

Solventum Reports Second Quarter 2025 Financial Results

- Reported sales increased 3.9%; organic sales increased 2.8%
- Increases full year organic sales growth outlook to +2.0% to +3.0%
- Increases full year earnings per share outlook to \$5.80 to \$5.95

ST. PAUL, Minn., Aug. 7, 2025 /PRNewswire/ -- [Solventum](#) (NYSE: SOLV) today reported financial results for the second quarter ended June 30, 2025.



Second Quarter 2025 Highlights

- Sales increased 3.9% to \$2.2 billion; up 2.8% on an organic basis
- GAAP diluted earnings per share of \$0.51; adjusted diluted earnings per share of \$1.69
- Operating cash flow of \$169 million; free cash flow of \$59 million

"Our solid second quarter fiscal year 2025 results mark five consecutive quarters of positive sales volume growth since implementing our transformation strategy," said Bryan Hanson, chief executive officer of Solventum. "Given the continued and underlying momentum in our business and markets, we have raised our full year 2025 guidance at the top and bottom line reflecting confidence in our strategy and execution."

Second Quarter and First Six Months 2025 Financial Results

(Dollars in millions, except per share amounts)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Year over year change	2025	2024	Year over year change
Net sales	\$ 2,161	\$ 2,081	3.9 %	\$ 4,231	\$ 4,097	3.3 %
Selling, general and administrative expenses	\$ 772	\$ 701	10.1 %	\$ 1,541	\$ 1,297	18.8 %
Research and development expenses	\$ 189	\$ 192	(1.6) %	\$ 381	\$ 387	(1.6) %
Operating income margin	9.9 %	11.7 %	(180) bps	8.7 %	15.3 %	(660) bps
Adjusted operating income margin ¹	21.9 %	20.7 %	120 bps	20.8 %	22.3 %	(150) bps
Net income	\$ 90	\$ 89	1.1 %	\$ 227	\$ 326	(30.4) %
Diluted earnings per share	\$ 0.51	\$ 0.51	— %	\$ 1.30	\$ 1.88	(30.9) %
Adjusted diluted earnings per share ¹	\$ 1.69	\$ 1.56	8.3 %	\$ 3.03	\$ 3.64	(16.8) %
Net cash provided by operating activities	\$ 169	\$ 355	(52.4) %	\$ 198	\$ 797	(75.2) %
Free cash flow ¹	\$ 59	\$ 297	(80.1) %	\$ (21)	\$ 637	(103.3) %

Organic sales growth in the quarter reflect positive performance from all segments, primarily driven by the MedSurg and HIS segments.

GAAP and adjusted operating income margin declined due to lower gross margins, including the impact from 3M supply agreement mark-up, and an increase in operating expenses related to public company stand-up costs and growth investments.

¹ Represents non-GAAP financial measure; see the "Non-GAAP Financial Measures" section for applicable information.

Segment and Total Company Net Sales for Second Quarter*

(Dollars in millions)	Three months ended June 30,		Increase/(Decrease)				
	2025	2024	Reported Growth	Currency Impact	Constant Currency ²	Other ³	Organic Growth
Advanced Wound Care	\$ 467	\$ 460	1.7 %	0.9 %	0.8 %	— %	0.8 %
Infection Prevention and Surgical Solutions	750	702	6.9	1.0	5.9	—	5.9
MedSurg	1,218	1,162	4.8	0.9	3.9	—	3.9
Dental Solutions	338	331	2.3	1.6	0.6	—	0.7
Health Information Systems	339	328	3.4	0.2	3.2	—	3.2
Purification and Filtration	252	238	5.4	2.3	3.1	—	3.1

Corporate and Unallocated ⁴	15	22	NM	NM	NM	NM	NM
Total Company	\$ 2,161	\$ 2,081	3.9 %	1.1 %	2.8 %	— %	2.8 %

"Data in the schedule above is intentionally rounded to the nearest million and, therefore, may not sum. The Company's use of the term "NM" reflects results not considered to be material due to either not having material activity in the comparable prior years or is not meaningful.

² Constant currency represents the change in net sales absent the impact on sales from foreign currency translation.

³ Other represents sales impact from acquisitions and divestitures measured separately for the first 12 months post-transaction. Acquisitions include non-healthcare related supply agreements that conveyed from 3M to the Company at Spin-Off and sales from new supply agreements with 3M that commenced at Spin-Off. Divestiture impacts include certain health care businesses retained by 3M India in connection with the Spin-Off.

⁴ Corporate and unallocated includes sales related to product supplied to 3M and other supply agreements related to legacy 3M business and assumed by the company at Spin-Off. Total sales change is calculated based on reported sales results. The components of sales change include organic local-currency sales, translation, and other. Organic local-currency sales include both organic volume impacts (which excludes acquisition and divestiture impacts, in addition to supply agreement and impacts) and selling price changes. Other represents sales impact from acquisitions and divestitures measured separately for the first 12 months post-transaction. Divestiture impacts include lost sales from the company's dental anesthetics business that was sold in August 2023 and certain health care businesses retained by 3M India in connection with the spin-off.

Full-Year 2025 Guidance

Solventum is updating its full year 2025 guidance to reflect underlying business performance and flexibility to navigate the dynamic macroeconomic environment as follows:

- Increased organic sales growth range to +2.0% to +3.0% (+2.5% to +3.5% excluding ~50 bps of SKU exit impact); from prior range of +1.5% to +2.5%
- Increased adjusted EPS range to \$5.80 to \$5.95; from prior range of \$5.45 to \$5.65
- Free cash flow in the range of \$450M to \$550M; no change

Note: Full year 2025 guidance includes the Purification & Filtration segment. On June 25, 2025, we announced amended terms of the sale of our Purification & Filtration segment, whereby Solventum will retain ownership of the Drinking Water Filtration business. We will update our annual guidance for related impacts after the transaction closes.

Organic sales, adjusted diluted EPS and free cash flow amounts included in Solventum's full-year guidance are non-GAAP financial measures. Solventum does not provide reconciliations of the 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.

Please note Solventum's Q1 2024 results were reported on a carve-out basis.

See the "Non-GAAP Financial Measures" section for explanations of our non-GAAP financial measures.

Earnings Conference Call

Solventum will host a conference call today, Aug. 7, at 4:30 p.m. Eastern Time to discuss its second quarter financial results and provide an update on its business. The conference call can be accessed via audio webcast at investors.solventum.com or by dialing (800) 715-9871 within the U.S. or +1 (646) 307-1963 for international callers, using the conference ID 6342275.

A replay of the webcast, along with the earnings press release, slides highlighting the results, and supplemental financial disclosures, will also be available at the same link on the Investor Relations section of the company's website.

Forward-Looking Statements

This news release contains forward-looking information about Solventum's financial results and estimates and business prospects, including guidance for 2025, 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 from those described in our forward looking statements are the following: (1) the effects of, and changes in, 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, including the divestiture of our Purification and Filtration business; (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, collectively known as "PFAS"; (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 (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 Spin-Off or certain related transactions should be treated as taxable transactions; (25) financing transactions undertaken in connection with the Spin-Off 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 Spin-Off 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.

The above list is not exhaustive or necessarily set forth in the order of importance. Forward-looking statements are based on certain assumptions and expectations of future events and trends, and actual future results and trends may differ materially from historical results or those reflected in any such forward-looking statements depending on a variety of factors. 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, future events or otherwise, except as required by applicable law.

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 operating income, adjusted operating income margin, adjusted effective tax rate, adjusted diluted 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.

The Q2 2025 financial statements and financial information, including reconciliations of non-GAAP financial measures, are available on Solventum's website: investors.solventum.com.

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://solventum.com).

Solventum Corporation CONDENSED CONSOLIDATED STATEMENTS OF INCOME*

(Dollars in millions, except per-share data)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net sales of product	\$ 1,668	\$ 1,605	\$ 3,265	\$ 3,158
Net sales of software and rentals	493	476	966	939
Total net sales	2,161	2,081	4,231	4,097
Cost of product	865	823	1,700	1,548
Cost of software and rentals	121	121	242	240
Gross profit	1,175	1,137	2,289	2,309
Selling, general and administrative expenses	772	701	1,541	1,297
Research and development expenses	189	192	381	387
Operating income	214	244	367	625
Interest expense, net	103	114	207	153
Other expense (income), net	8	34	19	47
Income before income taxes	103	96	141	425
Provision for (benefit from) income taxes	13	7	(86)	99
Net Income	\$ 90	\$ 89	\$ 227	\$ 326
Earnings per share:				
Basic earnings per share	\$ 0.52	\$ 0.51	\$ 1.31	\$ 1.89
Diluted earnings per share	0.51	0.51	1.30	1.88
Weighted-average number of share outstanding:				
Basic	174.1	173.2	173.9	172.9
Diluted	175.2	173.5	175.0	173.1

*Data in the schedule above is intentionally rounded to the nearest million and, therefore, may not sum.

Solventum Corporation
CONDENSED CONSOLIDATED BALANCE SHEETS*
(Dollars in millions, except per-share data)
(Unaudited)

	June 30,	December 31,
	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 492	\$ 762
Accounts receivable — net of allowances of \$87 and \$86	1,065	1,044
Due from related parties	190	185
Inventories		
Finished goods	553	539
Work in process	173	190
Raw materials and supplies	236	236
Total inventories	962	965
Other current assets	331	293
Current assets held for sale	168	—
Total current assets	3,208	3,249
Property, plant and equipment — net	1,313	1,622
Goodwill	5,274	6,377
Intangible assets — net	2,302	2,544
Other assets	917	665
Non-current assets held for sale	2,060	—
Total assets	\$ 15,074	\$ 14,457
Liabilities		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ —	\$ 200
Accounts payable	643	618
Due to related parties	355	272
Unearned revenue	557	572
Other current liabilities	1,011	1,041
Current liabilities held for sale	54	—
Total current liabilities	2,620	2,703
Long-term debt	7,815	7,810
Pension and postretirement benefits	354	350
Deferred income taxes	231	225
Other liabilities	371	410
Non-current liabilities held for sale	38	—
Total liabilities	\$ 11,429	\$ 11,498
Equity		
Common stock par value, \$0.01 par value, 750,000,000 shares authorized	\$ 2	\$ 2
Shares issued and outstanding - June 30, 2025: 173,387,361		
Shares issued and outstanding - December 31, 2024: 172,785,606		
Additional paid-in capital	3,806	3,771
Retained earnings	468	242
Accumulated other comprehensive income (loss)	(631)	(1,056)
Total equity	3,645	2,959
Total liabilities and equity	\$ 15,074	\$ 14,457

*Data in the schedule above is intentionally rounded to the nearest million and, therefore, may not sum.

Solventum Corporation
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS*
(Dollars in millions)
(Unaudited)

	Six months ended June 30,	
(Millions)	2025	2024
Cash Flows from Operating Activities		
Net income	\$ 227	\$ 326
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	251	272
Postretirement benefit plan expense	32	19

Stock-based compensation expense	83	60
Deferred income taxes	(177)	(56)
Changes in assets and liabilities		
Accounts receivable	(15)	70
Due from related parties	4	131
Inventories	(77)	(57)
Accounts payable	23	132
Due to related parties	(6)	(169)
Accrued compensation	(47)	45
All other operating activities	(100)	24
Net cash provided by operating activities	198	797

Cash Flows from Investing Activities

Purchases of property, plant and equipment	(219)	(160)
Other — net	(5)	—
Net cash used in investing activities	(224)	(160)

Cash Flows from Financing Activities

Repayment of debt	(200)	—
Net transfers to 3M	(30)	(8,247)
Proceeds from long-term debt, net of issuance costs	—	8,303
Other — net	(19)	10
Net cash (used in) provided by financing activities	(249)	66

Effect of exchange rate changes on cash and cash equivalents	7	—
Net increase (decrease) in cash and cash equivalents	(268)	703
Cash and cash equivalents at beginning of period	762	194
Less: Cash and cash equivalents within held for sale	(2)	—
Cash and cash equivalents at end of period	\$ 492	\$ 897

*Data in the schedule above is intentionally rounded to the nearest million and, therefore, may not sum.

Solventum Corporation SALES CHANGE ANALYSIS (Dollars in millions) (Unaudited)

Segment and Total Company Net Sales for the First Six Months*

(Dollars in millions)	Six months ended June 30,		Increase/(Decrease)				
	2025	2024	Reported Growth	Currency Impact	Constant Currency ²	Other ³	Organic Growth
Advanced Wound Care	\$ 915	\$ 901	1.6 %	(0.1) %	1.7 %	(0.1) %	1.8 %
Infection Prevention and Surgical Solutions	1,460	1,380	5.8	(0.4)	6.2	(0.8)	7.0
MedSurg	2,375	2,281	4.1	(0.3)	4.4	(0.5)	4.9
Dental Solutions	667	666	0.1	(0.2)	0.3	(0.3)	0.6
Health Information Systems	667	645	3.5	—	3.5	—	3.5
Purification and Filtration	494	483	2.2	0.1	2.1	(0.5)	2.6
Corporate and Unallocated ⁴	28	22	NM	NM	NM	NM	NM
Total Company	\$ 4,231	\$ 4,097	3.3 %	(0.2) %	3.5 %	— %	3.5 %

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² Constant currency represents the change in net sales absent the impact on sales from foreign currency translation.

³ Other represents sales impact from acquisitions and divestitures measured separately for the first 12 months post-transaction. Acquisitions include non-healthcare related supply agreements that conveyed from 3M to the Company at Spin-Off and sales from new supply agreements with 3M that commenced at Spin-Off. Divestiture impacts include certain health care businesses retained by 3M India in connection with the Spin-Off.

⁴ Corporate and unallocated includes sales related to product supplied to 3M and other supply agreements related to legacy 3M business and assumed by the company at Spin-Off.

Solventum Corporation and Subsidiaries BUSINESS SEGMENTS – (CONTINUED)* (Unaudited)

The Company's operating activities are managed through four operating segments: MedSurg, Dental Solutions, Health Information Systems, and Purification and Filtration.

- MedSurg provides:
 - advanced wound care products such as negative pressure wound therapy, advanced wound dressings and advanced skin care; and
 - infection prevention and surgical solutions products, such as I.V. site management, sterilization assurance, temperature management, surgical supplies, medical tapes and wraps, stethoscopes, medical electrodes, and medical technologies Original Equipment Manufacturer ("OEM").
- Dental Solutions provides dental and orthodontic products, including brackets, aligners, restorative cements, and bonding agents that span the "life of the tooth," including products designed for preventative dental care, direct and indirect restoration, and broad orthodontic needs.
- Health Information Systems provides healthcare systems with software solutions – including computer-assisted physician documentation, direct-to-bill and coding automation, classification methodologies, speech recognition, and data visualization platforms.
- Purification and Filtration includes filters and membranes for biopharmaceutical and medical technologies, microelectronics and food and beverage, as well as filtration for cleaner drinking water.

BUSINESS SEGMENT INFORMATION AND DISAGGREGATED NET SALES*

(Dollars in millions)	Three months ended June 30, 2025			Three months ended June 30, 2024		
	Net Sales	Operating Income	Operating Margin %	Net Sales	Operating Income	Operating Margin %
Advanced Wound Care	\$ 467			\$ 460		
Infection Prevention and Surgical Solutions	750			702		
MedSurg	1,218	\$ 210	17.3 %	1,162	\$ 214	18.4 %
Dental Solutions	338	96	28.5	331	93	28.0
Health Information Systems	339	120	35.5	328	111	33.8
Purification and Filtration	252	48	19.2	238	19	8.0
Total business segment operating income		474			437	
Corporate and Unallocated:						
Amortization expense		(78)			(86)	
Other Corporate and Unallocated		(182)			(107)	
Total Corporate and Unallocated	15	(260)	NM	22	(193)	NM
Total Company	\$ 2,161	\$ 214	9.9 %	\$ 2,081	\$ 244	11.7 %

*Data in the schedule above is intentionally rounded to the nearest million and, therefore, may not sum. The Company's use of the term "NM" reflects results not considered to be material due to either not having material activity in the comparable prior years or is not meaningful.

BUSINESS SEGMENT INFORMATION AND DISAGGREGATED NET SALES*

(Dollars in millions)	Six months ended June 30, 2025			Six months ended June 30, 2024		
	Net Sales	Operating Income	Operating Margin %	Net Sales	Operating Income	Operating Margin %
Advanced Wound Care	\$ 915			\$ 901		
Infection Prevention and Surgical Solutions	1,460			1,380		
MedSurg	2,375	\$ 416	17.5 %	2,281	\$ 435	19.1 %
Dental Solutions	667	175	26.2	666	203	30.5
Health Information Systems	667	229	34.3	645	212	32.9
Purification and Filtration	494	83	16.9	483	58	12.0
Total business segment operating income		904			908	
Corporate and Unallocated:						
Amortization expense		(159)			(173)	
Other Corporate and Unallocated		(377)			(110)	
Total Corporate and Unallocated	28	(536)	NM	22	(283)	NM
Total Company	\$ 4,231	\$ 367	8.7 %	\$ 4,097	\$ 625	15.3 %

*Data in the schedule above is intentionally rounded to the nearest million and, therefore, may not sum. The Company's use of the term "NM" reflects results not considered to be material due to either not having material activity in the comparable prior years or is not meaningful.

Solventum Corporation
SUPPLEMENTAL FINANCIAL INFORMATION
NON-GAAP MEASURES
(Unaudited)

In addition to reporting financial results in accordance with U.S. GAAP, the company use non-GAAP financial measures to supplement the financial measures prepared in accordance with U.S. GAAP. These include (1) adjusted operating income and adjusted operating

There are limitations to the use of the non-GAAP financial measures presented in this information statement. These non-GAAP financial measures are not prepared in accordance with U.S. GAAP nor do they have any standardized meaning under U.S. GAAP. In addition, other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to such similarly titled non-GAAP financial measures used by other companies. Management cautions you not to place undue reliance on these non-GAAP financial measures, but instead to consider them with the most directly comparable U.S. GAAP measure. These non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation. These non-GAAP financial measures should be considered supplements to, not substitutes for, or superior to, the corresponding financial measures calculated in accordance with U.S. GAAP.

Adjusted Operating Income, Adjusted Operating Income Margin and Adjusted Earnings Per Share (Non-GAAP measures)

Adjusted diluted earnings per share is not defined under U.S. GAAP. Therefore, it should not be considered a substitute for earnings data prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other companies. Solvatum defines adjusted diluted earnings per share as net income excluding the after-tax effects of amortization, restructuring costs, Spin-Off and separation-related costs, certain litigation-related costs, and impacts related to the sale of the Purification and Filtration business and legal entity restructuring costs. The company believes adjusted earnings per share provides investors with improved comparability of underlying operating results and a further understanding and additional transparency regarding how the company evaluates the business. However, adjusted earnings per share should not be construed as inferring that the company's future results will be unaffected by the items for which the measure adjusts.

Three months ended June 30, 2025

Three months ended June 30, 2024

							Non-Operating	Income	Net Income		
(Dollars in millions, except per share amounts)	Net sales	Cost of Sales ⁵	Gross Margin %	Operating Expenses ⁶	Operating Income	Operating Income Margin %	Expense (Income), net ⁷	Before Income Taxes	Attributable to Solventum	Diluted EPS	Effective Tax Rate
GAAP	\$ 2,081	\$ 944	54.6 %	\$ 893	\$ 244	11.7 %	\$ 148	\$ 96	\$ 89	\$ 0.51	7.3 %
Non-GAAP Adjustments:											
Amortization of acquisition-related intangible assets	—	—	—	(86)	86	4.1	—	86	72	0.41	
Restructuring costs ^(a)	—	(3)	0.2	—	3	0.2	—	3	2	0.01	
Spin-off and separation-related costs ^(b)	—	(21)	1.0	(76)	97	4.7	(26)	123	104	0.61	
Legal entity restructuring ^(c)	—	—	—	—	—	—	—	—	4	0.02	

Non-GAAP	\$ 2,081	\$ 920	55.8 %	\$ 731	\$ 430	20.7 %	\$ 122	\$ 308	\$ 271	\$ 1.56	12.2 %
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*Data in the schedule above is intentionally rounded to the nearest million and, therefore, may not sum.

- (a) Severance, asset write-offs and related charges associated with certain restructuring programs.
- (b) Consists of costs specifically incurred in connection with the Company's separation from 3M.
- (c) Reflects the tax impacts for legal entity restructuring in connection with the separation from 3M.
- (d) Consists of charges and recoveries related to certain litigation matters.
- (e) Costs related to and tax impacts from the sale of the Company's Purification and Filtration business.

⁵ Cost of sales is the combination of cost of product and cost of software and rentals line items from the Consolidated Statements of Income and represents the total company cost of sales.

⁶ Operating expenses is the combination of selling, general and administrative expenses and research and development expenses from the Consolidated Statements of Income and represents the total company other operating expenses.

⁷ Non-operating expense (income), net is the combination of interest expense, net and other expense (income), net line items from the Consolidated Statements of Income and represents the total company non-operating expense.

Six months ended June 30, 2025											
(Dollars in millions, except per share amounts)	Net sales	Cost of Sales ⁵	Gross Margin %	Operating Expenses ⁶	Operating Income	Operating Income Margin %	Non-Operating Expense (Income), net ⁷	Income Before Income Taxes	Net Income Attributable to Solventum	Diluted EPS	Effective Tax Rate
GAAP	\$ 4,231	\$ 1,942	54.1 %	\$ 1,922	\$ 367	8.7 %	\$ 226	\$ 141	\$ 227	\$ 1.30	(61.0) %
Non-GAAP Adjustments:											
Amortization of acquisition-related intangible assets	—	—	—	(159)	159	3.7	—	159	135	0.77	
Restructuring costs ^(a)	—	(11)	0.3	(15)	26	0.6	—	26	20	0.11	
Spin-off and separation-related costs ^(b)	—	(60)	1.4	(210)	272	6.4	—	272	209	1.20	
Certain litigation-related costs ^(d)	—	—	—	(27)	27	0.6	—	27	20	0.11	
Sale of Purification and Filtration-related ^(e)	—	—	—	(31)	31	0.7	—	31	(80)	(0.46)	
Non-GAAP	\$ 4,231	\$ 1,871	55.8 %	\$ 1,480	\$ 881	20.8 %	\$ 226	\$ 655	\$ 530	\$ 3.03	19.0 %

Six months ended June 30, 2024											
(Dollars in millions, except per share amounts)	Net sales	Cost of Sales ⁵	Gross Margin %	Operating Expenses ⁶	Operating Income	Operating Income Margin %	Non-Operating Expense (Income), net ⁷	Income Before Income Taxes	Net Income Attributable to Solventum	Diluted EPS	Effective Tax Rate
GAAP	\$ 4,097	\$ 1,788	56.4 %	\$ 1,684	\$ 625	15.3 %	\$ 200	\$ 425	\$ 326	\$ 1.88	23.3 %
Non-GAAP Adjustments:											
Amortization of acquisition-related intangible assets	—	—	—	(173)	173	4.2	—	173	145	0.84	
Restructuring costs ^(a)	—	(4)	0.1	(8)	12	0.3	—	12	8	0.05	
Spin-off and separation-related costs ^(b)	—	(21)	0.5	(83)	104	2.5	(38)	142	120	0.69	
Legal entity restructuring ^(c)	—	—	—	—	—	—	—	—	31	0.18	
Non-GAAP	\$ 4,097	\$ 1,763	57.0 %	\$ 1,420	\$ 914	22.3 %	\$ 162	\$ 752	\$ 630	\$ 3.64	16.2 %

*Data in the schedule above is intentionally rounded to the nearest million and, therefore, may not sum.

- (a) Severance, asset write-offs and related charges associated with certain restructuring programs.
- (b) Consists of costs specifically incurred in connection with the Company's separation from 3M.
- (c) Reflects the tax impacts for legal entity restructuring in connection with the separation from 3M.
- (d) Consists of charges and recoveries related to certain litigation matters.
- (e) Costs related to and tax impacts from the sale of the Company's Purification and Filtration business.

⁵ Cost of sales is the combination of cost of product and cost of software and rentals line items from the Consolidated Statements of Income and represents the total company cost of sales.

⁶ Operating expenses is the combination of selling, general and administrative expenses and research and development expenses from the Consolidated Statements of Income and represents the total company other operating expenses.

⁷ Non-operating expense (income), net is the combination of interest expense, net and other expense (income), net line items from the Consolidated Statements of Income and represents the total company non-operating expense.

Free Cash Flow (non-GAAP measure):

Free cash flow is not defined under U.S. GAAP. Therefore, it should not be considered a substitute for income or cash flow data prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other companies. The company defines

free cash flow as net cash provided by operating activities less purchases of property, plant and equipment. It should not be inferred that the entire free cash flow amount is available for discretionary expenditures. The company believes free cash flow is meaningful to investors as it is a useful measure of liquidity and the company uses these measures as an indication of the strength of the company and its ability to generate cash. Free cash flow varies across quarters throughout the year. Below find a recap of free cash flow.

(Dollars in millions)		Three months ended June 30,		Six months ended June 30,	
Major GAAP Cash Flow Categories	2025	2024	2025	2024	
Net cash provided by operating activities	\$ 169	\$ 355	\$ 198	\$ 797	
Net cash (used in) investing activities	(110)	(58)	(224)	(160)	
Net cash (used in) provided by financing activities	(110)	(396)	(249)	66	
Free Cash Flow (non-GAAP measure)					
Net cash provided by operating activities	\$ 169	\$ 355	\$ 198	\$ 797	
Purchases of property, plant and equipment	(110)	(58)	(219)	(160)	
Free cash flow	59	297	(21)	637	

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