b>	1,432,069,320	1,763,817,319	2,208,583,770	2,241,712,526	2,275,338,214	2,309,468,288	986,993,816	1,001,798,723	1,016,825,704	1,032,078,089	1,047,559,260	
% of Sales	9.4%	9.3%	9.5%	9.5%	9.5%	9.5%	4.0%	4.0%	4.0%	4.0%	4.0%	
<b>Plus(minus) Changes WC</b>	(2,934,816,760)	(1,585,669,419)	(1,655,492,383)	(1,680,324,769)	(1,705,529,641)	(1,731,112,585)	(1,757,079,274)	(1,783,435,463)	(1,810,186,995)	(1,837,339,800)	(1,864,899,897)	
% of Sales	-19.3%	-8.4%	-7.1%	-7.1%	-7.1%	-7.1%	-7.1%	-7.1%	-7.1%	-7.1%	-7.1%	
<b>Subtract Cap Ex</b>	200,000	201,435	205,464	208,546	211,674	214,849	986,993,816	1,001,798,723	1,016,825,704	1,032,078,089	1,047,559,260	
Capex % of sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
<b>Free Cash Flow</b>	(1,066,435,553)	640,479,698	989,397,810	1,129,185,756	1,198,815,586	1,216,797,819	(1,091,816,810)	(1,108,194,062)	(1,124,816,973)	(1,141,689,228)	(1,158,814,566)	
% Growth		-180.1%	54.9%	14.1%	6.2%	1.5%	-188.7%	1.5%	1.5%	1.5%	1.5%	
<b>NPV of Cash Flows</b>	953,469,089	-10%										
<b>NPV of terminal value</b>	(10,969,525,580)	110%										
<b>Projected Equity Value</b>	(10,016,056,491)	100%									<b>Terminal Value</b> (22,819,732,990)	
<b>Free Cash Flow Yield</b>	-3.93%										<b>Free Cash Yield</b> 5.08%	
<b>Current P/E</b>	62.1	58.6	62.1								<b>Terminal P/E</b> (32.3)	
Projected P/E	(22.9)	(21.7)	(22.9)									
<b>Current EV/EBITDA</b>	14.3	12.2	9.9								<b>Terminal EV/EBITDA</b> (6.8)	
Projected EV/EBITDA	(1.7)	(1.4)	(1.2)									
<b>Shares Outstanding</b>	401,760,000											
<b>Current Price</b>	\$ 67.50											
<b>Implied equity value/share</b>	\$ (24.93)											
<b>Upside/(Downside) to DCF</b>	-136.9%											
<b>Debt</b>	7,200,000,000											
<b>Cash</b>	1,100,000,000											
<b>Cash/share</b>	2.74											
				<b>Consensus Analyst Price Target (ANR)</b>								
				\$ 58.21								

# Appendix

## FMC Corporation: Income Statement

FMC Corporation (FMC)								
(In Millions \$, Except Per Share Data)	2027E	2026E	2025E	2024	2023	2022	2021	2020
<i>Consensus</i>	4,690.0	4,440.0	4,250.0					
<b>Revenue</b>	<b>4,726.4</b>	<b>4,588.8</b>	<b>4,288.6</b>	<b>4,246.1</b>	<b>4,486.8</b>	<b>5,802.3</b>	<b>5,045.2</b>	<b>4,642.1</b>
Costs of sales and services	2,670.4	2,638.5	2,487.4	2,597.2	2,655.8	3,475.5	2,883.9	2,595.4
<b>Gross Margin</b>	<b>2,056.0</b>	<b>1,950.2</b>	<b>1,801.2</b>	<b>1,648.9</b>	<b>1,831.0</b>	<b>2,326.8</b>	<b>2,161.3</b>	<b>2,046.7</b>
Selling, general, and administrative expenses	657.0	651.6	643.3	644.6	734.3	775.2	714.1	728.7
Research and development expenses	283.6	298.3	313.1	278.0	328.8	314.2	304.7	287.9
Restructuring and other charges (income)	94.5	137.7	214.4	219.8	212.3	93.1	108.0	132.2
<b>Total costs and expenses</b>	<b>3,705.5</b>	<b>3,726.1</b>	<b>3,658.1</b>	<b>3,739.6</b>	<b>3,931.2</b>	<b>4,658.0</b>	<b>4,010.7</b>	<b>3,745.2</b>
Income from continuing operations, non-operating pension and postretirement charges (income), interest expense, net and income taxes	1,020.9	862.7	630.4	506.5	555.6	1,144.3	1,034.5	896.9
Non-operating pension and postretirement charges (income)	14.2	13.8	12.9	18.2	18.2	8.6	5.6	14.7
Interest income								(0.1)
Interest expense	283.6	270.7	253.0	235.8	237.2	151.8	131.1	151.3
Income (loss) from continuing operations before income taxes	723.1	578.2	364.5	252.5	300.2	983.9	897.8	731.0
Provision (benefit) for income taxes	151.9	121.4	76.6	(150.9)	(1,119.3)	145.2	92.5	151.2
Income (loss) from continuing operations	571.3	456.8	288.0	403.4	1,419.5	838.7	805.3	579.8
Discontinued operations, net of income taxes	(56.7)	(55.1)	(51.5)	(61.8)	(98.5)	(97.2)	(68.2)	(28.3)
Net income (loss)	514.6	401.7	236.5	341.6	1,321.0	741.5	737.1	551.5
Less: Net income (loss) attributable to noncontrolling interests	0.0	0.0	0.0	0.5	(0.5)	5.0	(2.5)	(0.9)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO FMC STOCKHOLDERS</b>	<b>514.6</b>	<b>401.7</b>	<b>236.5</b>	<b>341.1</b>	<b>1,321.5</b>	<b>736.5</b>	<b>739.6</b>	<b>552.4</b>
EPS								
Basic	4.12	3.21	1.89	2.73	10.56	5.89	5.74	4.25
Diluted	4.10	3.20	1.89	2.72	10.52	5.85	5.71	4.22
<i>Consensus - GAAP</i>	3.48	3.39	3.48					
Shares Outstanding (In thousands)								
Basic	125,004	125,004	125,004	125,004	125,060	125,975	128,403	129,701
Diluted	125,358	125,358	125,358	125,358	125,533	126,707	129,146	130,584
% buyback from prior year	0.00%	0.00%	0.00%	-0.14%	-0.93%	-1.89%	-1.10%	
Sales growth from prior year	3.00%	7.00%	1.00%	-5.36%	-22.67%	15.01%	8.68%	
Expenses as % of sales:								
Gross Margin	43.50%	42.50%	42.00%	38.83%	40.81%	40.10%	42.84%	44.09%
Selling, general, and administrative expenses	13.90%	14.20%	15.00%	15.18%	16.37%	13.36%	14.15%	15.72%
Research and development expenses	6.00%	6.50%	7.30%	6.55%	7.33%	5.42%	6.04%	6.20%
Restructuring and other charges	2.00%	3.00%	5.00%	5.18%	4.73%	1.60%	2.14%	2.85%
Non-operating pension and postretirement charges (income)	0.30%	0.30%	0.30%	0.43%	0.41%	0.15%	0.11%	0.32%
Interest expense	6.00%	5.90%	5.90%	5.55%	5.29%	2.62%	2.60%	3.26%
Discontinued operations, net of income taxes	-1.20%	-1.20%	-1.20%	-1.46%	-2.20%	-1.68%	-1.35%	-0.61%
Operating Margin	20.00%	18.00%	13.00%	11.93%	12.38%	19.72%	20.50%	19.32%
Net income attributable to noncontrolling interests % of sales	0.00%	0.00%	0.00%	-0.01%	0.01%	-0.09%	0.05%	0.02%
Tax Rate	21.00%	21.00%	21.00%	-59.76%	-372.85%	14.76%	10.30%	20.68%
D&A (in millions)	174.9	169.8	158.7	176.3	184.3	169.4	170.9	162.7
% of sales	3.70%	3.70%	3.70%	4.15%	4.11%	2.92%	3.39%	3.50%
CapEx (in millions)	137.1	91.8	90	67.9	133.9	142.3	100.1	67.2
% of sales	2.90%	2.00%	2.10%	1.60%	2.98%	2.45%	1.98%	1.45%
Receivables (in millions)	3,072.2	2,982.7	2,787.6	2,903.2	2,703.2	2,871.4	2,583.7	2,330.3
% of sales	65.00%	65.00%	65.00%	68.37%	60.25%	49.49%	51.21%	50.20%
Inventory (in millions)	1,323.4	1,284.9	1,200.8	1,201.6	1,724.6	1,651.6	1,521.9	1,095.6
% of sales	28.00%	28.00%	28.00%	28.30%	38.44%	28.46%	30.17%	23.60%
Payables (in millions)	1,039.8	917.8	771.9	768.5	602.4	1,252.2	1,135	946.7
% of sales	22.00%	20.00%	18.00%	18.10%	13.43%	21.58%	22.50%	20.39%
Change in Working Capital	(6.0)	(133.4)	119.9	489.1	(554.6)	(300.2)	(491.4)	

# Appendix

## FMC Corporation:

## DCF

FMC Corporation (FMC)				Terminal Discount Rate = 11.0%		Terminal FCF Growth = 3.0%							
Analyst: Alexander Wittenbrook													
5/27/25													
In Millions \$													
Year	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E		
<b>Revenue</b>	4,288.6	4,588.8	4,726.4	4,868.2	5,014.3	5,164.7	5,319.6	5,479.2	5,643.6	5,812.9	5,987.3		
% Growth		7.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%		
<b>Operating Income</b>	630.4	862.7	1,020.9	1,071.0	1,103.1	1,136.2	1,170.3	1,205.4	1,241.6	1,278.8	1,317.2		
Operating Margin	14.7%	18.8%	21.6%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%		
<b>Non-operating pension &amp; postretirement charges</b>	12.9	13.8	14.2	14.6	15.0	15.5	16.0	16.4	16.9	17.4	18.0		
% of sales	0.30%	0.30%	0.30%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%		
<b>Interest Expense (Income)</b>	253.0	270.7	283.6	292.1	300.9	309.9	319.2	328.8	338.6	348.8	359.2		
Interest % of Sales	5.9%	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%		
<b>Income Before Taxes</b>	364.5	578.2	723.1	764.3	787.2	810.9	835.2	860.2	886.0	912.6	940.0		
<b>Taxes</b>	76.6	121.4	151.9	160.5	165.3	170.3	175.4	180.6	186.1	191.7	197.4		
Tax Rate	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%		
<b>Net Income from Cont Ops</b>	288.0	456.8	571.3	603.8	621.9	640.6	659.8	679.6	700.0	721.0	742.6		
<b>Discontinued Ops, net of income taxes</b>	(51.5)	(55.1)	(56.7)	(58.4)	(60.2)	(62.0)	(63.8)	(65.8)	(67.7)	(69.8)	(71.8)		
% of Revs	-1.20%	-1.20%	-1.20%	-1.20%	-1.20%	-1.20%	-1.20%	-1.20%	-1.20%	-1.20%	-1.20%		
<b>Net Income</b>	236.5	401.7	514.6	545.4	561.7	578.6	596.0	613.8	632.3	651.2	670.8		
% Growth		69.8%	28.1%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%		
<b>Add Depreciation/Amort</b>	158.7	169.8	174.9	180.1	185.5	191.1	212.8	219.2	225.7	232.5	239.5		
% of Sales	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	4.0%	4.0%	4.0%	4.0%	4.0%		
<b>Plus/(minus) Changes WC</b>	119.9	(133.4)	(6.0)	(6.1)	(6.3)	(6.5)	(6.7)	(6.9)	(7.1)	(7.3)	(7.6)		
% of Sales	2.8%	-2.9%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%		
<b>Subtract Cap Ex</b>	90.0	91.8	137.1	141.2	145.4	149.8	212.8	219.2	225.7	232.5	239.5		
Capex % of sales	2.1%	2.0%	2.9%	2.9%	2.9%	2.9%	4.0%	4.0%	4.0%	4.0%	4.0%		
<b>Free Cash Flow</b>	425.1	346.3	546.4	578.2	595.5	613.4	589.2	606.9	625.1	643.9	663.2		
% Growth		-18.5%	57.8%	5.8%	3.0%	3.0%	-3.9%	3.0%	3.0%	3.0%	3.0%		
<b>NPV of Cash Flows</b>	3,298	52%										<b>Terminal Value</b>	8,539
<b>NPV of terminal value</b>	3,007	48%										<b>Free Cash Yield</b>	7.77%
<b>Projected Equity Value</b>	6,306	100%										<b>Terminal P/E</b>	12.7
<b>Free Cash Flow Yield</b>	7.70%										<b>Terminal EV/EBITDA</b>	7.4	
<b>Current P/E</b>	23.4	13.7	10.7										
<i>Projected P/E</i>	26.7	15.7	12.3										
<b>Current EV/EBITDA</b>	7.0	5.4	4.6										
<i>Projected EV/EBITDA</i>	8.0	6.1	5.3										
<b>Shares Outstanding (thousands)</b>	125,358												
<b>Current Price</b>	\$ 44.06												
<b>Implied equity value/share</b>	\$ 50.30												
<b>Upside/(Downside) to DCF</b>	14.2%												
<b>Debt</b>	3,365												
<b>Cash</b>	357												
<b>Cash/share</b>	2.85												
				<b>Consensus Analyst Price Target (ANR)</b>									
				\$ 49.46									

# Recommendation

BUY FMC Stock, HOLD DD Stock

FMC Current weight: 0.82%, DD Current weight: 1.08%

- FMC

- Price target: \$50.30 (14.2% upside)
- Catalysts
  - Improving macroeconomic trends will aid in cyclical improvement of the materials sector
  - Increase in global food demand → crop production growth
  - Agricultural markets expanding and modernizing worldwide
  - Sustainable farming
    - Biologicals and R&D innovation
  - Commodity prices stabilizing
  - Overall economic growth/stabilization
- Risks
  - Debt maturities in next 2-3 years (\$1.5 B total) → if interest rates don't fall, refinancing more expensive and will likely reduce FCF
  - Geopolitical and regulatory risk → exposure in regions of political instability (Brazil, India)
    - Possible growth factor as well as possible risk factor (depends on growth rate of biologicals' effectiveness)