



Q1 FY25 earnings presentation

May 8, 2025



Forward-looking statements and use of document

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Such risks and uncertainties include, but are not limited to: (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 our reputation or our 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, Foreign Corrupt Practices Act (FCPA) and other anti-bribery laws, environmental laws, anti-kickback and false claims laws, privacy laws, tax laws, and other laws and regulations in the United States and other countries in which Solventum operates; (15) potential liabilities related to a broad group of perfluoroalkyl 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 (“IP”) rights; (21) pension and postretirement obligation liabilities; (22) any failure by the 3M Company (“3M”) to perform any of its obligations under the various separation agreements in connection with the separation from 3M (the “Spin-Off”); (23) any failure to realize the expected benefits of the Spin-Off, and/or that the Spin-Off will not be completed within the expected time frame, on the expected terms or at all; (24) a determination by the IRS or other tax authorities that the distribution or certain related transactions should be treated as taxable transactions; (25) expected 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 separation will exceed Solventum’s estimates; and (27) the impact of the Spin-Off on its businesses and the risk that the Spin-Off may be more difficult, time-consuming or costly than expected, including the impact on its 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 SEC. Solventum assumes no obligation to update any forward-looking statements discussed herein as a result of new information or future events or developments.

Use of this document:

This document does not purport to be a complete summary of our Q1 FY25 financial performance. Therefore, please read additional relevant material including our Earnings Release dated May 8th, 2025, which can be found at our investor relations website investors.solventum.com, and Form 10-K annual report for the year ending December 31, 2024, to be filed with the SEC.

References to organic sales growth throughout this document exclude the impact of currency as well as acquisitions and divestitures for the first 12 months post transaction. Unless stated otherwise, all growth rates comparing to prior year period are stated on an organic basis whereas sequential sales performance is reported as ‘actual’. Certain columns and rows throughout this document may not sum due to the use of rounded numbers.

Financial highlights



Q1 financial summary:¹

- Net sales of \$2.1B; +2.6%, organic sales growth +4.3%
- Adjusted operating margins 19.7%
- Adjusted EPS of \$1.34

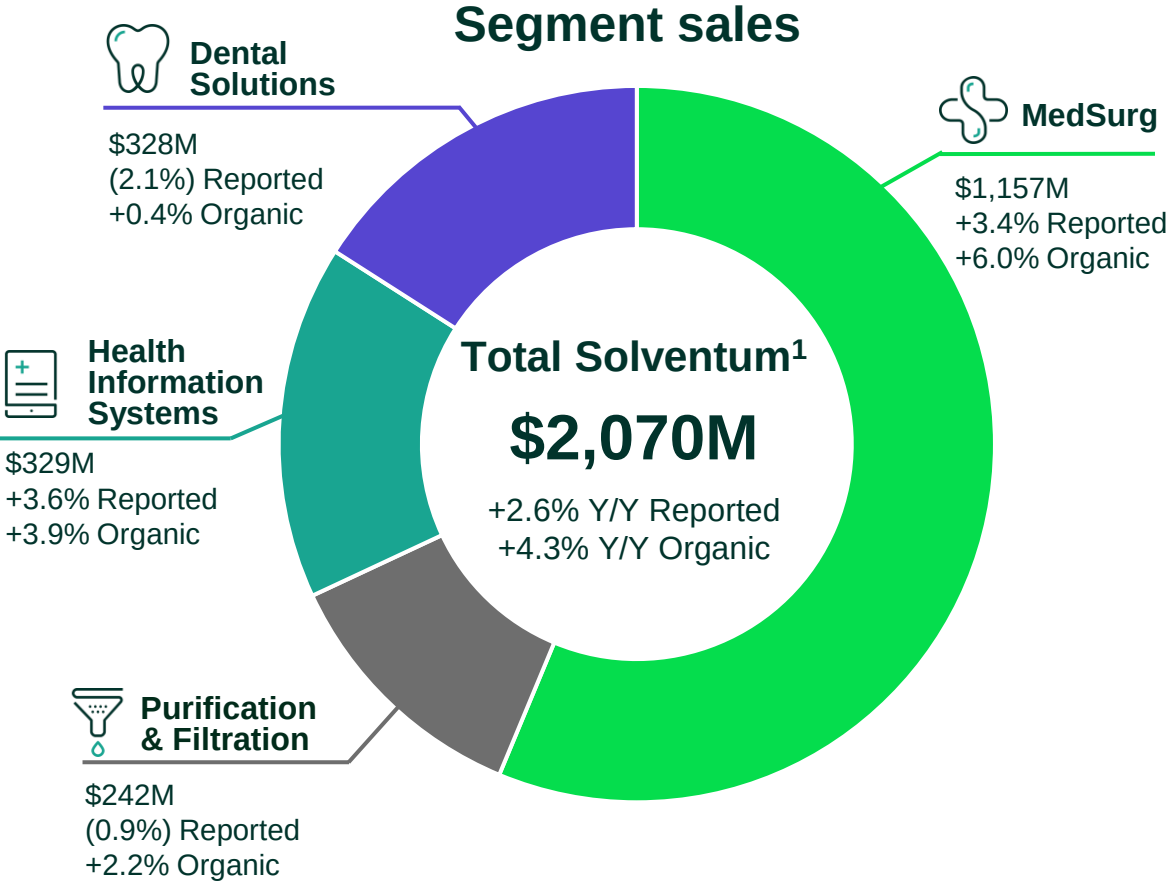


Updated FY25 guidance:

- Increasing organic sales growth outlook by 50bps to +1.5% to +2.5%
 - Excludes additional SKU exit impact of 50bps
- Maintaining adjusted EPS range of \$5.45 to \$5.65
 - Reflects positive underlying business performance, revised FX outlook, and other mitigations to absorb tariff headwinds in 2H 2025
- Maintaining FCF range of \$450M to \$550M

Note: FY2025 guidance does not include the financial impact of announced P&F sale; will update following close

Q1 FY25 Financial summary



¹Corporate and unallocated includes sales from products supplied to 3M and other supply agreements related to legacy 3M non-health care business that were assumed by the company at spin-off.

Key metrics

	GAAP	non-GAAP ²
Operating margin	7.3%	19.7%
EPS	\$0.78	\$1.34
Cash from operations / Free cash flow ²	\$29	(\$80M)

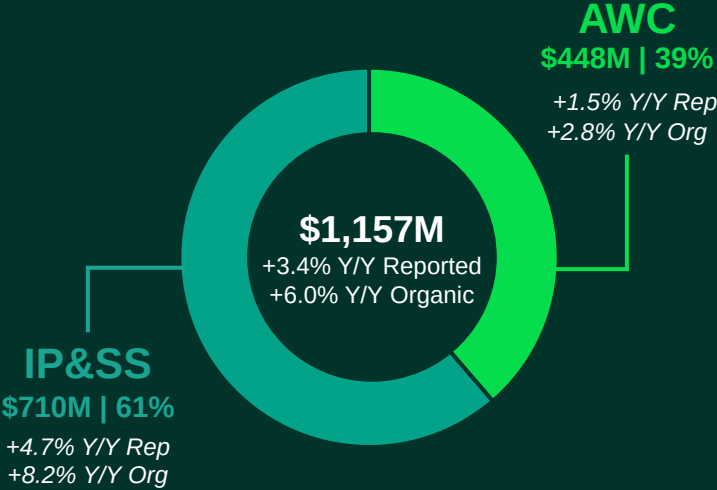
²See non-GAAP financial measures and reconciliation schedules in the appendix of this document.

MedSurg summary

Q1 financial results	Q1 FY25	Q1 FY24	Y/Y
Net sales	\$1,157M	\$1,119M	Reported +3.4% Organic +6.0%

Segment drivers:

- Organic growth driven by strong volume including timing benefits primarily in Infection Prevention and Surgical Solutions (IP&SS) for IV site management and hospital consumables
- Advanced Wound Care (AWC) performance benefitting from adoption of single-use negative pressure wound therapy (NPWT)



Tegaderm™ CHG Chlorhexidine Gluconate IV Securement Dressings
The only transparent dressing cleared by the FDA to reduce catheter-related bloodstream infections (CRBSI) and vascular catheter colonization



Dental Solutions summary

Q1 financial results	Q1 FY25	Q1 FY24	Y/Y
Net sales	\$328M	\$335M	Reported (2.1)% Organic +0.4%

Segment drivers:

- Market driven headwinds for Core Orthodontics offset by performance in Restoratives, which includes added benefit of recent product launches – Filtek™ Easy Match and Clinpro™ Clear



3M™ Filtek™ Easy Match Universal Restorative
a simplified shading system designed to streamline single-shade restorations from the start – all while providing the flexibility you need to find a match for most patients

Health Information Systems summary

Q1 financial results	Q1 FY25	Q1 FY24	Y/Y
Net sales	\$329M	\$317M	Reported +3.6% Organic +3.9%

Segment drivers:

- Organic growth driven by continued adoption of 360 Encompass™ Revenue Cycle Management



3M™ 360 Encompass™ System latest generation coding solution combines coding and reimbursement processes along with workflow improvements.

Purification & Filtration summary

Q1 financial results	Q1 FY25	Q1 FY24	Y/Y
Net sales	\$242M	\$245M	Reported (0.9)% Organic +2.2%

Segment drivers:

- Continued strength in Bioprocessing Filtration and Industrial Filtration partially offset by declines in Membrane OEM



Harvest RC Centrate Chromatographic Clarifier improves biopharmaceutical manufacturing product yields with differentiated technology that enables faster speed to market

FY2025 financial guidance and considerations

Organic sales growth

Increase +50bps vs initial guide

+1.5% to +2.5%

*+2.0% to +3.0% excluding
~50bps of SKU-exit impact*

Adjusted EPS

Unchanged vs initial guide

\$5.45 to \$5.65

Free cash flow

Unchanged vs initial guide

\$450M to \$550M

Additional considerations:

- **FX Impact:**

- Neutral impact to reported sales growth vs. prior assumption of ~150bps headwind

- **Incremental Tariff Impact:**

- Outlook assumes ~\$80M to \$100M pre-tax headwind; equates to ~\$0.35 to \$0.45 EPS
- Margins pressured in 2H25; operating margin expected at low end of annual range

- **EPS Tariff Offsets:**

- Underlying business strength
- Reduced FX headwind
- Tariff mitigation activities

*Confident in our ability to
absorb tariff headwind*

Appendix

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 the Company uses these measures as an indication of the strength of the Company and its ability to generate cash. Refer to the appendix of this slide deck for descriptions and reconciliations of financial measures such as organic sales growth, adjusted operating income and adjusted operating income margin, adjusted earnings per share, and free cash flow. Further information and reconciliation of these non-GAAP measures (and organic sales growth) to the most directly comparable GAAP measure can be found in Solventum's May 8, 2025, press release.

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 Q1 2025 financial statements and financial information, including reconciliations of non-GAAP financial measures, are available on Solventum's website: investors.solventum.com.

Q1 FY25 detailed non-GAAP reconciliation and free cash flow

(Millions, except per share data)	Q1 FY25 GAAP	Amortization	Restructuring	Spin-off & separation-related costs	Certain litigation-related costs	Sale of Purification and Filtration-related	Q1 FY24 non-GAAP
Net sales	2,070						2,070
Gross margin	1,114		10	27			1,151
% of sales	53.8%		0.5%	1.3%			55.6%
R&D	193	(38)	(3)	(4)			148
% of sales	9.3%	(1.8%)	(0.1%)	(0.2%)			7.1%
SG&A	769	(43)	(5)	(90)	(19)	(16)	596
% of sales	37.1%	(2.1%)	(0.2%)	(4.3%)	(0.9%)	(0.8%)	28.8%
Operating expense ¹	962	(81)	(8)	(94)	(19)	(16)	744
Operating income	152	81	18	121	19	16	407
Operating income margin	7.3%	3.9%	0.9%	5.8%	0.9%	0.8%	19.7%
Interest expense, net	104						104
Other non-op. expense/(income), net	11						11
Income before income taxes	38	81	18	121	19	16	293
Provision for income taxes	(99)	13	4	28	5	108	58
Net income	137	68	14	93	14	(92)	234
Diluted EPS	\$0.78	\$0.39	\$0.08	\$0.53	\$0.08	(\$0.53)	\$1.34

Free cash flow (millions)	Q1 FY25
Net cash provided by/(used in) operating activities	29
Purchases of property, plant and equipment	(109)
Free cash flow	(80)

¹Operating expense includes the combination of selling, general and administrative expenses and research and development expenses line items from the Consolidated Statements of Income

Glossary and definitions

Abbreviation	Elaboration
AWC	Advanced Wound Care
FCF	Free cash flow
FY	Fiscal year
IP&SS	Infection Prevention and Surgical Solutions
NPWT	Negative pressure wound therapy
OEM	Original equipment manufacturer
R&D	Research and development
SG&A	Sales, general and administrative expenses
SKU	Stock-keeping unit

Organic sales growth

Total net sales less the impacts of foreign currency and sales from business acquisitions or divestitures for the first 12 months post-transaction

Adjusted operating income

Operating income excluding amortization of acquired intangible assets, restructuring costs, spin-off and separation-related costs, certain litigation-related costs and impacts related to the expected sale of the Purification and Filtration business

Adjusted operating income margin

Adjusted operating income divided by total net sales

Adjusted earnings per share

Earnings per share excluding the per share impacts of amortization of acquired intangible assets, restructuring costs, spin-off and separation-related costs, certain litigation-related costs and impacts related to the expected sale of the Purification and Filtration business

Free cash flow

Net cash provided by operating activities less purchases of property, plant and equipment