



Combat Arms Litigation Update

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Forward-looking statements

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including projections as to the amount and timing of payments made under the Combat Arms Earplugs Settlement and statements regarding the potential impact of the Settlement on the existing litigation relating to the products that are the subject of the Settlement. You can identify these statements by the use of words such as "anticipate," "estimate," "expect," "aim," "project," "intend," "plan," "believe," "will," "should," "could," "would," "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. Forward-looking information is based on management's estimates, assumptions, and projections, and is subject to significant uncertainties and other factors, many of which are beyond 3M's control. Important risk factors could cause actual future results and other future events to differ materially from those currently estimated by management, including, but not limited to, whether the anticipated participation by plaintiffs in the Settlement will be achieved, whether the number of plaintiffs that participate in the Settlement will meet current expectations or will fall below the level that would permit 3M to terminate the Settlement (and whether 3M will elect to terminate the Settlement if this occurs), whether there will be a significant number of future claims by plaintiffs that decline to participate in the Settlement, whether the Settlement is appealed or challenged, whether the requirements applicable to the issuance of the equity securities that are contemplated to be part of the Settlement will be met, the filing of additional, or the outcome of any other pending or future, litigation relating to the products that are the subject of the Settlement, or changes in related laws or regulations. Additional important risk factors that could cause future actual results or events 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) risks related to unexpected events such as the public health crises associated with the coronavirus (COVID-19) global pandemic; (3) foreign currency exchange rates and fluctuations in those rates; (4) 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; (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; and (16) matters relating to the voluntary chapter 11 proceedings of the Company's subsidiary Aearo Technologies and certain of its affiliates. 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.

Combat Arms Earplugs litigation

- Combat Arms Earplugs were developed by Aearo Technologies (Aearo) in 1999 for the U.S. military to offer protection from high-level impulse noises – like gunfire – while allowing the user to hear lower-level sounds – like speech.
- The products at issue in the litigation were sold from 1999 until 2015; 3M acquired Aearo in 2008.
- For more than four years, 3M and Aearo have faced litigation from individuals alleging hearing injury due to the product.
- 3M and Aearo's focus has been on achieving a full and final resolution of the litigation on acceptable terms.



Agreement to resolve Combat Arms claims

Path to Full and Final Litigation Resolution

- Agreement intended to resolve all Combat Arms Earplugs product claims, including:
 - Cases in federal multi-district litigation in Florida, cases in state court in Minnesota, and potential future claims
 - Supported by 3M and Aearo, Plaintiffs' Leadership Counsel, and the courts

Financial Considerations

- 3M will contribute an amount with a pre-tax present value of \$5.3 billion
 - 3M will contribute a total amount of \$6.0 billion between 2023 and 2029, which is structured to include \$5.0 billion in cash and \$1.0 billion in 3M common stock.
- 3M will record a pre-tax charge of ~\$4.2 billion in Q3 2023, net of existing accrual of ~\$1.1 billion
- 3M and Aearo are actively engaged in insurance recovery activities

Additional Information

- Agreement is not an admission of liability
- The products at issue in this litigation were safe and effective when used properly
- 3M is prepared to continue to defend itself in the litigation as necessary

Settlement structured to promote participation and finality

Initial Payments (2023)

Up to \$660 million

- Total payments of \$660 million to address all adverse trial verdicts, federal and state wave and bellwether cases, expedited releases of certain claims, and settlement administrative expenses

Participation Payments (2024-2029)

Up to \$4.7 billion

- \$3.5 billion available when 98% claimant participation level is met, payable from 2024-2027
- Up to an additional \$1.2 billion available when higher claimant participation thresholds (98.5%, 99%, 99.5%, and 100%) are met, payable from 2026-2029

Finality and Reserve Fund Payments (2026-2029)

Up to \$650 million

- Up to \$100 million in Finality Payments, \$550 million Reserve Fund, intended to help the parties reach resolution of all claims

Anticipated Payment Schedule

	2023	2024	2025	2026	2027	2028	2029	Total
Cash Payments	0.66	0.65	1.10	1.05	0.80	0.45	0.30	5.01
Equity Payments		0.60	0.25	0.15				1.00
Total	0.66	1.25	1.35	1.20	0.80	0.45	0.30	6.01

(\$ in billions)

- All payment amounts are pre-tax.
- Includes total of \$1 billion in 3M common stock issued over time (issuance subject to court hearing and certain other procedural requirements).
- Payment schedule set forth in Master Settlement Agreement; above amounts reflect earliest anticipated payment dates.

2023 Next Steps

August 2023	<ul style="list-style-type: none">• Master Settlement Agreements executed• MDL and Minnesota Courts to enter orders that will support settlement agreement implementation• Claimant identification and notification processes can begin
September 8, 2023	<ul style="list-style-type: none">• Payment to establish settlement administration process• MDL court may schedule hearing to present settlement terms (tentative)
Q3-Q4 2023	<ul style="list-style-type: none">• Payments to resolve adverse trial verdicts, federal wave and state bellwether cases, and expedited releases of certain claims• Expected MDL court hearing related to issuance of 3M common stock in settlement agreement



Q&A

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