

July 26, 2022



3M Reports Second-Quarter 2022 Results

Second-Quarter Highlights:

- Aearo Technologies takes action to efficiently and equitably resolve litigation related to Combat Arms Earplugs resulting in a pre-tax charge of \$1.2 billion, or \$1.66 per share; Company reports GAAP earnings per share of \$0.14, including impact of Special Items.
- Adjusted earnings per share of \$2.48 in midst of continued uncertain macroeconomic environment.

	Q2 2022	Q2 2021
GAAP EPS	\$ 0.14	\$ 2.59
Special Items:		
Aearo Technologies actions - Combat Arms Earplugs	1.66	—
Zwijndrecht-related (PFAS-related environmental commitments as previously announced on July 6, 2022)	0.51	—
Other net costs for significant litigation	0.17	0.16
Adjusted EPS	\$ 2.48	\$ 2.75

Memo:

GAAP operating income margin	1.3 %	22.0 %
Adjusted operating income margin	21.0 %	23.4 %

See the "Supplemental Financial Information Non-GAAP Measures" section for applicable information.

- Sales of \$8.7 billion, down 3 percent year-on-year, which included a negative 4 percentage point impact from foreign currency translation due to strength of U.S. dollar.
- Organic sales growth of 1 percent year-on-year which included a 4 percentage point headwind from the combined impact of China COVID-related lockdowns and decline in disposable respirator demand.
- Operating cash flow was \$1.1 billion, down 40 percent year-on-year, while adjusted free cash flow was \$1.0 billion, down 41 percent year-on-year.
- 3M returned \$0.8 billion to shareholders via dividends.

ST. PAUL, Minn., July 26, 2022 /PRNewswire/ -- 3M (NYSE: MMM) today reported second-quarter 2022 results.

"In a challenging macroeconomic environment, 3M executed well and delivered solid earnings, while continuing to drive growth through investments in large, fast-growing areas," said 3M chairman and CEO Mike Roman. "Looking ahead, we updated our adjusted full-year expectations largely due to the strength of the U.S. dollar and uncertain macroeconomic environment. We remain focused on innovating for customers, driving operational improvements and advancing our environmental stewardship – while positioning 3M for the future through our plan to spin off our Health Care business and resolve Combat Arms litigation in a manner that is efficient and equitable."

Full-Year 2022 Outlook

3M updated its full-year sales and earnings expectations to reflect the impact of the strong U.S. dollar along with the current uncertain macroeconomic environment.

- Total sales growth: -2.5 to -0.5 percent vs. 1 to 4 percent prior
- Organic sales growth: 1.5 to 3.5 percent vs. 2 to 5 percent prior
- Foreign currency translation: -4 percent vs. -1 percent prior
- GAAP earnings per share: \$7.32 to \$7.82 vs. \$9.89 to 10.39 prior
- Adjusted earnings per share: \$10.30 to \$10.80 vs. \$10.75 to \$11.25 prior
- Operating cash flow of \$6.6 to \$7.2 billion contributing to 90% to 100% adjusted free cash flow conversion

See the "Supplemental Financial Information Non-GAAP Measures" section for applicable information.

Taking Steps to Equitably Resolve Litigation Related to Combat Arms Earplugs

In a separate press release issued today, 3M announced it is taking steps to resolve litigation related to Combat Arms Earplugs Version 2 ("Combat Arms Earplugs"). Aearo Technologies and related entities ("Aearo Technologies"), all of which are wholly-owned 3M subsidiaries, have voluntarily initiated chapter 11 proceedings. With this change in strategy, this process is intended to resolve claims related to Combat Arms Earplugs in a manner that is equitable to all parties, including plaintiffs with claims that are determined to be entitled to compensation. 3M and all other associated businesses have not filed for chapter 11 and will continue to operate as usual. Aearo Technologies' will also continue to operate in the ordinary course. To access the press release, please visit our press release page [here](#).

Planned Spin Off of Health Care Business

In a separate press release issued today, 3M announced its intent to spin off its Health Care business, resulting in two world-class, public companies well positioned to pursue their respective growth plans. To access the press release, please visit our press release page [here](#).

Update on Pending Food Safety Transaction with Neogen

3M has now indicated it intends to complete the transaction through a split-off with a targeted closing date of September 1, 2022, subject to approval by Neogen shareholders, receipt of required regulatory approvals and the satisfaction of other customary closing conditions.

Zwijndrecht, Belgium Facility Received Approval to Restart Idled Manufacturing

As previously reported on July 6, 2022, 3M received approval from the Flemish authorities to restart certain operations at its Zwijndrecht, Belgium manufacturing facility that have been idled in recent months, including production of electronic heat transfer fluids and others. This approval has been granted following 3M's investment in new and additional technologies to significantly reduce PFAS discharges and emissions from its facility, as well as our submission of testing data that indicates the effectiveness of these technologies. The restart process for these operations is on track with the company's expectations.

Conference Call

3M will conduct an investor teleconference at 9 a.m. EDT (8 a.m. CDT) today. Investors can access this conference via the following:

- Live webcast at <http://investors.3M.com>.
- Live telephone:
Call 800-762-2596 within the U.S. or +1 212-231-2916 outside the U.S. Please join the call at least 10 minutes before the start time.
- Webcast replay:
Go to 3M's Investor Relations website at <http://investors.3M.com> and click on "Quarterly Earnings."
- Telephone replay:
Call 800-633-8284 within the U.S. or +1 402-977-9140 outside the U.S. (for both U.S. and outside the U.S., the access code is 21999290). The telephone replay will be available until 11:30 a.m. EDT (10:30 a.m. CDT) on August 1, 2022.

Consolidated Financial Statements and Supplemental Financial Information Non-GAAP Measures

View the Consolidated Financial Statements and Supplemental Financial Information Non-GAAP Measures on 3M's website: <https://investors.3m.com/Financial-Statements-Q222>

Forward-Looking Statements

This news release 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 "anticipate," "estimate," "expect," "aim," "project," "intend," "plan," "believe," "will," "should," "could," "target," "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, capital markets and other external conditions and other factors beyond the Company's control, including natural and other disasters or climate change affecting the operations of the Company or its customers and suppliers; (2) risks related to public health crises such as the global pandemic associated with the coronavirus (COVID-19); (3) foreign currency exchange rates and fluctuations in those rates; (4) liabilities related to certain fluorochemicals, including lawsuits concerning various PFAS-related products and chemistries, and claims and governmental regulatory proceedings and inquiries related to PFAS in a variety of jurisdictions; (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, 2021, as updated by the Company's Current Report on Form 8-K dated April 26, 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 offerings; (8) the availability and cost of purchased components, compounds, raw materials and energy (including oil and natural gas and their derivatives) due to shortages, increased demand or supply interruptions (including those caused by natural and other disasters and other events); (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

unusual events resulting from portfolio management actions and other evolving business strategies, and possible organizational restructuring; (11) operational execution, including scenarios where the Company generates fewer productivity improvements than estimated; (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; and (16) matters relating to the voluntary chapter 11 proceedings of the Company's subsidiary Aearo Technologies and certain of its affiliates (the "Aearo Entities"), including legal risks related to the chapter 11 proceedings; potential impacts to the Company's reputation and its relationships with customers, suppliers, employees, regulators and other counterparties and community members; potential impacts to the Company's liquidity or results of operations, including risks related to the amount that will be necessary to fully and finally resolve all of the Company's obligations to make payments to resolve such claims under the terms of its funding and indemnification agreement with the Aearo Entities; and the Aearo Entities' ability to navigate the chapter 11 proceedings to obtain approval and consummation of a plan of reorganization. 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.

About 3M

At 3M, we apply science in collaborative ways to improve lives daily as our employees connect with customers all around the world. Learn more about 3M's creative solutions to the world's problems at www.3M.com or on Twitter @3M or @3MNews.

Please note that the company announces material financial, business and operational information using the 3M investor relations website, SEC filings, press releases, public conference calls and webcasts. The company also uses the 3M news center and social media to communicate with our customers and the public about the company, products and services and other matters. It is possible that the information 3M posts on the news center and social media could be deemed to be material information. Therefore, the company encourages investors, the media and others interested in 3M to review the information posted on 3M's news center and the social media channels such as Twitter@3M or @3MNews.

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