



# 3M FY 2023 Rebaselined Financial Information for Solventum Spin

April 4, 2024

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# Forward-looking statements

This presentation 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, 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) 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; (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 Annual Report on Form 10-K for the year ended Dec. 31, 2023 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 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 (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 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; 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 relating 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 Aearo Technologies and certain of its affiliates and/or 3M. 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.

# Explanatory note regarding information in these materials

The spin-off of Solventum, the former 3M Health Care business, was completed on April 1, 2024. Beginning with the second quarter of 2024, information regarding Solventum will be reported as discontinued operations under GAAP in 3M's financial statements. However, 3M is supplying the accompanying preliminary estimated information that is illustrative as if Solventum were reflected as a discontinued operation for the periods presented and further reflective of certain baselining adjustments that 3M believes may be useful in considering underlying results on this basis. This financial information should be read together with the financial information included in 3M's Current Report on Form 8-K filed April 4, 2024, and with the audited financial information (including the accompanying notes), Management Discussion and Analysis and other information included in 3M's Annual Report on Form 10-K for the year ended December 31, 2023. The financial information included in this presentation does not revise or otherwise amend or restate any previously filed financial information of 3M. The information presented in these materials is preliminary, unaudited, and based on current estimates, and remains subject to change.

# 3M FY 2023 - information preliminarily reflective of Solventum as a discontinued operation & “rebaselined” for certain items

For the year ended December 31, 2023 (dollars in billions, except per share data)	Solventum Estimated Impact									
	3M as reported <sup>(1)</sup>	3M Health Care as reported	Est. 3M Costs Retained Related to Transition Service Agreements <sup>(2)</sup>	Estimated 3M Costs Retained - dis-synergies <sup>(3)</sup>	Other	Total	3M Continuing Operations <sup>(4)</sup>	Est. 3M Costs Reimbursed via Transition Service Agreements <sup>(2)</sup>	Other Baselining Adjustments <sup>(5)</sup>	3M Rebaselined
Adjusted net sales	\$ 31.4	\$ (8.2)	\$ -	\$ -	\$ 0.1	\$ (8.1)	\$ 23.3	\$ -	\$ ~(0.01)	\$ 23.3
<i>Adjusted organic sales growth</i>	(3.2%)						(4.4%)			
Adjusted operating income	\$ 6.4	\$ (1.6)	\$ ~(0.25)	\$ ~(0.25)	\$ ~0.0	\$ ~(2.0) to (2.1)	\$ ~4.3 to 4.4	\$ ~0.25	\$ ~(0.04)	\$ ~4.5 to 4.6
<i>Adjusted operating income margin</i>	20.3%						~18.5% to 18.9%			~19.3% to 19.7%
Adjusted earnings from continuing operations per share, diluted	\$ 9.24						\$ ~5.97 to 6.12			\$ ~6.25 to 6.40
Memo:										
<i>Adjusted effective tax rate on continuing operations</i>	17.5%						~19.1% to 19.3%			~19.3% to 19.5%

<sup>(1)</sup> Additional information and non-GAAP reconciliations of these previously reported amounts adjusted for special items are included in 3M's 2023 Annual Report on Form 10-K.

<sup>(2)</sup> Costs retained by 3M (previously allocated to Health Care business)—estimated portion related to transition service agreements for which 3M will be reimbursed from Solventum starting in April 2024. Estimated reimbursement amounts above do not include estimated mark-up income thereon.

<sup>(3)</sup> Costs retained by 3M (previously allocated to Health Care business)—portion estimated to be dis-synergies. 3M estimates full-year 2024 pre-tax stranded cost impact from these dis-synergies of \$150M to \$175M, net of cost reduction benefits from restructuring program announced April 2023.

<sup>(4)</sup> Additional information on these non-GAAP amounts reflecting the preliminary impact of Solventum as a discontinued operation is included in the appendix to this slide.

<sup>(5)</sup> Other baselining adjustments primarily reflect certain Health Care-related items which remain in 3M continuing operations, but that are not expected to repeat in 2024.

# Appendix

# Appendix - Preliminary unaudited supplemental consolidated information

## Preliminary Unaudited Supplemental Consolidated Information

Certain amounts adjusted for special items (non-GAAP measures)<sup>(a)</sup> - (dollars in billions, except per share data)

For the year ended December 31, 2022

	Net sales	Sales change	Operating income (loss)	Operating income (loss) margin	Income (loss) before taxes	Provision (benefit) for income taxes	Effective tax rate	Net income (loss) attributable to 3M	Earnings (loss) per share
As reported	\$ 34.2								
Solventum discontinued operations	(8.1)								
Revised - reflecting continuing operations	\$ 26.2								
Adjustments for special items:									
Manufactured PFAS products	(1.4)								
Continuing operations adjusted amounts (non-GAAP measures)	24.8								

For the year ended December 31, 2023

As reported	\$ 32.7	(4.5%)	\$ (9.1)	(27.9%)	\$ (9.7)	\$ (2.7)	27.8%	\$ (7.0)	\$ (12.63)
Solventum discontinued operations	(8.1)		~(1.5) to (1.6)		~(1.5) to (1.6)	~(0.2)		~(1.3) to (1.4)	~(2.46) to (2.61)
Revised - reflecting continuing operations	\$ 24.6	(5.9%)	\$ ~(10.6) to (10.7)	~(43%) to (44%)	\$ ~(11.2) to (11.3)	\$ ~(2.9)	~25.4% to 25.5%	\$ ~(8.3) to (8.4)	\$ ~(15.09) to (15.24)
Adjustments for special items:									
Net costs for significant litigation	-		14.87		15.25	3.62		11.63	21.00
Manufactured PFAS products	(1.3)		0.21		0.21	0.05		0.16	0.28
Gain on business divestitures	-		(0.04)		(0.04)	(0.01)		(0.03)	(0.05)
Russia exit charges (benefits)	-		(0.02)		(0.02)	0.00		(0.02)	(0.04)
Divestiture costs	-		0.01		0.01	0.00		0.01	0.02
Total special items	(1.3)		15.0		15.4	3.7		11.7	21.21
Continuing operations adjusted amounts (non-GAAP measures)	\$ 23.3	(6.0%)	\$ ~4.3 to 4.4	~18.5% to 18.9%	\$ ~4.1 to 4.2	\$ ~0.8	~19.1% to 19.3%	\$ ~3.3 to 3.4	\$ ~5.97 to 6.12

Year ended December 31, 2023

Sales Change<sup>(b)</sup>, revised - reflecting continuing operations

	Organic sales	Acquisitions	Divestitures	Translation	Total sales change
Total Company	(4.2%)	0.3%	(1.3%)	(0.7%)	(5.9%)
Remove manufactured PFAS products impact	0.2%	-	-	(0.1%)	0.1%
Adjusted total Company (non-GAAP measures) <sup>(a)</sup>	(4.4%)	0.3%	(1.3%)	(0.6%)	(6.0%)

<sup>(a)</sup> In addition to the non-GAAP reconciliations of these amounts herein, 3M's 2023 Annual Report on Form 10-K provides information on the use of measures that adjust for special items as well as descriptions of the nature of associated special items.

<sup>(b)</sup> The components of sales change include organic local-currency sales, acquisitions, divestitures, and translation. Organic local-currency sales include both organic volume impacts (which excludes acquisition and divestiture impacts) and selling price changes. Acquisition and divestiture impacts are measured separately for the first 12 months post transaction.