

Solventum

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Corporate Speakers:

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

Doug Bartlett - *Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions*

Participants:

Rick Wise – *Stifel; Equity Research Analyst*

Rick Wise – *Stifel, Equity Research Analyst*

Wayde McMillan is the Chief Financial Officer; and Doug Bartlett, attending his first ever sell-side event of this nature, is the Senior Vice President of Infection Prevention & Surgical Solutions, or there's a reason people say IPSS. So they don't have to say all those words. Welcome to you both.

And I'm going to start in an unusual place, Wayde. Greg, this is not vetted by Greg, so don't blame it on him. I love the opening of my note that I wrote after the third quarter so much that I'm actually going to read the first sentence to everybody. I said "Underscored by truly positive and encouraging management commentary on the post release call, Solventum outperformed on basically every front: sales, margins, EPS, as nearly every segment beat consensus projections". I thought that was a great quarter. I love what I said so much that I just had to say it again. I assume you think that I captured the spirit of what's going on.

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

We certainly appreciate it, and we feel the momentum as well. It was a strong quarter. We're happy to put a string of quarters together since the IPO, and we certainly have things moving in the right direction. So thank you for those words.

Rick Wise – *Stifel, Equity Research Analyst*

It really feels like that. And in simple terms to start off, speaking as the first analyst to ever recommend the stock, and I have to say that every time, right? Where are we with the turnaround? Where is it ahead of plan? Where would you have hoped that turnaround actions you are taking might have gone even bigger and faster? And let's pursue this theme for a minute to start.

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

Okay. It's going incredibly well. As we know, from a transformational standpoint, we had a 3-phase transformation, and I would say we're ahead in all 3 of those phases. Picking up on your part of your question around faster, bigger, I think we always want to go bigger and faster. As you know, our CEO, Bryan Hanson very well. He likes to say we're happy, but we're not satisfied. And so, we're continually pushing that envelope for what's possible. But maybe just to capture a few things in there that we think are going well and putting us ahead of the transformation to this point.

Certainly, sales growth, our #1 metric and our focus to turn around. This business has been just over 1% growth in '23 and '24. And so for us now to be able to increase our guide to the high end of the underlying 2.5%-3.5%, so just about 3.5%, almost tripling that growth rate here this year. And that's really on the back of our commercial improvements and our existing R&D pipeline – projects, products like Peel and Place, that are going extremely well. So, the commercial and organic sales growth support from R&D is going very well. And I think we're ahead of schedule there.

From a margin expansion standpoint, we certainly have a lot going on there as well, and we just launched a new restructuring program to ensure that, in 2026, we can continue expanding our margins in the face of tariffs. And so, what we called out on our Q3 call is that we would expect in '26 to continue to improve our underlying sales growth rate as well as our margin expansion.

And then if we shift to a couple of other key areas of the transformation, one, around portfolio management. We certainly think we're ahead there. We're very happy with the speed that we moved to divest the Purification & Filtration business as well as the value creation there. And that leads us into capital allocation, which we think we're ahead there as well, every spinner, most spins get a lot of debt when you spin out from a parent company, and that was one of the things we wanted to address as quickly as possible and the P&F transformation allowed us to do that. And so, it really strengthened our balance sheet, put us in a strong cash position. And so, we can now go on offense with portfolio optimization, and that's the third part of our transformation, third phase of our transformation.

And I would just remind everybody, we call it three phases, but all three are running in parallel. And so now we can start adding acquisitions to that portfolio optimization, third phase, as well as we keep saying we're not done. We've moved on everything from SKUs to segments, and we're going to continue evaluating our portfolio and making strategic moves within the portfolio. Again, everything from SKUs to total segments and everything in between, until we get this portfolio in the shape that we want it in.

Rick Wise – *Stifel, Equity Research Analyst*

That's great. And I always like to remind people that's exactly the Covidien story from the beginning that you and I both lived through, and so happily, a few years back.

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

Yes. We're proud of that one, for sure. We created a lot of value. Doug, actually, who's with us today as you mentioned as well, was part of that and part of several key businesses in there. And there's -- the fact pattern is eerily similar in a lot of cases. We needed to change the incentive, the structure, the culture, the mission of the company, but there's also some differences in particular around R&D and innovation where 3M was stronger. But we can continue to improve there as well. But yes, we're very proud of that story and the playbook, we think, is a great setup, similar here as GE Healthcare has coming out of GE, Tyco Healthcare came out of Tyco, and here we sit with our business coming out of 3M.

Rick Wise – *Stifel, Equity Research Analyst*

Right. Exactly. That's a great place to start.

And just, Doug, I want to loop you back into the conversation here and thank you again. And we'll try not to pick on despite what Wayde said, urged me to do so. But just at a high level, talk to us about IPSS, the division, just for people who maybe are less familiar, let's just start off there. A lot of attention has been given to the Advanced Wound Care business within MedSurg. But even though yours is the larger segment, it'd be really interesting to hear about how it's changed under your leadership. What's happened? Where are we now? And what's next? It'd be great. I'm actually really intrigued to hear this myself.

Doug Bartlett - *Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions*

No. Thank you for the question because I think the Advanced Wound Care, rightfully so, does get a lot of the focus. But as the largest business, right, our mission was very similar to what Wound Care did, and it goes back to Wayde's comments, the incentives, the structure, the culture. So really "mission one" was to create that specialized sales and marketing team with a cohesive message globally. That had been sort of an amalgamation before at the MedSurg level. And as you said, Rick, a lot of that attention went to Wound Care. So creating that specialized team, getting them on plane with the standard sort of operating mechanisms, I mean, it's a very boring answer, right? We are essentially transforming from an applied material science company to a medical device company, and setting up the operating mechanisms -- cross-functional leadership team with one owner, all of the things that make a big medical device segment go -- and in parallel, underneath that, really that portfolio optimization. We had source-of-supply challenges. We've deployed a lot of CapEx in the first 14 months to help stabilize that, while at the same time, as Wayde mentioned, really trimming a lot of the SKU exits that didn't make sense. A lot of those fell into my portfolio. So a big dual combo of things to be done in that first year.

When we talk about what's next, it's really that transformation of our innovation engine. We've got amazing innovators in our R&D group at 3M, legendary ones. What we didn't have was that rigorous process and governance and structure to make sure that you're meeting the customers' needs where they are. So that involves looking outside of your technical capability and saying, in the case of IV site management, what are the needs at that site? And where are those adjacencies that you can look to for other areas that you need to develop, or possible inorganic opportunities?

Rick Wise – *Stifel, Equity Research Analyst*

No, that's a great starting place. Let's sort of unpack each of those a little bit. Specialized, because what can I say is that somebody focused on a turnaround, where are you now? What's next? And how do you get to the -- where you need to go? Specialized sales team creation. Are the teams created? Or are you halfway there? Is that going to impact 26? Or now, is it going to take longer? Set it up for us.

Doug Bartlett - *Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions*

We are constantly messing with our mix, but I think the heaviest work has been done. In all regions now, we've got specialized sales, clinical support people, and more importantly, specialized management to, again, drive that culture and that message. We have put upstream, downstream marketing in place. Again, very standard in the med device business,

but getting those processes up and running, I'd say we're about halfway there, but I think we've got the team and the upgraded talent that we need to get this done.

Rick Wise – *Stifel, Equity Research Analyst*

And the portfolio, like what percentage of, say it as you will, SKUs have been cut -- did you cut 5%, 20% of the business? And is the process basically done now?

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

Yes. Great, and I can answer that for total Solventum, and then maybe Doug can add some color in his business. So maybe just a quick step back for context. When we first came into the business right at the spin, we took a look at the number of SKUs, tens of thousands of SKUs, very complex supply chain and network across the business. And 3M had done a good job of rationalizing negative or low profit SKUs, but there is still a lot of complexity out there. And so we launched our SKU rationalization program and turned out to be two waves.

The first wave -- we intended for it to be one but the first wave was really the pretty simple areas that we get. We got about 5% of the SKUs out of that, but we wanted to go even a little deeper, but we needed more data and improved data insights to be able to do that, so it took us a little longer to get what I would call "decision grade data" to really fine-tune that. And so we ended up getting 8% of our SKUs out. So we had targeted between 5% and 10%, so to get 8% out is really strong, and what I would say is it doesn't have a huge impact on the ultimate sales growth rate or margin expansion. We'll get a little bit of benefit there, but where it's going to help us is just the ability to manage our supply chain and the efficiencies downstream. Taking 8% of our SKUs out on a global basis across 90 countries, across our inventory stocking and supply chain management, it's a huge benefit.

So we're glad that we took the opportunity to stop, do that work -- it's hard work -- Doug would probably attest to the commercial and marketing teams. That's not the most fun work that they like to do at any period of time, but there will be significant downstream benefits for years to come around demand planning, supply planning, stocking. We also got the added benefit of as we were spinning, we had to rebrand all of our products from 3M to Solventum, and there's a cost to that. It's non-GAAP or out of our operating results, but it's still cash. And so the ability and the work to do it to be able to take out 8% of our SKUs so that we don't have to do the rebranding effort and cost on those almost 10% of our SKUs as well is really important. But Doug, any insights from your business?

Doug Bartlett - *Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions*

I mean, again, the -- that 8% he talked about Solventum level, the lion's share of that fell into my business. And again, that's hard work for a commercial team to carry that message. But at the same time, remember, in parallel over the last year, we created our growth drivers. So really allowing them to then focus in on IV site management, on sterilization assurance, and take a little bit of the noise out of that big bag of products that we've had that really aren't the areas that we see that are strategic growers.

Rick Wise – *Stifel, Equity Research Analyst*

But that's behind you. At the divisional level you're saying...

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

Even total Solventum, we're not planning a wave three. This was the program to get it implemented. We'll always fine-tune SKUs for years to come, but we won't be talking about at this level of materiality.

Rick Wise – *Stifel, Equity Research Analyst*

Okay. And so just in practical terms, Doug, what's -- so if you're not focusing on that and Wayde's on your back daily, I'm sure, to get it done. What is that for you to do? Are you now able to prioritize innovation or account opening? What's the top 2 or 3 things you're focused on now?

Doug Bartlett - Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions

The top things that we are focused on are increasing our adoption of our growth drivers, full stop. Right? I'm not discounting any of the other businesses that I have, but our product brands, and I say our product brands, the Tegaderm, the Bair Hugger, the Attest, these are things that every clinician knows by heart. That's how our reps identify themselves when they walk around, and I want them to be on that story, on that message. And that, again, eliminating some of that noise allows us to do that and focus on that more.

Rick Wise – Stifel, Equity Research Analyst

Yes. And so it's not about account openings, it's going deeper in accounts or ensuring that -- I mean, what, that current procedures are not using the whole portfolio? Help me understand just...

Doug Bartlett - Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions

It's about understanding what the best solution is for patients, and then doing the walk with the customer to show them the means to adopt it. And as an example with IV site management, we've had a powerful brand in Tegaderm for over 40 years, but a small percentage of our sales are antimicrobial, which we believe should be used in every type of IV. It's only 25% penetrated. So we've got a lot of work to do.

Now the nice thing is Tegaderm is a known entity in the hospital. But you've got to make the connection between the guidelines and the standards that exist, and then help the customer walk the walk and implement that protocol. And that's where the power of specialization comes in. Because in the past, you'd have a huge bag and you'd have wound care and everything else. Now you've got the time and the discipline to be able to go with the customer and implement hospital by hospital, bedside by bedside, and we've had a lot of large systems that have responded well to that message in the first year. And again, that's our sole focus is growing in those types of areas.

Rick Wise – Stifel, Equity Research Analyst

It sounds like a low-hanging fruit, really.

Wayde McMillan - Solventum Corporation; Chief Financial Officer

Yes, maybe to translate it to sales growth. So covered it really well, Doug, is I would say it's really two-pronged, Rick, in the sense that's like same store sales where you're upgrading your existing to antimicrobial, so you get the uplift from your existing customers adopting the new technology, which we think is a flywheel that Doug's team is really starting to turn with the new product launches, both on the infection prevention and surgical solutions side, as well as share adoption.

We think with the improved specialized sales force, as well as the -- we've built the apparatus as well with key account management and layered in some of the more typical things you would see in a med device sales force that didn't exist under 3M in a more efficient structure, and so we do anticipate that we'll continue to drive share as well.

Rick Wise – Stifel, Equity Research Analyst

Yes. And I'm sort of drilling into some of these things with you, Doug, and obviously, you understand, Wayde, because I feel like this is a proxy for, I'm sure, what's going on throughout the company. But just coming back to the innovation engine, where are you in creating -- and is it you, Doug, you have your own R&D in the division unit focus? Or are you in creating that -- and enough chit chat -- when are we going to see some new products that are going to drive it for growth?

Doug Bartlett - Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions

No, no, great fair question. So the -- yes, the answer to your question is, yes, I do have my own R&D. We have just implemented that. As a part of our innovation transformation over the last 6 to 9 months, we took what was a very compartmentalized group and have allocated it out to each business in a much more standard way in the med device

world. So now it's about getting that process and those standards and our governance up and running, we are literally in the midst of doing that, and I don't want to say we didn't have anything before because we've just launched in the sterilization space. We have three new products that we've launched in just the last quarter or two, and those are the first significant launches in that space in many years. So you've got to work out some of that muscle memory as an organization to get those launches right, get them global, but we've seen a great message that has come along with it and has been great. I've been literally in every one of our regions in the last 6 weeks and visited hospitals there, and to see the power of sales teams around the world saying the same thing and customers hearing from them what you expect to hear, and also things you can improve, the team is just now getting that back into its DNA, and it's exciting to see.

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

Rick, I'd love to pick up with the total Solventum level, too, because I like your question. As we think about the other businesses, we've put out specific new products that we think are starting to move the needle. And Doug's parallel business in Advanced Wound Care, we've talked about Peel and Place, which we think is a real game changer in negative pressure wound therapy. We also have our Prevena product that's now back to growing double digits after we had some headwinds for the last couple of quarters internally. We've now got back to double-digit growth there.

So I think two to watch for us are Prevena, as well as our Peel and Place in traditional. And then on the Dental side, we've had several new launches there. That team is doing a really nice job of driving growth. In fact, we grew very strong in Q3, but we talked about an underlying growth rate of 2% to 3%, which was an improvement over the first half, and that is off of those new products. And that gives us the confidence to say that we continue to think Q4 will be stronger than the first half. That's all new -- almost all new product driven.

And then even in HIS, we've launched Autonomous Coding and Revenue Integrity. Those new products, those are again like the same-store sales concept, where we have the ability to upgrade our existing customers. And within HIS, we also have the international expansion growth driver. But specific to your question around new products, those are the key areas to watch in each of our businesses to determine if we're going to be successful in continuing to drive our sales growth rate up.

Rick Wise – *Stifel, Equity Research Analyst*

That's great. Just looking at the bigger picture, Wayde, I get a lot of questions about the 3M separation progress, particularly as it relates to the TSA exits. You obviously gave us some updates when you reported the third quarter, maybe talk about this a little bit? But I feel like that the questions I get suggest that people aren't as clear as they would like to be, and I'd like to be stronger in explaining to them. What, talk to us about the optimization -- is the primary reason to exit these to lower costs, to improve logistics, to optimize remaining facilities? What's the goal? What's the benefit? And where are we in realizing all those?

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

Yes. Rick, I'm glad you brought this one up. We've got one more year of separation-related activity, and it is significant, as you highlight. We have to separate from 3M, obviously, to be a stand-alone independent company. As part of that, we have to separate our ERP systems, our distribution centers, all of our related systems, as well as rebrand all of the products, and then also move manufacturing lines and really become independent companies. So to your question, the primary goal is to separate from 3M and to be able to stand alone as a separate independent public company.

As we do that, there are over 200 TSAs, and we're just over 1/3 of the way through those, with one more year. We really can't wait to get through the heavy lift of the separation here in 2026. That will complete our transition off of 3M's ERPs, distribution centers, all of the line moves, and then we'll have a little bit more rebranding work to do after that and some of the raw materials. But the bulk of the work that's being done will be done in '26.

To the question on what other tangent benefits or headwinds come with the separation? Certainly, as we roll off those TSAs, like all separating companies, you lose some scale advantage. So both 3M and us will have headwinds on certain spend that is tied to scale, and so we'll have some headwinds there. We also have a lot of new systems that we have to stand up for ourselves that will be newly amortized, and new systems put in place.

On the other side of it, we have an opportunity to rethink our structure and rethink our processes, and so we're working on some of that now. The separation certainly soaks up a lot of our resources and time, but we're starting to plan for and

working on what can we change as far as our processes and systems and automation go after we get stand-alone from 3M. And so there will be efficiencies to come on the other end.

Our net goal of all this is to try to be at least as efficient and try to drive more efficiencies. And you may have heard us in the Q3 call, Rick, announced a new restructuring program, which is timely given that we've got additional headwinds coming here in 2026 with the annualization of tariffs as we know them today, as well as the TSA roll-offs we just talked about, and then the P&F stranded costs.

So if you put all that into the equation, we're layering in a new restructuring program, which is really going to be pulling on some typical playbook that we've had in the past, where we're going to be looking at areas to reduce low-value spend, we'll be looking at indirect or procurement spend, we're looking at our structure, we're looking at our process, there's a team focused on manufacturing and supply chain inside of that. So these are things I'm sure you've heard over the years from other companies where they've attacked certain areas. We've put this all into one program, including that systems and improved automation to capture it and so that we can go be very specifically focused on driving these efficiencies over the next few years.

Rick Wise – *Stifel, Equity Research Analyst*

And I know you're really focused on driving it and it just feels like it's -- you're picking up speed and moving through all these things. It's great to see.

Doug, just going back to you, and Wayne mentioned IV site management underutilization, you've talked about as well. But just talk to us a little bit more maybe about some of the specific factors moderating or limiting greater antimicrobial solution utilization. And do you need more products? Do you need expanded indications? Do you need data to make this all happen? Or you've got what you need and it's just as you said earlier, just sort of getting everybody on the same page and sort of focused on it?

Doug Bartlett - *Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions*

I would say it's 80% that, right?

Rick Wise – *Stifel, Equity Research Analyst*

The latter.

Doug Bartlett - *Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions*

Yes. The benefits of CHG and antimicrobial is well known, right? We have 25-plus studies, we don't need that, we don't need a new killer clinical. What we need is the awareness around IV infection rates and the cost of them to the hospital. And as you mentioned, how do we drive that penetration? In the past, we were focused on what are called specialty IVs -- picks, the ports, things that go directly into the patient's heart -- and clinicians knew that they needed to cover those with antimicrobials. Well, peripheral IVs, and those are the kinds that we've all had whenever you've gone to the hospital or the emergency room. Those cause infection, too, right? And they make up 90% of overall IVs. They are the most common invasive medical procedure in the world, over 1.2 billion of them. And the risk is very real.

And now more guidelines, more standards, more societies around the world, are recognizing this because now hospitals have that data resolution. But what they don't have is the protocols, the ability to say, how do we do this? So now working with those societies, taking those guidelines, and then to your point, the data that customers are looking for, is show us the framework, show us where the gaps are and then show us how your products are actually providing a benefit. And we're in the early stages of doing that.

Rick Wise – *Stifel, Equity Research Analyst*

Great. U.S. versus OUS. What's your current -- just your segment, the U.S. OUS mix? What do you aspire to have it be? And what steps are you making? And I'm going to jump ahead and assume to expand your non -- your outside of U.S. business?

Doug Bartlett - Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions

I don't think we report that resolution at my level, but I can tell you that we are -- I am the more global of the businesses. I have a long background in doing global businesses. I think there's a tremendous amount of growth internationally, but with certain products like ones that contain CHG, it's going to be a 4-, 5-year approval period versus the United States. So -- and as an example, in the United States, we launched 5 years ago, Tegaderm antimicrobial. That's a new product in Asia and Europe this year. So we are repeating that play. And again, same message, same discipline needed, but you've got a natural gap just again, due to some things outside of our control. But internationally, the need is there just like it is in the U.S.

Wayde McMillan - Solventum Corporation; Chief Financial Officer

Doug, it might be worth talking Sterilization Assurance because that's another area that's getting a lot more focus within the hospital today.

Doug Bartlett - Solventum Corporation; Senior Vice President, Infection Prevention & Surgical Solutions

Massive. So Sterilization Assurance is very personal to me and the products themselves are small disposable products that verify that instruments have been sterilized. The reason you do that is so you don't get surgical site infections. Three years ago, I almost died from a surgical site infection. So this one, I can get very passionate around it, right? We have now launched three new products in the last two quarters, and it's all about helping customers to achieve standard, repeatable, consistent processes.

The sterilization department in a hospital, if you went into one, you might not know you're in a hospital, you think you're in a factory. They work 24/7. They are constantly trying to turn instruments to get them back to the OR, and they have some of the highest staff turnover ratios within the hospital. So products that seem very simple but help them make their processes repeatable and consistent versus different technicians doing things manually, which gives you inconsistent results. That's what eBowie-Dick, our clear test pack launches, are all about. And again, this is a team that is already specialized. They're very, very expert in what they do. They haven't anything new to talk about in years. So it's really generating a lot of excitement.

Wayde McMillan - Solventum Corporation; Chief Financial Officer

Great application of the 3M applied science, really incredible capability here.

Rick Wise – Stifel, Equity Research Analyst

Wayde, turning from the elevated and life-affirming and changing and saving to the mundane, I know you're anxious to talk about guidance for the quarter and for '26. I think Greg said, I should push you to do that, blame all the stuff on somebody else. It's my whole life work. But you're projecting fourth quarter organic growth of 2.2%. You have a tougher comp in the fourth quarter. What gives you confidence that you can drive another 2% plus quarter? And where are the opportunities if there were to be upside? And then we'll morph into your -- this is where I think you said you'd give '26 guidance.

Wayde McMillan - Solventum Corporation; Chief Financial Officer

Yes, I feel like we've had this conversation many times over the last 20 years. So I would say, absolutely, we're planning to be at the high end of our annual guide, which is 2% to 3% and 2.5% to 3.5% on an underlying basis. When you get to Q4, as you articulated, the squeeze math is mid-2's there, and that still has a bit of a headwind, mostly in Doug's business, where we're finalizing the give back of that extra volume in the first half that was related to the ERPs, the distribution centers, and the SKU communication where customers bought ahead. So we're going to absorb the remaining piece of that in Q4.

If not for that, we'd have closer to the same growth rate we've had in the last couple of years on an underlying basis when you normalize just for the volume headwinds. And so we are very confident. All three businesses are accelerating. All three segments are accelerating. We're seeing good improvement. And as you asked about 2026, we haven't given specific guidance yet. We'll do that on our February Q4 call. But we did give some color in that our expectation is we would

see our underlying growth rate improve in 2026. We see good momentum here throughout the year, and building-- including the commercial improvements that we've talked about and the innovation improvements that are coming. We are expecting an improved underlying growth rate.

We'll have a little more SKU headwinds, 100 basis points next year. So a little more SKU headwind. But on an underlying basis, we expect our top line sales growth to continue to increase, and then the bottom line operating margins as well. And inside of that sales growth, we expect all three businesses to increase their sales growth rate in '26. And that's really because all three businesses have growth drivers that they're moving their strategy behind, and we're seeing good momentum in all three.

Rick Wise – *Stifel, Equity Research Analyst*

That's exciting, even just been hearing the change in your language over the last 12 to 18 months. Just reflecting on growth, and we're going to run a little over here. At what point will you be ready to be more active on the M&A front? You've got one of my favorite world-class biz dev people recently hired, and when is she going to help you all grow externally as well? When are you going to be ready for that?

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

This is such an exciting change for us because we just completed the P&F divestiture and closed that and reshaped our balance sheet and our cash position, and so I'm glad you called out Rachel because she is fantastic, and she is bringing a whole new level of rigor and capability to our corporate development processes internally. So we are building a strong pipeline and we're getting ready to start to deploy some of that balance sheet strength.

We do feel the inorganic part of our strategy is really important. We want to continue to pepper in programmatic acquisitions over time. As Doug highlighted in his business, he's got a specialized sales force now, and we've built that apparatus much -- the commercial apparatus much stronger. So now to be able to take programmatic and tuck-in acquisitions and layer them into that structure, we think we've got a scale advantage over a lot of the competitors that we deal with today. And so we'll be able to, we think, really maximize value out of acquisitions. So as you know, from Bryan and my past, we've had good success with acquiring faster-growing, earlier-stage technologies that are ready to be built into the commercial structure that we have to help them accelerate.

And so, that is a big part of what Rachel is doing for us here and building out those capabilities. So I do think portfolio management is going to be a big part of our success going forward as well.

Rick Wise – *Stifel, Equity Research Analyst*

That's exciting. I hate to stop because I got like six more pages of questions for you, but it's just great to see the momentum, great to meet you, and hear about all the success that's happening there, and look forward to much more. Thank you for being here.

Wayde McMillan - *Solventum Corporation; Chief Financial Officer*

Thank you for having us, Rick. Thank you.

