

2021 Third Quarter Earnings

(Unaudited)

October 26, 2021

Events

2021 Earnings Calls

Q4

January 25

Forward looking statement

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, capital markets and other external conditions and other factors beyond the Company's control, including natural and other disasters or climate change affecting the operations of the Company or its customers and suppliers; (2) risks related to public health crises such as the global pandemic associated with the coronavirus (COVID-19); (3) foreign currency exchange rates and fluctuations in those rates; (4) liabilities related to certain fluorochemicals, including lawsuits concerning various PFAS-related products and chemistries, and claims and governmental regulatory proceedings and inquiries related to PFAS in a variety of jurisdictions; (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, 2020, 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 offerings; (8) the availability and cost of purchased components, compounds, raw materials, labor, and energy (including oil and natural gas and their derivatives) due to shortages, increased demand and wages, logistics, manufacturing site disruption or supply chain interruptions (including those caused by natural and other disasters and other events); (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 unusual events resulting from portfolio management actions and other evolving business strategies, and possible organizational restructuring; (11) operational execution, including scenarios where the Company generates fewer productivity improvements than estimated; (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; and (14) tax-related external conditions, including changes in tax rates, laws or regulations. 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), as updated by applicable Current Reports on Form 8-K. The information contained in this presentation is as of the date indicated. The Company assumes no obligation to update any forward-looking statements contained in this presentation 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 October 26, 2021, press release for descriptions of non-GAAP financial measures such as free cash flow, adjusted free cash flow, free cash flow conversion, adjusted free cash flow conversion, net debt, adjusted EBITDA, 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.

3M delivers strong performance in a dynamic environment

	Organic local-currency growth	Operating margin	Earnings per share
Q3 / YTD	+6.3% / +11.5%	20.0% / 21.5%	\$2.45 / \$7.81

KEY TAKEAWAYS

- Strong and growing segments delivered organic growth across all business groups and geographic areas
- Delivered in the face of a challenging environment; focused on serving customers while navigating global supply chains, raw materials and logistics environment
- Global end-market and customer demand remains strong
- Semiconductor constraints impacting end-markets, particularly automotive and electronics; healthcare and oral care elective procedures expected to remain stable with recent trends
- Gaining traction on selling price increases to help mitigate inflationary headwinds
- Prioritizing investments in growth, productivity and sustainability
- Updating full-year 2021 guidance range to reflect ongoing supply chain, raw materials and logistics challenges

Our areas of investment align with key global trends

Targeting growth above macro in attractive markets



Automotive

- Technologies to improve energy efficiency and help make transportation safer, smarter and more connected

Home improvement

- Innovations that help consumers personalize their homes and keep families healthier and more productive, including our fast-growing Command™ damage-free hanging solutions and Filtrete™ filter brands

Personal safety

- Science-based solutions for respiratory, face, hearing and fall protection

Biopharma filtration

- Innovations that help pharmaceutical companies advance the development and manufacturing of therapeutics and vaccines

Electronics and software

- Solutions that enable better performance and connectivity while improving productivity, speed and agility for customers

Q3 2021 operating margin and EPS

	Operating Income Margin	Earnings Per Share	
Q3 2020	22.9%	\$2.45	
Organic volume/productivity and other	-1.4%	-\$0.02	Q3 2021 organic volume +4.9; productivity penalties from global supply chain challenges; restructuring savings offsetting restructuring charge; increased investments in growth and sustainability; increased litigation-related costs
Price/raw material	-1.3%	-\$0.12	Selling price increases more than offset by higher raw materials and logistics costs
FX	-0.2%	-\$0.01	Net of hedge impact; full-year 2021 FX benefit of approximately \$0.15 per share, remains unchanged
Other expense/income	NA	+\$0.08	Primarily non-operating pension benefit and lower net interest expense
Tax rate*	NA	+\$0.09	Q3 2021 tax rate 18.4% versus 21.5% in prior year; full-year 2021 tax rate expected in range of 18.5% to 19.5% vs. 20% to 21% previously
Shares outstanding	NA	-\$0.02	Average diluted shares up 1%
Q3 2021	20.0%	\$2.45	

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

Q3 2021 cash flow and balance sheet

\$1.5B

-29% year-on-year

Adjusted free cash flow

107%

-44 pts year-on-year

Adjusted free cash flow conversion

\$1.4B

+63% year-on-year

Cash returned to shareholders

Proactive balance sheet management

- Net debt of \$12.4B, down \$2.6B, or 17% year-on-year

Adjusted free cash flow

- Q3: \$1.5B, down 29%; YTD: \$4.5B, down 3% year-on-year

Adjusted free cash flow conversion

- Q3: 107%, down 44 pts; YTD: 98%, down 26 pts
- Year-on-year decline primarily due to strong customer demand and supply chain challenges which increased working capital

Capital expenditures

- Q3: \$343M; YTD \$1.0B
- FY 2021: \$1.5B to \$1.6B versus \$1.8B to \$2.0B, previously

Cash returned to shareholders

- Dividends: Q3 \$856M; YTD \$2.6B
- Gross share repurchases: Q3 \$527M; YTD \$1.3B

Q3 Business Group performance

	Organic Growth	Segment Operating Margin	Commentary
Safety & Industrial	+6.1%	19.2%	<ul style="list-style-type: none"> Organic growth led by general industrial with strength in adhesives and tapes, and abrasives; roofing granules down due to strong year-on-year comp; personal safety declined due to prior-year strong COVID-related respiratory demand Disposable respirator sales declined 7% organically year-on-year, and 15% sequentially Operating margins -6.5 ppts year-on-year; increases in raw materials, logistics and litigation-related costs, partially offset by sales growth
Transportation & Electronics	+5.1%	19.0%	<ul style="list-style-type: none"> Organic growth led by advanced materials, commercial solutions, transportation safety; auto OEM continues to outpace global car and light truck builds; organic sales declined in electronics due to continued impact of semiconductor constraints on customers Operating margins -3.2 ppts year-on-year; increases in raw materials and logistics costs, partially offset by sales growth
Health Care	+3.3%	23.5%	<ul style="list-style-type: none"> Organic growth led by food safety, oral care, and health information systems; declined in medical solutions due to lower year-on-year disposable respirator sales Operating margins +0.7 ppts year-on-year; improvement due to sales growth, partially offset by rising raw materials and logistics costs
Consumer	+7.6%	21.7%	<ul style="list-style-type: none"> Continued strength in home improvement and home cleaning; improving office and stationery demand driven by return-to-school Operating margins -2.6 ppts year-on-year; increases in raw materials, logistics, outsourced hardgoods manufacturing costs, partially offset by sales growth

2021 planning estimates

Organic local-currency growth

8% to 9% vs.
6% to 9%, prior

Earnings per share

\$9.70 to \$9.90 vs.
\$9.70 to \$10.10, prior

Free cash flow conversion

90% to 100%,
unchanged

Macro and business trends

- Global end-market demand remains strong
- Semiconductor constraints impacting end-markets, particularly automotive and electronics
- Healthcare and oral care elective procedures expected to remain stable with recent trends
- Significant global supply chain, raw materials and logistics challenges expected to persist into foreseeable future
- Full-year raw material and logistics headwinds of \$0.80 to \$0.90 per share, responding with selling price increases, dual sourcing and yield improvement
- Maintaining strong execution and operating rigor

Q4 vs. Q3 2021 sequential items of note

- One fewer business day versus Q3 2021
- Focused on serving customers while navigating supply chain, raw materials and logistics challenges
- Selling price expected to continue to gain traction
- Lower pandemic-related disposable respiratory demand of \$25M to \$75M sequentially (\$125M to \$175M year-on-year)
- Expecting increase in legal-related costs
- Previously announced (Dec 2020) restructuring program on track, expected Q4 pre-tax charge of \$25M to \$50M, similar to Q3 2021
- Higher investments in growth, productivity and sustainability

Q&A

Mike Roman

Chairman of the Board &
Chief Executive Officer

Monish Patolawala

Executive Vice President, Chief
Financial & Transformation
Officer

Bruce Jermeland

Senior Vice President,
Investor Relations

Appendix

Q3 2021 P&L

(\$M)	Q3 2020	Q3 2021	Change
Sales	\$8,350	\$8,942	+7.1%
Gross profit	\$4,047	\$4,089	+1.0%
% to sales	48.5%	45.7%	-2.8 pts
SG&A	\$1,677	\$1,819	+8.4%
% to sales	20.1%	20.3%	+0.2 pts
R&D & related	\$461	\$482	+4.4%
% to sales	5.5%	5.4%	-0.1 pts
Gain on sale of businesses	—	—	—
% to sales	—	—	—
Operating income	\$1,909	\$1,788	-6.3%
% to sales	22.9%	20.0%	-2.9 pts
Net income	\$1,430	\$1,434	+0.3%
GAAP earnings per share	\$2.45	\$2.45	-0.3%

Q3 2021 sales recap

	Americas	EMEA	APAC	Worldwide
Organic volume	+5.4%	+3.1%	+5.1%	+4.9%
Price	+2.0%	+1.1%	+0.5%	+1.4%
Organic local-currency	+7.4%	+4.2%	+5.6%	+6.3%
Acquisitions/divestitures	—%	—%	—%	—%
FX	+0.5%	+1.0%	+1.2%	+0.8%
Total growth	+7.9%	+5.2%	+6.8%	+7.1%

	U.S.	Canada	Mexico	Brazil	China/HK	Japan
Organic local-currency	+6%	+7%	+12%	+22%	+3%	+6%

Business segment information

(\$M)	Net Sales		Q3 2021 Sales Growth				Organic local-currency by Geographic Area			Business Segment Operating Income/Adjusted Operating Income*			Business Segment Operating Margin/Adjusted Operating Margin*	
	Q3 2020	Q3 2021	Organic local-currency	FX	M&A	Total Sales Change	Americas	Asia Pacific	EMEA	Q3 2020	Q3 2021	Percent change	Q3 2020	Q3 2021
Safety & Industrial	\$3,017	\$3,235	6.1%	1.1%	—%	7.2%	4.9%	15.6%	-0.8%	\$774	\$620	-19.9%	25.7%	19.2%
Transportation & Electronics	\$2,316	\$2,450	5.1%	0.7%	—%	5.8%	13.3%	-0.2%	11.3%	\$514	\$465	-9.4%	22.2%	19.0%
Health Care	\$2,160	\$2,249	3.3%	0.8%	—%	4.1%	1.4%	10.9%	3.1%	\$493	\$529	7.2%	22.8%	23.5%
Consumer	\$1,412	\$1,525	7.6%	0.5%	—%	8.1%	9.5%	3.8%	-0.6%	\$343	\$332	-3.3%	24.3%	21.7%
Elimination of Dual Credit	\$(553)	\$(520)								\$(142)	\$(131)			
Total Operating Business Segment										\$1,982	\$1,815			
Corporate & Unallocated	\$(2)	\$3								\$(73)	\$(27)			
Total	\$8,350	\$8,942	6.3%	0.8%	—%	7.1%	7.4%	5.6%	4.2%	\$1,909	\$1,788	-6.3%	22.9%	20.0%

* “Corporate and Unallocated” and “Total” provided on an adjusted basis
Organic local-currency = organic volume + price

Additional sales detail

(\$M)	Net Sales	
Business groups	Q3 2020	Q3 2021
Abrasives	289	362
Automotive Aftermarket	308	314
Closure and Masking Systems	242	264
Electrical Materials	285	322
Industrial Adhesives & Tapes	643	760
Personal Safety	1,136	1,105
Roofing Granules	113	109
Other Safety & Industrial	1	(1)
Total Safety & Industrial Business Group	3,017	3,235
Advanced Materials	247	305
Automotive & Aerospace	410	439
Commercial Solutions	391	457
Electronics	1,025	1,000
Transportation Safety	245	250
Other Transportation & Electronics	(2)	(1)
Total Transportation & Electronics Business Group	2,316	2,450

(\$M)	Net Sales	
Business groups	Q3 2020	Q3 2021
Drug Delivery	—	—
Food Safety	83	96
Health Information Systems	280	309
Medical Solutions	1,251	1,241
Oral Care	320	359
Separation & Purification Sciences	221	244
Other Health Care	5	—
Total Health Care Business Group	2,160	2,249
Consumer Health & Safety	139	152
Home Care	268	278
Home Improvement	644	699
Stationery & Office	318	355
Other Consumer	43	41
Total Consumer Business Group	1,412	1,525
Corporate & Unallocated	(2)	3
Elimination of Dual Credit	(553)	(520)
Total	8,350	8,942

3M Science.
Applied to Life.™