



2023 Second Quarter Earnings

(unaudited)

Mike Roman

Chairman of the Board &
Chief Executive Officer

Monish Patolawala

Executive Vice President,
Chief Financial &
Transformation Officer

Kevin Rhodes

Executive Vice President,
Chief Legal Affairs Officer

Bruce Jermeland

Senior Vice President,
Investor Relations

Forward-looking statements

This presentation 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, 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 systems; (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) risks related to the proposed class-action settlement (“Settlement”) to resolve claims by public water systems in the United States regarding PFAS, including whether court approval of the Settlement will be obtained, whether the number of plaintiffs that opt out of the Settlement will exceed current expectations or will exceed the level that would permit 3M to terminate the Settlement (and whether 3M will elect to terminate the Settlement if this occurs), whether the Settlement is appealed, the timing and amount of payments made under the Settlement, and the impact of the settlement on other PFAS-related matters; (6) 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”); (7) competitive conditions and customer preferences; (8) the timing and market acceptance of new product and service offerings; (9) 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; (10) 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; (11) the impact of acquisitions, strategic alliances, divestitures, and other strategic events resulting from portfolio management actions and other evolving business strategies; (12) 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; (13) financial market risks that may affect the Company’s funding obligations under defined benefit pension and postretirement plans; (14) the Company’s credit ratings and its cost of capital; (15) tax-related external conditions, including changes in tax rates, laws or regulations; (16) matters relating to the proposed spin-off of the Company’s Health Care business; and (17) 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.

Note on non-GAAP financial measures

This presentation refers to certain non-GAAP financial measures. Refer to 3M’s July 25, 2023, press release for descriptions of non-GAAP financial measures such as adjusted net sales (and adjusted sales change); adjusted purchases of property, plant and equipment (also referred to as adjusted capital expenditures); adjusted net cash provided by (used in) operating activities; adjusted free cash flow; adjusted free cash flow conversion; net debt; adjusted EBITDA (and adjusted EBITDA margin); and various measures that adjust for the impacts of special items. These non-GAAP measures are not in accordance with, nor are they a substitute for, GAAP measures. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in that press release.

Strong operational execution; raising full-year earnings expectation

- Q2 performance
 - Strong focus on serving customers, operational execution and continued spending discipline
 - All business segments delivered significant sequential improvement in adjusted operating margins
 - Robust adjusted free cash flow driven by good inventory management
 - Restructuring program progressing to plan
 - Pre-tax charges of \$212M, or a headwind to adjusted operating margins of 2.7 ppts and to adjusted earnings of \$0.31 per share
 - End-market trends in-line with expectations
 - Strength in automotive OEM and aftermarket, highway infrastructure, and personal safety (excluding disposable respirators)
 - Weakness in electronics, consumer retail, biopharma COVID demand, stressed hospital budgets, and China
 - Disposable respirator decline in-line with expectations
- Raising full-year 2023 adjusted earnings guidance to \$8.60 to \$9.10 per share

Adjusted organic growth

-2.5%

Includes ~(-1.7) ppt headwind from disposable respirator decline

Adjusted operating margin

19.3%

Adjusted earnings per share

\$2.17

Executing on our strategies

Operational efficiency

- Restructuring actions well underway
 - Reducing costs at the corporate center
 - Simplifying management structure
 - Streamlining supply chain structure
- Transition to export model has begun for 24 countries
- Driving improvements across the supply chain
 - Improving service to customers
 - Driving more efficient factories and logistics
 - Strong inventory management

Health Care spin

- In final stages of appointing leadership
- Separation workstreams progressing, preparing for soft spin in November
- Working toward closing the spin-off by year-end 2023 or early 2024, subject to required conditions and additional factors

Combat Arms

- Confidential mediation continues
- Decisions on appeals of first and third bellwether trials pending

Addressing PFAS litigation with U.S. Public Water Systems

Creates broad class-based settlement

- Benefits U.S.-based Public Water Systems (PWS) nationwide that provide drinking water to a vast majority of Americans
- Addresses current and future claims by PWS class members that detect PFAS
- Includes present value commitment of up to \$10.3 billion payable over 13 years

Addresses current and future claims and all PFAS at any level of detection

- Resolves current and future drinking water claims by PWS class members
- Covers all PFAS, including PFOA and PFOS, detected at any level
- Provides funding for eligible PWS nationwide to conduct testing for PFAS

Builds on proactive management of PFAS

- Builds on PFOA/PFOS exit announced in 2000, water filtration technology investments, and announcement that 3M will exit all PFAS manufacturing by the end of 2025
- Q2 2023 pre-tax charge of approximately \$10.3 billion, reflected as an adjustment in arriving at results, adjusted for special items
- This agreement is not an admission of liability. If the agreement is not approved by the court or for any unresolved claims, 3M is prepared to defend itself in litigation.

Q2 2023 operating margin and EPS

	Adjusted operating margin	Adjusted earnings per share	Commentary
Q2 2022	21.6%	\$2.45	
Total organic growth/productivity/other	+0.9%	+\$0.06	
Disposable respirator	-0.5%	-\$0.09	<ul style="list-style-type: none"> Decline in COVID-related disposable respirator demand in-line with expectations
Remaining organic growth/productivity/other	+1.4%	+\$0.15	<ul style="list-style-type: none"> Benefits from productivity actions, restructuring, strong spending discipline, and selling price Partially offset by lower sales volumes (particularly electronics/consumer retail), inflation impacts, and investments in growth, productivity, and sustainability
Restructuring charge	-2.7%	-\$0.31	<ul style="list-style-type: none"> Q2 2023 pre-tax charge of \$212M
Raw material	-0.3%	-\$0.04	<ul style="list-style-type: none"> Carryover impact of raw material, logistics, and energy cost inflation
FX	-0.2%	-\$0.02	<ul style="list-style-type: none"> U.S. dollar strength
Divestiture*	0.0%	-\$0.03	<ul style="list-style-type: none"> Primarily Food Safety divestiture
Other expense/income	NA	-\$0.03	<ul style="list-style-type: none"> Primarily non-op pension
Adjusted tax rate**	NA	+\$0.02	<ul style="list-style-type: none"> Q2 2023 adjusted tax rate of 19.1% versus 19.8% in Q2 2022
Shares outstanding	NA	+\$0.07	<ul style="list-style-type: none"> Average diluted shares down 3% YoY
Q2 2023	19.3%	\$2.17	

* Includes lost income from divested businesses and remaining stranded costs (net of transition arrangement income).

** The effect of income taxes on items that had specific tax rates are reflected within their respective impacts in the table above.

Q2 2023 cash flow and balance sheet

Adjusted free cash flow

\$1.5B

Adjusted free cash flow
conversion

122%

Cash returned to
shareholders

\$0.8B

Adjusted free cash flow

- Q2: \$1.5B, up 44% YoY
- YTD: \$2.4B, up 35% YoY

Adjusted free cash flow
conversion

- Q2: 122%, up 50 pts YoY
- Q2 YoY increase driven by strong inventory management and restructuring charges
- YTD: 105%, up 44 pts YoY

Adjusted capital
expenditures

- Q2: \$328M, down 4% YoY
- YTD: \$773M, up 6% YoY

Net debt

- Q2: \$11.7B, down 12% YoY

Capital returned to
shareholders

- Q2: dividends \$0.8B
- YTD: dividends \$1.7B

Business Group performance



**Safety &
Industrial**



**Transportation &
Electronics**



Health Care



Consumer

Safety & Industrial

Q2 2023 commentary

- Organic growth performance:
 - Mid single-digit increases in roofing granules and automotive aftermarket
 - Declines in closure and masking, personal safety, industrial adhesives and tapes, abrasives, and electrical markets
 - Disposable respirator YoY headwind of ~\$140M, or -56% organically; reduced segment organic growth by 4.8 ppts
- Industrial end-market demand mixed; distributors remain cautious
- Adjusted operating margin up 0.7 ppts YoY; up 2.0 ppts sequentially
 - YoY increase driven by:
 - Benefits from productivity actions, strong spending discipline, and price
 - Partially offset by lower sales volume; restructuring costs; and inflation impacts



Organic growth

-4.6%

Includes ~-(4.8) ppt headwind from disposable respirator decline

Adjusted operating margin

22.2%

Transportation & Electronics

Q2 2023 commentary

- Adjusted organic growth performance
 - Double digit increase in automotive and aerospace, high-single digit increase in transportation safety, and low-single digit increases in commercial solutions and advanced materials
 - Significant decline in electronics (-22% YoY) as weak demand for semiconductors, smartphones, tablets, and TVs continued
- Strength in automotive markets offset by weak demand in electronics
- Adjusted operating margin down 3.6 pts YoY; up 3.1 pts sequentially
 - YoY decline driven by:
 - Lower sales volume; restructuring costs; and inflation impacts
 - Headwinds partially offset by benefits from strong spending discipline, productivity actions, and price

Adjusted organic growth

-2.4%

Adjusted operating margin

19.8%

Health Care

Q2 2023 commentary

- Organic growth performance
 - Low-single digit increase in oral care, and medical solutions up slightly
 - Declines in separation and purification, and health information systems
- Low-single digit hospital procedure growth YoY
- Normalization of post-COVID related biopharma demand, stressed hospital budgets, negatively impacting separation and purification and health information systems performance
- Operating margin down 2.8 ppts YoY; up 1.9 ppts sequentially
 - YoY decline driven by:
 - Lower sales volume; restructuring costs; and inflation impacts
 - Headwinds partially offset by benefits from strong spending discipline, productivity actions, and price



Organic growth

0.1%

Operating margin

19.8%

Consumer

Q2 2023 commentary

- Organic growth performance
 - Low-single digit increase in home health and auto care
 - Mid-single digit decline in stationery and office; low-single digit decline in home improvement
- Discretionary spending trends on hardline categories remains subdued; expected to impact second half demand
- Operating margin down 0.4 ppts YoY; up 3.2 ppts sequentially
 - YoY decline driven by:
 - Lower sales volume; restructuring costs; and inflation impacts
 - Headwinds partially offset by benefits from strong spending discipline, productivity actions, and price



2023 Outlook



Raising full-year 2023 EPS guidance

Full-year

**Increasing adjusted earnings per share
\$8.60 to \$9.10 vs. \$8.50 to \$9.00, prior**

Includes restructuring actions

**Adjusted organic sales growth
-3.0% to flat, unchanged**

Includes ~(2) ppt headwind from disposable
respirator decline and 2022 exit of Russia

**Adjusted free cash flow conversion
90% to 100%, unchanged**

1H 2023

- **Adjusted sales of \$15.7B**
- **Adjusted earnings of \$4.14 per share, includes:**
 - Pre-tax restructuring charges of \$264M, or \$0.38 per share
 - Pre-tax restructuring benefit of \$89M, or \$0.13 per share

Q3 2023

- **Adjusted sales of ~\$8B**
- **Adjusted earnings of \$2.25 to \$2.40 per share, includes:**
 - Pre-tax restructuring charge of \$125M to \$175M, or ~\$0.19 to \$0.25 per share
 - Pre-tax restructuring benefits of \$125M to \$150M, or ~\$0.19 to \$0.22 per share



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Q&A

Mike Roman

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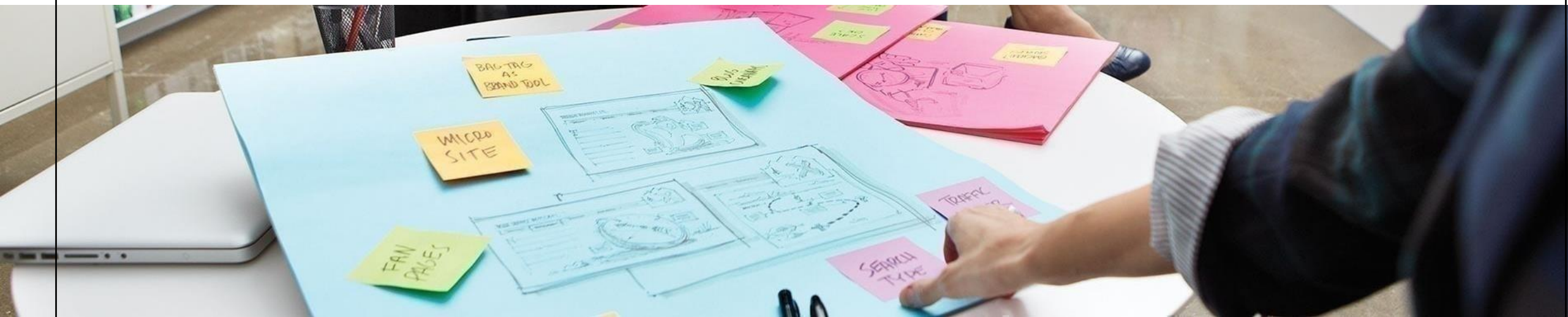
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Investor Relations

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Appendix

Q2 2023 P&L

GAAP (\$M)	Q2 2023	Q2 2022	Change
Sales	\$8,325	\$8,702	(4.3)%
Gross profit	\$3,719	\$3,609	3.0%
% to sales	44.7%	41.5%	3.2%
SG&A	\$12,204	\$3,023	N/M
% to sales	146.6%	34.7%	111.9%
R&D & related	\$473	\$476	(0.6)%
% to sales	5.7%	5.5%	0.2%
Operating income	\$(8,958)	\$110	N/M
% to sales	(107.6)%	1.3%	(108.9)%
Net income	\$(6,841)	\$78	N/M
Earnings per share	\$(12.35)	\$0.14	N/M

Note: the term "N/M" used within the appendix references "not meaningful" for certain percent changes

Q2 2023 adjusted sales recap

	Americas	EMEA	APAC	Worldwide
Organic growth	(0.2)%	(0.5)%	(8.4)%	(2.5)%
Acquisitions/divestitures	(1.5)%	(0.8)%	(1.1)%	(1.3)%
FX	(0.2)%	1.1%	(3.6)%	(0.9)%
Total growth	(1.9)%	(0.2)%	(13.1)%	(4.7)%

Business segment information

(\$M)	Adjusted net sales*		Q2 2023 adjusted sales growth*				Adjusted operating income*			Adjusted operating margin*	
	Q2 2023	Q2 2022	Organic Growth	FX	M&A	Total sales change	Q2 2023	Q2 2022	Percent change	Q2 2023	Q2 2022
Safety & Industrial	\$2,765	\$2,924	(4.6)%	(0.9)%	—%	(5.5)%	\$614	\$630	(2.4)%	22.2%	21.5%
Transportation & Electronics	\$1,859	\$1,950	(2.4)%	(1.4)%	(0.9)%	(4.7)%	\$369	\$455	(19.3)%	19.8%	23.4%
Health Care	\$2,075	\$2,179	0.1%	(0.8)%	(4.1)%	(4.8)%	\$411	\$492	(16.4)%	19.8%	22.6%
Consumer	\$1,293	\$1,330	(2.2)%	(0.5)%	—%	(2.7)%	\$235	\$248	(5.1)%	18.2%	18.6%
Total Operating Business Segment							\$1,629	\$1,825			
Corporate & Unallocated	\$1	\$1					\$(84)	\$(19)			
Total	\$7,993	\$8,384	(2.5)%	(0.9)%	(1.3)%	(4.7)%	\$1,545	\$1,806	(14.5)%	19.3%	21.6%

*"Safety & Industrial", "Transportation & Electronics", "Corporate & Unallocated", "Total Operating Business Segment" and "Total" provided on an adjusted basis while "Health Care" and "Consumer" are not provided on an adjusted basis

Additional GAAP sales detail

(\$M)	GAAP Net Sales	
	Q2 2023	Q2 2022
Business Groups		
Abrasives	334	346
Automotive Aftermarket	305	289
Closure and Masking Systems	241	270
Electrical Markets	329	336
Industrial Adhesives and Tapes	545	586
Personal Safety	878	972
Roofing Granules	133	125
Total Safety & Industrial Business Group	2,765	2,924
Advanced Materials	305	307
Automotive and Aerospace	477	428
Commercial Solutions	455	448
Electronics	714	863
Transportation Safety	240	222
Total Transportation & Electronics Business Group	2,191	2,268

(\$M)	GAAP Net Sales	
	Q2 2023	Q2 2022
Business Groups		
Food Safety	—	89
Health Information Systems	302	309
Medical Solutions	1,161	1,169
Oral Care	351	350
Separation and Purification Sciences	247	262
Other Health Care	14	—
Total Health Care Business Group	2,075	2,179
Construction and Home Improvement Markets	542	560
Home, Health and Auto Care	428	428
Stationery and Office	323	342
Total Consumer Business Group	1,293	1,330
Corporate and Unallocated	1	1
Total 3M	8,325	8,702

2023 pre-tax estimated restructuring schedule

(\$M)	Q1 2023 Actual	Q2 2023 Actual	Q3 2023 Estimated	Q4 2023 Estimated	FY 2023 Estimated	Total Program Estimated
Charges	\$52	\$212	\$125 to \$175	\$10 to \$60	\$400 to \$450	\$700 to \$900
Benefits	-	\$89	\$125 to \$150	\$185 to \$235	\$400 to \$450	\$700 to \$900



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