

**3M Reports Third Quarter 2023 Results;
Company Increases Full Year Adjusted Earnings and Cash Flow Expectations**

- **Q3 results reflect strong operational execution, restructuring actions, and proactive spending discipline**
- **Progressing Health Care spin with leadership appointments; expect to complete spin during first half of 2024**
- **Addressing legal matters with announced Combat Arms settlement; received preliminary court approval for PFAS Public Water Systems agreement**

ST. PAUL, Minn. – October 24, 2023 – 3M (NYSE: MMM) today reported third quarter 2023 results.

“We are building momentum through strong operational execution. In the third quarter 3M again delivered for our customers in an uncertain environment, positioning us for a solid close to 2023. Our actions led to underlying earnings ahead of our expectations, as well as better than expected margins and cash flow,” said 3M chairman and CEO Mike Roman. “Our results reflect continued execution of our priorities -- driving operational performance, spinning off Health Care, and reducing risk and uncertainty. Our strengths in material science innovation align with global trends in high-growth markets and sustainability, enabling us to develop indispensable products in attractive areas such as automotive electrification, climate technology, and industrial automation.”

Third Quarter Highlights:

	Q3 2023	Q3 2022
GAAP earnings (loss) per share	\$ (3.74)	\$ 6.77
Special items:		
Impact of Combat Arms Earplug settlement	5.80	—
Other net costs for significant litigation	0.33	0.37
Other special items, net	0.29	(4.54)
Adjusted earnings per share (EPS)	\$ 2.68	\$ 2.60
Memo:		
GAAP operating income (loss) margin	(31.9)%	48.2 %
Adjusted operating income margin	23.2 %	21.6 %

- GAAP loss per share of \$3.74 and operating margin of minus 31.9% include the previously announced settlement for Combat Arms, resulting in a pre-tax charge of \$4.2 billion, negatively impacting EPS by \$5.80.
- Adjusted EPS of \$2.68 includes pre-tax restructuring related charges of \$68 million, or negative \$0.10 per share; restructuring program on track including forecasted full-year 2023 pre-tax restructuring charges and associated benefits.
 - Adjusted EPS up 3 percent year-on-year.
- Adjusted operating income margin of 23.2% includes a 0.8 percentage point headwind from pre-tax restructuring related charges.
 - Adjusted operating income margin expanded 1.6 percentage points year-on-year.

	GAAP	Adjusted (Non-GAAP)
Net sales (Millions)	\$8,312	\$8,020
Sales change		
Total sales	(3.6)%	(3.0)%
Components of sales change:		
Organic sales ¹	(3.7)%	(3.1)%
Acquisitions/divestitures	(0.5)%	(0.5)%
Translation	0.6%	0.6%
Adjusted sales excludes manufactured PFAS products.		
¹ Above adjusted organic sales decline includes a 1.7 percentage point headwind from the decline in disposable respirator demand, along with the 2022 exit of Russia.		

- Sales of \$8.3 billion, down 3.6 percent year-on-year, with organic sales decline of 3.7 percent year-on-year.
- Adjusted sales of \$8.0 billion, down 3.0 percent year-on-year with adjusted organic sales decline of 3.1 percent year-on-year.
- Operating cash flow of \$1.9 billion, up 25 percent year-on-year; adjusted free cash flow of \$1.9 billion, up 39 percent year-on-year.
- 3M returned \$828 million to shareholders via dividends.

The above includes reference to certain non-GAAP measures. See the “Supplemental Financial Information Non-GAAP Measures” section for applicable information.

Full-Year 2023 Outlook

As a result of 3M's year-to-date performance and the continued strong operational execution, the company is raising its full-year 2023 adjusted EPS² and adjusted free cash flow conversion² expectations.

3M anticipates adjusted EPS² to be in the range of \$8.95 to \$9.15 versus \$8.60 to \$9.10 prior.

Adjusted operating cash flow² is estimated in the range of \$6.5 to \$6.9 billion, contributing to 100 to 110 percent adjusted free cash flow conversion². This compares to a prior expected range for adjusted operating cash flow² of \$5.9 to \$6.3 billion, contributing to an adjusted free cash flow conversion² range of 90 to 100 percent.

Adjusted full-year total sales growth² is forecasted to decline by approximately -5 percent versus a decline of -5 to -1 percent prior, reflecting a decline in adjusted organic sales² of approximately -3 percent versus the lower end of -3 percent to flat prior.

²As further discussed at ⁶ within the "Supplemental Financial Information Non-GAAP Measures" section, 3M cannot, without unreasonable effort, forecast certain items required to develop meaningful comparable GAAP financial measures and, therefore, does not provide them on a forward-looking basis reflecting these items.

Notification and registration process progressing on the Combat Arms Earplug agreement

On August 29, 2023, 3M issued a [press release](#) announcing that it reached an agreement with the court-appointed negotiating plaintiffs' counsel to resolve the Combat Arms Earplug litigation against Aearo Technologies (Aearo) and 3M. Under the agreement, 3M will contribute consideration totaling \$6.0 billion between 2023 and 2029. As a result of the agreement, the company recorded a pre-tax charge of \$4.2 billion in the third quarter of 2023. The charge reflected the \$5.3 billion pre-tax present value of contributions under the agreement net of 3M's then-existing accrual of \$1.1 billion related to this matter.

Conference Call

3M will conduct an investor teleconference at 9 a.m. EDT (8 a.m. CDT) today. Investors can access this conference via the following:

- Live webcast at <https://investors.3M.com>
- Live telephone:
Call 800-762-2596 within the U.S. or +1 212-231-2916 outside the U.S. Please join the call at least 10 minutes before the start time.
- Webcast replay at <https://investors.3m.com/financials/quarterly-earnings>
- Telephone replay:
Call 800-633-8284 within the U.S. or +1 402-977-9140 outside the U.S. (for both U.S. and outside the U.S., the access code is 22024176). The telephone replay will be available until 11:30 a.m. EDT (10:30 a.m. CDT) on October 31, 2023.

Forward-Looking Statements

This news release 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 "plan," "expect," "aim," "believe," "project," "target," "anticipate," "intend," "estimate," "will," "should," "could," "would," "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 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) risks related to the proposed class-action settlement ("PWS Settlement") to resolve claims by public water systems in the United States regarding PFAS, including whether court approval of the PWS Settlement will be obtained, whether the number of plaintiffs that opt out of the PWS Settlement will exceed current expectations or will exceed the level that would permit 3M to terminate the PWS Settlement (and whether 3M will elect to terminate the PWS Settlement if this occurs), whether the PWS Settlement is appealed, the timing and amount of payments made under the PWS Settlement, and the impact of the PWS 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 Combat Arms Earplugs ("CAE"), including those relating to the voluntary chapter 11 proceedings of the Company's subsidiary Aearo Technologies and certain of its affiliates ("Aearo Entities"), as well as those related to the August 2023 settlement that is intended to resolve, to the fullest extent possible, all litigation and alleged claims involving the CAE sold or manufactured by the Aearo Entities and/or 3M ("CAE Settlement"), including, but not limited to, whether the anticipated participation by plaintiffs in the CAE Settlement will be achieved, whether the number of plaintiffs that participate in the CAE Settlement will meet current expectations or will fall below the level that would permit 3M to terminate the CAE Settlement (and whether 3M will elect to terminate the CAE Settlement if this occurs), whether there will be a significant number of future claims by plaintiffs that decline to participate in the CAE Settlement, whether the CAE Settlement is appealed or challenged, whether the requirements applicable to the issuance of the equity securities that are contemplated to be part of the CAE 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 CAE Settlement, or changes in related 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). The Company assumes no obligation to update any forward-looking statements discussed herein as a result of new information or future events or developments.

About 3M

3M (NYSE: MMM) believes science helps create a brighter world for everyone. By unlocking the power of people, ideas and science to reimagine what's possible, our global team uniquely addresses the opportunities and challenges of our customers, communities, and planet. Learn how we're working to improve lives and make what's next at 3M.com/news or at [@3M](https://twitter.com/3M) or [@3MNews](https://twitter.com/3MNews).

Please note that the company announces material financial, business and operational information using the 3M investor relations website, SEC filings, press releases, public conference calls and webcasts. The company also uses the 3M News Center and social media to communicate with our customers and the public about the company, products and services and other matters. It is possible that the information 3M posts on the News Center and social media could be deemed to be material information. Therefore, the company encourages investors, the media and others interested in 3M to review the information posted on 3M's news center and the social media channels such as [@3M](https://twitter.com/3M) or [@3MNews](https://twitter.com/3MNews).

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