

March 20, 2025



Solventum to Present Value Creation Formula and Long-Range Plan at 2025 Investor Day

Provides 2028 Targets for Revenue Growth, Margin Expansion, and Free Cash Flow

ST. PAUL, Minn., March 20, 2025 /PRNewswire/ -- [Solventum](#) (NYSE: SOLV) today hosts its 2025 Investor Day and will outline strategic priorities for the Company, its business segments, and its long-range plan (LRP) to drive growth and value creation.



"Solventum has tremendous potential, with attractive businesses, large and growing markets, and highly regarded brands. We have undertaken a significant transformation to unlock the potential of our Medical Surgical, Dental Solutions, and Health Information Systems businesses, positioning the company to drive accelerated growth and create shareholder value," said Bryan Hanson, Chief Executive Officer of Solventum.

"Solventum has entered 2025 as a more focused company with an improving innovation engine and a purpose-built leadership team committed to realizing our mission of enabling better, smarter, safer healthcare to improve lives. The recently announced sale of our Purification & Filtration (P&F) business is a major milestone and will allow us to accelerate our plans and deliver for customers and shareholders. Our long-range plan demonstrates the progress we made in the last year and reflects our confidence in our ability to accelerate sales growth, expand margins, deliver EPS growth, and improve free cash flow," Hanson concluded.

Long-Range Plan and Financial Targets

Solventum today reaffirmed its fiscal year 2025 guidance, originally provided in connection with its Q4 earnings, and announced its LRP for 2025 through 2028:

- Accelerate organic sales growth of 4% to 5% in 2028

- Expand operating margins to be 23% to 25% in 2028 (inclusive of ~200bps 3M COGS increase)
- Generate EPS CAGR of 10% over the 3-year period ending 2028
- Drive free cash flow conversion of 80%+

The Company is also focused on delivering attractive ROIC and a solid investment grade credit rating and intends to use the proceeds from the P&F transaction primarily to pay down debt. Solventum will consider share repurchases and dividends over time.

Three-Phased Transformation Plan

The Company has been executing a three-phased transformation plan, and the LRP reflects the foundational improvements implemented over the last year to position the Company for success.

- **Capture hearts and minds and stabilize the business:** The Company has taken action to drive mission and culture, refresh talent and harmonize the executive team, and enhance execution with a focus on relevant metrics for its business.
- **Enhance strategic focus:** Solventum is executing a clear strategic plan to drive revenue growth, margin expansion, and cash flow improvement with a focus on high-potential markets where the Company has a path to leadership. Over the past year, the Company has carefully analyzed its markets to select key growth driver areas that will propel growth across the business segments.
- **Portfolio optimization:** Solventum has identified organic and inorganic growth opportunities to maximize value and optimize its portfolio, including the recent sale of the P&F business, which frees up significant capital to invest for growth through M&A. The Company will continue to evaluate opportunities to enter or increase scale within the most attractive markets and submarkets, as well as invest in R&D and CapEx to support innovation and top-line growth.

2025 Investor Day Webcast

Solventum will host its 2025 Investor Day in New York City today starting at 1 p.m. Eastern Daylight Time. The event will also be accessible via [webcast](#) and can be found on the Company's investor relations site. A replay of the webcast and the presentation slides used will be available on the same site following the event.

Forward-Looking Statements

This news release contains forward-looking information about Solventum's financial results and estimates and business prospects, including guidance for 2025 and its long-range plan for 2025 through 2028, that contain or incorporate by reference statements that relate to future events and expectations and, as such, constitute forward-looking statements that involve risk and uncertainties. Forward-looking statements include those containing such words as "anticipates," "believes," "could," "estimates," "expects," "forecasts," "goal," "guidance," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words 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 and geopolitical conditions, natural disasters, war, public health crises, and other events beyond Solventum's control; (2) operational execution risks; (3) damage to Solventum's reputation or its brands; (4) risks from acquisitions, strategic alliances, divestitures and other strategic events; (5) Solventum's

business dealings involving third-party partners in various markets; (6) Solventum's ability to access the capital and credit markets and changes in Solventum's credit ratings; (7) exposure to interest rate and currency risks; (8) the highly competitive environment in which Solventum operates and consolidation in the healthcare industry; (9) reduction in customers' research budgets or government funding; (10) the timing and market acceptance of Solventum's new product and service offerings; (11) ongoing working relationships with certain key healthcare professionals; (12) changes in reimbursement practices of governments or private payers or other cost containment measures; (13) Solventum's ability to obtain components or raw materials supplied by third parties and other manufacturing and related supply chain difficulties, interruptions, and disruptive factors; (14) legal and regulatory proceedings and legal compliance risks (including third-party risks) with regards to antitrust, FCPA and other anti-bribery laws, environmental laws, anti-kickback and false claims laws, privacy laws, product liability claims, tax laws, and other laws and regulations in the United States and other countries in which Solventum operates; (15) potential liabilities related to per-and polyfluoroalkyl substances; (16) risks related to the highly regulated environment in which Solventum operates; (17) risks associated with product liability claims; (18) climate change and measures to address climate change; (19) security breaches and other disruptions to information technology infrastructure; (20) Solventum's failure to obtain, maintain, protect, or effectively enforce its intellectual property rights; (21) pension and postretirement obligation liabilities; (22) any failure by 3M Company ("3M") to perform any of its obligations under the various separation agreements entered into in connection with the separation of Solventum from 3M and distribution (the "Spin-Off"); (23) any failure to realize the expected benefits of the Spin-Off; (24) a determination by the IRS or other tax authorities that the Separation or certain related transactions should be treated as taxable transactions; (25) indebtedness incurred in the financing transactions undertaken in connection with the Separation and risks associated with additional indebtedness; (26) the risk that incremental costs of operating on a standalone basis (including the loss of synergies), costs of restructuring transactions and other costs incurred in connection with the Spin-Off will exceed Solventum's estimates; and (27) the impact of the Spin-Off on Solventum's businesses and the risk that the separation from 3M may be more difficult, time-consuming or costly than expected, including the impact on Solventum's resources, systems, procedures and controls, diversion of management's attention and the impact on relationships with customers, suppliers, employees and other business counterparties.

Changes in such assumptions or factors could produce significantly different results. A further description of these factors is located under "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" in Solventum's periodic reports on file with the U.S. Securities & Exchange Commission. Solventum assumes no obligation to update any forward-looking statements discussed herein as a result of new information or future events or developments.

Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. GAAP, Solventum also provides non-GAAP measures that we use, and plan to continue using, when monitoring and evaluating operating performance and measuring cash available to invest in our business. The adjusted measures are not in accordance with, nor are they a substitute for, GAAP measures. These non-GAAP financial measures are supplemental measures of our performance and our liquidity that we believe help investors understand our underlying business performance and Solventum uses these measures as an indication of the strength of Solventum and its ability to generate cash.

Solventum calculates forward-looking non-GAAP financial measures, including organic sales growth, adjusted earnings per share, and free cash flow based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. Solventum does not provide reconciliations of these forward-looking non-GAAP financial measures to the respective GAAP metrics as it is unable to predict with reasonable certainty and without unreasonable effort certain items such as the impact of changes in currency exchange rates, impacts associated with business acquisitions or divestitures, and the timing and magnitude of restructuring activities, among other items. The timing and amounts of these items are uncertain and could have a material impact on Solventum's results in accordance with GAAP.

About Solventum

At Solventum, we enable better, smarter, safer healthcare to improve lives. As a new company with a long legacy of creating breakthrough solutions for our customers' toughest challenges, we pioneer game-changing innovations at the intersection of health, material and data science that change patients' lives for the better — while empowering healthcare professionals to perform at their best. See how at [Solventum.com](https://www.solventum.com).

View original content to download multimedia:<https://www.prnewswire.com/news-releases/solventum-to-present-value-creation-formula-and-long-range-plan-at-2025-investor-day-302406592.html>

SOURCE Solventum