



2023 Fourth Quarter Earnings

(unaudited)

Mike Roman

Chairman of the Board and
Chief Executive Officer

Monish Patolawala

President and Chief
Financial Officer

Bruce Jermeland

Senior Vice President,
Investor Relations

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Forward-looking statements

This presentation contains forward-looking information about 3M's financial results and estimates and business prospects that involve substantial risks and uncertainties. You can identify these statements by the use of words such as "plan," "expect," "aim," "believe," "project," "target," "anticipate," "intend," "estimate," "will," "should," "could," "would," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans or prospects. Among the factors that could cause actual results to differ materially are the following: (1) worldwide economic, political, regulatory, international trade, geopolitical, capital markets and other external conditions and other factors beyond the Company's control, including inflation, recession, military conflicts, natural and other disasters or climate change affecting the operations of the Company or its customers and suppliers; (2) foreign currency exchange rates and fluctuations in those rates; (3) risks related to certain fluorochemicals, including liabilities related to claims, lawsuits, and government regulatory proceedings concerning various PFAS-related products and chemistries, as well as risks related to the Company's plans to exit PFAS manufacturing and discontinue use of PFAS across its product portfolio; (4) risks related to the proposed class-action settlement ("PWS Settlement") to resolve claims by public water systems in the United States regarding PFAS, including whether court approval of the PWS Settlement will be obtained, whether the number of plaintiffs that opt out of the PWS Settlement will exceed current expectations or will exceed the level that would permit 3M to terminate the PWS Settlement (and whether 3M will elect to terminate the PWS Settlement if this occurs), whether the PWS Settlement is appealed, the timing and amount of payments made under the PWS Settlement, and the impact of the PWS Settlement on other PFAS-related matters; (5) legal proceedings, including significant developments that could occur in the legal and regulatory proceedings described in the Company's Annual Report on Form 10-K for the year ended Dec. 31, 2022 and any subsequent quarterly reports on Form 10-Q (the "Reports"); (6) competitive conditions and customer preferences; (7) the timing and market acceptance of new product and service offerings; (8) the availability and cost of purchased components, compounds, raw materials and energy due to shortages, increased demand and wages, supply chain interruptions, or natural or other disasters; (9) unanticipated problems or delays with the phased implementation of a global enterprise resource planning (ERP) system, or security breaches and other disruptions to the Company's information technology infrastructure; (10) the impact of acquisitions, strategic alliances, divestitures, and other strategic events resulting from portfolio management actions and other evolving business strategies; (11) operational execution, including the extent to which the Company can realize the benefits of planned productivity improvements, as well as the impact of organizational restructuring activities; (12) financial market risks that may affect the Company's funding obligations under defined benefit pension and postretirement plans; (13) the Company's credit ratings and its cost of capital; (14) tax-related external conditions, including changes in tax rates, laws or regulations; (15) matters relating to the proposed spin-off of the Company's Health Care business, including whether the transaction will be completed, or if completed, will be on the expected terms; the risk that the expected benefits will not be realized; the risk that the costs or dis-synergies will exceed the anticipated amounts; the ability to satisfy the various closing conditions; potential business disruption; the diversion of management time; the impact of the transaction (or its pendency) on the Company's ability to retain talent; potential impacts on the Company's relationships with its customers, suppliers, employees, regulators and other counterparties; the ability to realize the desired tax treatment (including whether an Internal Revenue Service private letter ruling will be sought or obtained); the risk that any consents or approvals required will not be obtained; risks associated with financings that may be undertaken and indebtedness that may be incurred in connection with the transaction; (16) matters relating to the proposed spin-off of the Company's Health Care business; and (17) matters relating to Combat Arms Earplugs ("CAE"), including those relating to the August 2023 settlement that is intended to resolve, to the fullest extent possible, all litigation and alleged claims involving the CAE sold or manufactured by the Company's subsidiary Aearo Technologies and certain of its affiliates ("Aearo Entities") and/or 3M ("CAE Settlement"), including, but not limited to, whether the anticipated participation by plaintiffs in the CAE Settlement will be achieved, whether the number of plaintiffs that participate in the CAE Settlement will meet current expectations or will fall below the level that would permit 3M to terminate the CAE Settlement (and whether 3M will elect to terminate the CAE Settlement if this occurs), whether there will be a significant number of future claims by plaintiffs that decline to participate in the CAE Settlement, whether the CAE Settlement is appealed or challenged, matters related to the potential issuance of the equity securities that are contemplated to be part of the CAE Settlement, the filing of additional, or the outcome of any other pending or future, litigation relating to the products that are the subject of the CAE Settlement, or changes in related laws or regulations. Changes in such assumptions or factors could produce significantly different results. A further description of these factors is located in the Reports under "Cautionary Note Concerning Factors That May Affect Future Results" and "Risk Factors" in Part I, Items 1 and 1A (Annual Report) and in Part I, Item 2 and Part II, Item 1A (Quarterly Reports). The Company assumes no obligation to update any forward-looking statements discussed herein as a result of new information or future events or developments.

Note on non-GAAP financial measures

This presentation refers to certain non-GAAP financial measures. Refer to 3M's January 23, 2024, press release for descriptions of non-GAAP financial measures such as adjusted net sales (and adjusted sales change); adjusted purchases of property, plant and equipment (also referred to as adjusted capital expenditures); adjusted net cash provided by (used in) operating activities; adjusted free cash flow; adjusted free cash flow conversion; net debt; adjusted EBITDA (and adjusted EBITDA margin); and various measures that adjust for the impacts of special items. These non-GAAP measures are not in accordance with, nor are they a substitute for, GAAP measures. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in that press release.

2024 outlook approach

Notes on guidance

- At this time, the 2024 guidance approach
 - Includes the Health Care business as part of the company for the full year and
 - Does not reflect the potential impact of funding the litigation payments, absent the receipt of the cash payments in the spin (each as discussed below), therefore no corresponding impact on interest expense/income
- The pending spin of the Health Care business remains on track for 1H 2024. 3M expects the business to be spun-off with net leverage of 3 to 3.5 times EBITDA and distribute proceeds of the financing to 3M prior to spin
- Management continues to support the Public Water Systems (PWS) and Combat Arms Earplug (CAE) settlements and is working with all parties and the courts to reach finalization and ultimate implementation
 - 3M has not selected from the options available to fund amounts due under the PWS and CAE legal settlements absent receipt of cash payments in the spin, therefore, has not forecasted the impacts of changes in net debt that may be needed to fund amounts under these settlements
 - For illustrative purposes only, estimated based on the current market and company expectations, in the absence of the receipt of cash payments in the Spin, the potential adjusted EPS impact from complete debt financing of the legal settlements could be up to (\$0.20)
 - 3M will treat the dilutive EPS impact of 3M's option to satisfy \$1 billion of the CAE settlement payments via shares as an adjustment in arriving at results, adjusted for special items
- When considering 3M financials post spin, it is not appropriate to simply remove the Health Care business
- 3M will host an investor meeting following the spin of Health Care

2023 performance

Executed our plan and delivered on commitments

	<u>Original Guidance</u> <u>January 2023</u>	<u>2023 Actuals</u>
Adjusted earnings per share	\$8.50 to \$9.00	\$9.24
Adjusted free cash flow conversion	90% to 100%	123%
Adjusted organic sales growth	Flat to -3%	-3%

**Drove operational performance and improved underlying operating margins;
exceeded earnings and cash flow expectations**

Advancing our priorities:

1

Driving performance through the 3M model

- Took actions to simplify the company; initiated restructuring actions that drove strong benefits in 2023
- Improved adjusted operating margins to 20.3%, which includes 140 bps headwind from pre-tax restructuring charges
- Generated \$6.3 billion in adjusted free cash flow, resulting in conversion of 123%, up 37 ppts year-on-year
- Met or exceeded expectations throughout the year through strong operational execution
- Driving future growth by streamlining our go-to-market structures and investing in attractive markets such as automotive electrification, climate technology, and industrial automation

2

Spinning off Health Care

- Spin remains on track for first-half 2024

3

Reducing risk and uncertainty

- Combat Arms settlement continues to achieve milestones amid strong support from claimants
- PWS settlement progressing
- PFAS manufacturing exit remains on track by year-end 2025; 2023 PFAS production volumes down ~20%

Driving margin and cash flow through operational execution

Q4 2023 performance

Adjusted Sales of \$7.7B

vs. \$7.6 to \$7.7B guidance

- Adj. organic growth of -1.4%
Includes 60 bps headwind from disposable respirator decline
- End-market trends played out as anticipated
 - Strength in automotive OEM
 - Electronics stabilizing
 - China and consumer retail remain soft
 - Disposable respirator decline as expected

Adjusted Op. Income

Margin of 20.9%

- Adjusted operating income margin up 180 bps YoY, includes 140 bps headwind from restructuring & related charges
- Continued strong operational execution
- Corporate & Unallocated benefit driven by costs moved into business segments based on final full-year performance; no impact to total company operating margins

Adjusted EPS of \$2.42

vs. \$2.13 to \$2.33 guidance

- Adjusted EPS up 11% YoY
- Accelerated restructuring actions; Q4 EPS impact of \$0.17 vs. guidance mid-point of \$0.14
- Adjusted tax rate of 14.9%, or \$0.06 EPS benefit vs. guidance (FY 2023 guide of ~18%; Q3 YTD actual of 18.3%; implied Q4 of ~17%)

Adjusted Free Cash

Flow of \$2.0B

- Adjusted free cash flow conversion of 145%
- Remained focused on working capital improvement; inventory levels down \$550M year-on-year
- Continuing to invest in growth, productivity, and sustainability

Q4 2023 operating margin and EPS

	Adjusted operating margin	Adjusted earnings per share	Commentary
Q4 2022	19.1%	\$2.18	
Total organic growth/productivity/other	+4.0%	+\$0.43	
Disposable respirator	-0.1%	-\$0.03	<ul style="list-style-type: none"> Decline in COVID-related disposable respirator demand
Remaining organic growth/productivity/other	+4.1%	+\$0.46	<ul style="list-style-type: none"> Benefits from productivity, sourcing actions, restructuring, spending discipline, and selling price Partially offset by lower sales volumes and growth, productivity, and sustainability investments
Restructuring & related charges	-1.4%	-\$0.17	<ul style="list-style-type: none"> Q4 2023 pre-tax charge of \$109M
Raw material	-0.1%	-\$0.01	<ul style="list-style-type: none"> Carryover impact of raw material, logistics, and energy cost inflation
FX	-0.7%	-\$0.07	<ul style="list-style-type: none"> Net of hedge impact; Argentina devaluation
Other expense/income	NA	+\$0.02	<ul style="list-style-type: none"> Primarily lower net interest
Adjusted tax rate*	NA	+\$0.05	<ul style="list-style-type: none"> Q4 2023 adjusted tax rate of 14.9% versus 16.6% in Q4 2022
Shares outstanding	NA	-\$0.01	<ul style="list-style-type: none"> Average diluted shares up YoY
Q4 2023	20.9%	\$2.42	

* The effect of income taxes on items that had specific tax rates are reflected within their respective impacts in the table above.

Q4 2023 cash flow and balance sheet

Adjusted free cash flow

\$2.0B

Adjusted free cash flow
conversion

145%

Cash returned to
shareholders

\$0.8B

Adjusted free cash flow

- Q4: \$2.0B, up 18% YoY
- FY: \$6.3B, up 30% YoY

Adjusted free cash flow
conversion

- Q4: 145%, up 8 pts YoY
- FY: 123%, up 37 pts YoY
- FY: improvement driven by working capital, especially inventory

Adjusted capital
expenditures

- Q4: \$308M, down 32% YoY
- FY: \$1.4B, down 8% YoY

Net debt

- Q4: \$10.0B, down 17% YoY

Capital returned to
shareholders

- Q4: dividends \$0.8B
- FY: dividends \$3.3B

Business Group performance



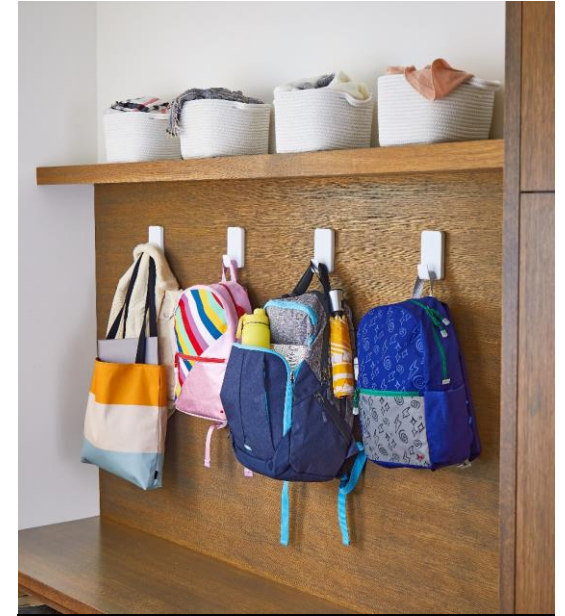
**Safety &
Industrial**



**Transportation &
Electronics**



Health Care



Consumer

Business Group performance

	<u>FY 2023</u> Organic growth	<u>Q4 2023</u> Organic growth	
	Adjusted operating margin	Adjusted operating margin	Q4 Commentary
Safety & Industrial	<u>-5.1%</u> 22.0%	<u>-3.9%</u> 19.7%	<ul style="list-style-type: none"> • Double digit organic growth in roofing granules, industrial adhesives and tapes flat, all other divisions declined • Disposable respirator sales down ~\$50M, and reduced segment organic growth by 1.6 ppts • Adjusted operating margin -70 bps YoY; decline driven by lower sales volume partially offset by benefits from restructuring, pricing, and strong spending discipline
Transportation & Electronics*	<u>-3.5%</u> 21.0%	<u>2.7%</u> 20.9%	<ul style="list-style-type: none"> • Adjusted organic growth in advanced materials, automotive and aerospace, and commercial solutions; electronics flat and transportation safety declined • Consumer electronics stabilizing; closely monitoring demand trends • Adjusted operating margins +380 bps YoY; benefits from restructuring, pricing, and strong spending discipline
Health Care	<u>0.7%</u> 19.6%	<u>-1.0%</u> 18.3%	<ul style="list-style-type: none"> • Organic growth in medical solutions; separation and purification, oral care and health information systems declined • Operating margin -190 bps YoY; decline driven by lower volumes and costs to build out the team ahead of spin • EBITDA margin of 25.5%
Consumer	<u>-4.7%</u> 18.0%	<u>-2.2%</u> 18.0%	<ul style="list-style-type: none"> • Organic growth in home improvement; home health and auto care, and stationery and office declined • Operating margin +100 bps YoY; benefits from restructuring, portfolio optimization, spending discipline, and productivity, partially offset by lower volume • Continued softness in consumer discretionary spend

*"Transportation & Electronics" organic sales is provided on an adjusted basis while all other business segments are not provided on an adjusted basis

2024 Outlook



Positioning 3M for the future

2024 focus areas

1

Drive sustainable margin and cash flow improvement through the 3M model

2

Portfolio optimization

3

Reduce risk and uncertainty

Sustainable margin and cash

- Simplify and streamline the organization
- Drive productivity throughout the supply chain
- Relentless focus on working capital

Portfolio optimization

- Complete the spin of Health Care
- Execute on geographic prioritization
- Prioritizing high growth, high value product portfolios
- Drive growth through investments in the business

Reduce risk and uncertainty

- Finalize legal settlements
- Progress PFAS manufacturing exit

2024 full-year guidance

**Adjusted organic
sales growth**

Flat to +2%
(Includes ~ 1 ppt headwind from
portfolio/geographic prioritization)

**Adjusted earnings
per share**

\$9.35 to \$9.75

**Adjusted free cash
flow conversion**

95% to 105%

Note: 2024 guidance approach includes the Health Care business as part of the company for the full year, but does not reflect the potential impact of funding amounts due under the Public Water System and Combat Arms Earplug settlements, absent the receipt of cash payments in the Health Care business spin. See additional details on earlier slide.

2024 business group outlook

Safety & Industrial

- Organic sales growth: flat to +LSD
- Industrial end-market demand mixed
- Industrial Production Index (IPI) up 2% (IHS)

Transportation & Electronics

- Adjusted organic sales growth: flat to +LSD
- Auto builds slightly negative
- Consumer electronics demand up slightly
- Continued strong auto electrification growth

Health Care

- Organic sales growth: flat to +LSD
- Procedure volume growth +LSD
- Spin on track for 1H 2024

Consumer

- Organic sales growth: -LSD
- Portfolio rationalization sales headwind of ~2 ppts
- Consumer discretionary spending muted

Below the line items

- Non-op pension expense headwind of \$0.15 per share
- Expected adjusted tax rate range of 18.5% to 19.5%

Q1 2024 outlook

Adjusted sales

~\$7.6 billion

Adjusted earnings per share

\$2.00 to \$2.15

Performance drivers

- Macroeconomic trends similar to Q4
- Estimated combined sales headwind of ~\$100M YoY from:
 - Consumer product portfolio rationalization, disposable respirator YoY comp and the exit of small countries
- Pre-tax restructuring charge of (\$75M) to (\$100M), or (\$0.10) to (\$0.15) per share
- Non-op pension headwind of \$0.04 per share
- Adjusted tax rate range of 20% to 21%

Note: 2024 guidance approach includes the Health Care business as part of the company for the full year, but does not reflect the potential impact of funding amounts due under the Public Water System and Combat Arms Earplug settlements, absent the receipt of cash payments in the Health Care business spin. See additional details on earlier slide.



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Q&A

Mike Roman

Chairman of the Board and
Chief Executive Officer

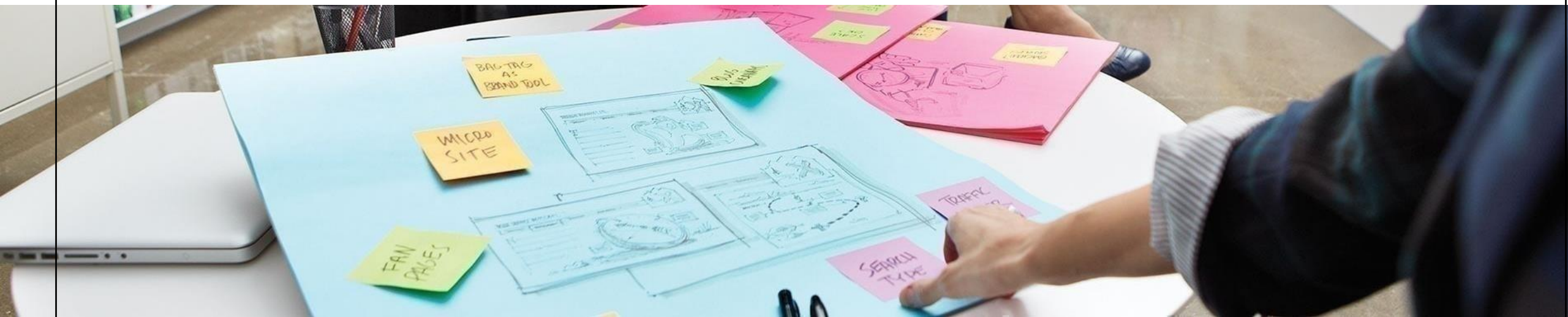
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Appendix

Q4 2023 P&L

GAAP (\$M)	Q4 2023	Q4 2022	Change
Sales	\$8,013	\$8,079	(0.8)%
Gross profit	\$3,335	\$3,494	(4.5)%
% to sales	41.6%	43.2%	(1.6)%
SG&A	\$1,625	\$2,146	(24.3)%
% to sales	20.3%	26.5%	(6.2)%
R&D & related	\$467	\$445	4.9%
% to sales	5.8%	5.5%	0.3%
Goodwill impairment expense	\$—	\$271	(100.0)%
% to sales	—%	3.4%	(3.4)%
Operating income (loss)	\$1,243	\$632	96.7%
% to sales	15.5%	7.8%	7.7%
Net income (loss)	\$945	\$541	74.8%
Earnings (loss) per share	\$1.70	\$0.98	74.0%

Note: the term "N/M" used within the appendix references "not meaningful" for certain percent changes.

Q4 2023 adjusted sales recap

	Americas	EMEA	APAC	Worldwide
Organic growth	0.3 %	(0.6)%	(5.8)%	(1.4)%
Acquisitions/divestitures	0.7 %	(0.6)%	(0.3)%	0.2 %
FX	0.5 %	5.1 %	(0.9)%	0.9 %
Total growth	1.5 %	3.9 %	(7.0)%	(0.3)%

Q4 business segment information

(\$M)	Adjusted net sales*		Q4 2023 adjusted sales growth*				Adjusted operating income*			Adjusted operating margin*	
	Q4 2023	Q4 2022	Organic growth	FX	M&A	Total sales change	Q4 2023	Q4 2022	Percent change	Q4 2023	Q4 2022
Safety & Industrial	\$2,661	\$2,735	(3.9)%	1.2%	—%	(2.7)%	\$524	\$556	(6.0)%	19.7%	20.4%
Transportation & Electronics	\$1,769	\$1,692	2.7%	0.5%	1.3%	4.5%	\$370	\$291	27.6%	20.9%	17.1%
Health Care	\$2,037	\$2,044	(1.0)%	1.1%	(0.4)%	(0.3)%	\$372	\$412	(9.7)%	18.3%	20.2%
Consumer	\$1,226	\$1,244	(2.2)%	0.6%	—%	(1.6)%	\$221	\$212	4.2%	18.0%	17.0%
Total Operating Business Segment	\$7,693	\$7,715					\$1,487	\$1,471			
Corporate & Unallocated	\$—	\$1					\$121	\$5			
Total	\$7,693	\$7,716	(1.4)%	0.9%	0.2%	(0.3)%	\$1,608	\$1,476	9.1%	20.9%	19.1%

*"Safety & Industrial", "Transportation & Electronics", "Corporate & Unallocated", "Total Operating Business Segment" and "Total" provided on an adjusted basis while "Health Care" and "Consumer" are not provided on an adjusted basis

Additional GAAP sales detail

(\$M)	GAAP Net Sales	
	Q4 2023	Q4 2022
Business Groups		
Abrasives	322	329
Automotive Aftermarket	304	309
Closure and Masking Systems	236	252
Electrical Markets	305	328
Industrial Adhesives and Tapes	531	526
Personal Safety	844	895
Roofing Granules	119	96
Total Safety & Industrial Business Group	2,661	2,735
Advanced Materials	287	296
Automotive and Aerospace	479	429
Commercial Solutions	406	390
Electronics	739	760
Transportation Safety	178	180
Total Transportation & Electronics Business Group	2,089	2,055

(\$M)	GAAP Net Sales	
	Q4 2023	Q4 2022
Business Groups		
Health Information Systems	312	338
Medical Solutions	1,162	1,134
Oral Care	306	321
Separation and Purification Sciences	230	235
Other Health Care	27	16
Total Health Care Business Group	2,037	2,044
Construction and Home Improvement Markets	547	527
Home, Health and Auto Care	364	372
Stationery and Office	315	345
Total Consumer Business Group	1,226	1,244
Corporate and Unallocated	—	1
Total 3M	8,013	8,079

2023 to 2025 structural reorganization actions*

(\$M)	Q1 2023 Actual	Q2 2023 Actual	Q3 2023 Actual	Q4 2023 Actual	FY 2023 Actual
Restructuring & related net charges	\$52	\$212	\$68	\$109	\$441
Net benefits (YoY)	-	\$89	\$166	\$162	\$417

(\$M)	2024 Estimated	Total Program Estimated
Restructuring & related net charges	\$250 to \$350	\$700 to \$900
Net benefits (YoY)	\$150 to \$250	\$700 to \$900

*Note: These are separate from 3M's 2023 to 2025 PFAS exit actions.

Quarterly 2023 adjusted operating margin progression

	Q1 2023 Adjusted operating margin	Q2 2023 Adjusted operating margin	Q3 2023 Adjusted operating margin	Q4 2023 Adjusted operating margin	FY 2023 Adjusted Operating margin
2022	22.0%	21.6%	21.6%	19.1%	21.1%
Total organic growth/ productivity/other	-2.0%	+0.9%	+2.6%	+4.0%	+1.3%
Disposable respirator/ Russia exit	-1.1%	-0.5%	-0.4%	-0.1%	-0.5%
Remaining organic growth/ productivity/ other	-0.9%	+1.4%	+3.0%	+4.1%	+1.8%
Restructuring charges	-0.5%	-2.7%	-0.8%	-1.4%	-1.3%
Raw materials	-1.3%	-0.3%	-0.3%	-0.1%	-0.5%
FX	-0.3%	-0.2%	0.0%	-0.7%	-0.3%
Divestiture	0.0%	0.0%	+0.1%	----	----
Other expense/income	NA	NA	NA	NA	NA
Adjusted tax rate	NA	NA	NA	NA	NA
Shares outstanding	NA	NA	NA	NA	NA
2023	17.9%	19.3%	23.2%	20.9%	20.3%

Note: The above refers to a non-GAAP measure (adjusted operating margin) for periods in addition to Q4 and full year 2023. For Q1-Q3, refer to 3M's 8-K's dated April 25, July 25, and October 24, 2023 for additional information.



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