

3M First-Quarter Results Driven by Strong Operational Performance; Company Initiates Full-Year 2024 Guidance Reflecting Completion of Solventum Spin

- **Company delivers strong first quarter results:**
 - Sales of \$8.0 billion, down 0.3% YoY; adjusted sales of \$7.7 billion with organic growth up ~1% YoY
 - GAAP earnings per share of \$1.67, down 5% YoY; adjusted earnings of \$2.39, up double digits YoY
- **Successfully completed the spin of Solventum on April 1st**
- **Finalized legal settlements for Public Water Suppliers and Combat Arms Earplugs**
- **Initiates guidance on a continuing operations basis and updates capital allocation framework**
- **Named William “Bill” Brown as CEO effective May 1st; Mike Roman will become Executive Chairman**

ST. PAUL, Minn. – Apr. 30, 2024 – 3M (NYSE: MMM) today reported first-quarter results and initiated its 2024 financial earnings outlook reflecting Solventum as a discontinued operation for the full-year, including Q1.

“We delivered results that were better than our expectations as we returned to organic growth and achieved double digit adjusted earnings growth. We improved performance in our businesses through strong operational execution, completed the spin-off of Solventum, and finalized two major legal settlements,” said 3M chairman and CEO Mike Roman. “The progress we have made in executing our strategic priorities, positions the company for long-term shareholder value creation as Bill Brown assumes the role of 3M CEO.”

First-Quarter Highlights:

- Q1 2024 results are reported inclusive of the Health Care business segment, on the same basis on which 3M provided its first-quarter guidance.

	Q1 2024	Q1 2023
GAAP earnings per share	\$ 1.67	\$ 1.76
Special items:		
Net costs for significant litigation	0.44	0.07
Other special items, net	0.28	0.14
Adjusted earnings per share (EPS)	\$ 2.39	\$ 1.97
Memo:		
GAAP operating income margin	18.8 %	15.4 %
Adjusted operating income margin	21.9 %	17.9 %

- GAAP earnings per share of \$1.67 and operating margin of 18.8%.
- Adjusted EPS of \$2.39, up 21 percent year-on-year.
- Adjusted operating income margin of 21.9%, an increase of 4.0 percentage points year-on-year.

	GAAP	Adjusted (Non-GAAP)
Net sales (Millions)	\$8,003	\$7,722
Sales change		
Total sales	(0.3)%	0.5%
Components of sales change:		
Organic sales ¹	—%	0.8%
Acquisitions/divestitures	0.3%	0.3%
Translation	(0.6)%	(0.6)%
Adjusted sales excludes manufactured PFAS products.		
¹ Above adjusted organic sales increase includes a 160 basis point headwind from product portfolio initiatives, disposable respirator comp, and exit of certain small countries.		

- Sales of \$8.0 billion, down 0.3 percent year-on-year, with organic sales flat year-on-year.
- Adjusted sales of \$7.7 billion, up 0.5 percent year-on-year with adjusted organic sales increase of 0.8 percent year-on-year.
- Operating cash flow of \$0.8 billion; adjusted free cash flow of \$0.8 billion.
- 3M returned \$835 million to shareholders via dividends.

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

3M Completes Spin-off of Solventum

On April 1, 3M completed the planned spin-off of its health care business, which formally launched Solventum Corporation as an independent company. Solventum is listed on the New York Stock Exchange as SOLV. 3M retained 19.9% of the outstanding shares of Solventum common stock, which will be monetized within five years following the spin-off.

Solventum Corporation's financial reporting will differ from the basis of presentation used by 3M for the Health Care segment.

3M Resolves Public Water Supplier and Combat Arms Earplugs Litigation

On March 29, the company's previously announced settlement agreement with U.S. public water suppliers received final approval from the U.S. District Court in Charleston, South Carolina. The agreement includes a pre-tax present value commitment of up to \$10.3 billion payable over 13 years, for which the company has previously recorded reserves.

On March 26, 3M announced that, as of the final registration date for the Combat Arms Earplug settlement agreement, more than 99% of claimants are participating in the settlement. Under the terms of the agreement, 3M will pay a total amount of up to \$6.0 billion, between 2023 and 2029, to resolve the litigation, provided all participation thresholds are met. This represents a total pre-tax present value of \$5.3 billion, for which the company has previously recorded reserves.

Initiating Full-Year 2024 Earnings Outlook Reflecting Solventum as a Discontinued Operation

3M initiated the following full-year 2024 expectations. Beginning in the second quarter of 2024, Solventum's historical earnings results will be reported within 3M's financial statements as discontinued operations. The 2024 earnings outlook below reflects Solventum's net income as discontinued operations for the full year, including the first quarter of 2024.

	2023 as reported	Reflecting Solventum as discontinued operation	
		2023 illustrative ²	2024 forecast ³
Total sales growth	(4.5)%	(5.9)%	
Adjusted total sales growth	(4.5)%	(6.0)%	(0.25%) to +1.75%
Adjusted organic sales growth	(3.2)%	(4.4)%	flat to +2%
Earnings (loss) per share	\$ (12.63)	~(\$15.09) to (\$15.24)	
Adjusted earnings per share	\$ 9.24	~\$5.97 to \$6.12	\$6.80 to \$7.30

In addition, following the spin of Solventum, 3M's dividend payout ratio is expected to be approximately 40% of adjusted free cash flow. The second-quarter dividend is expected to be declared in May 2024, and is subject to board approval.

²3M is supplying preliminary estimated information that is illustrative as if Solventum's net income was reflected as a discontinued operation. This information is preliminary, unaudited, and based on current estimates, and remains subject to change. See further discussion in the "Supplemental Financial Information Non-GAAP Measures - Reflecting Solventum Net Income as Discontinued Operation" section.

³As further discussed at ¹⁰ within the "Supplemental Financial Information Non-GAAP Measures" sections, 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.

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 800-343-4136 within the U.S. or +1 203-518-9843 outside the U.S., conference ID: MMMQ124. 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 800-839-7076 within the U.S. or +1 402-220-6063 outside the U.S. (for both U.S. and outside the U.S., the security code is 6639). The telephone replay will be available until May 7, 2024.

Consolidated Financial Statements and Supplemental Financial Information Non-GAAP Measures

View the Financial Statement Information on 3M's website: <https://investors.3m.com/financials/quarterly-earnings>

Forward-Looking Statements

This news release contains forward-looking statements. 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. 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, and natural and other disasters or climate change affecting the operations of the Company or its customers and suppliers; (2) foreign currency exchange rates and fluctuations in those rates; (3) liabilities and the outcome of contingencies related to certain fluorochemicals; known as “PFAS,” 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; (4) risks related to the class-action settlement to resolve claims by public water systems in the United States regarding PFAS; (5) legal proceedings, including significant developments that could occur in the legal and regulatory proceedings described in the Company's reports on Form 10-K, 10-Q and 8-K (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 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 spin-off of the Company’s Health Care business, including the risk that the expected benefits will not be realized; the risk that the costs or dis-synergies will exceed the anticipated amounts; potential business disruption; the diversion of management time; the impact of the transaction on the Company's ability to retain talent; potential impacts on the Company's relationships with its customers, suppliers, employees, regulators and other counterparties; the ability to realize the desired tax treatment; the risk that any consents or approvals required will not be obtained; risks under the agreements and obligations entered into in connection with the spin-off, and (16) matters relating to Combat Arms Earplugs (“CAE”), including 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 Company’s subsidiary Aeero Technologies and certain of its affiliates and/or the Company. 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](https://www.3m.com/news).

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](#) or [@3MNews](#).

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3M

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