

2022 Fourth Quarter Earnings

(unaudited)

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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, 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) 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, 2021, as updated by the Company's Current Report on Form 8-K dated April 26, 2022, 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 or supply chain interruptions; (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, and possible organizational restructuring; (11) operational execution, including scenarios where the Company generates fewer productivity improvements than planned; (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 proposed spin-off of the Company's Health Care business, including whether the transaction will be completed, or if completed, will be on the expected terms; the risk that the expected benefits will not be realized; the risk that the costs or dis-synergies will exceed the anticipated amounts; the ability to satisfy the various closing conditions; potential business disruption; the diversion of management time; the impact of the transaction (or its pendency) 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 (including whether an Internal Revenue Service private letter ruling will be sought or obtained); the risk that any consents or approvals required will not be obtained; risks associated with financings that may be undertaken and indebtedness that may be incurred in connection with the transaction; (16) matters relating to the voluntary chapter 11 proceedings of the Company's subsidiary Aearo Technologies and certain of its affiliates (the "Aearo Entities"), including legal risks related to the chapter 11 proceedings; potential impacts to the Company's reputation and its relationships with customers, suppliers, employees, regulators and other counterparties and community members; potential impacts to the Company's liquidity or results of operations, including risks related to the amount that will be necessary to fully and finally resolve all of the Company's obligations to make payments to resolve such claims under the terms of its funding and indemnification agreement with the Aearo Entities; and the Aearo Entities' ability to navigate the chapter 11 proceedings to obtain approval and consummation of a plan of reorganization; and (17) matters relating to the Company's plans to exit PFAS manufacturing and discontinue use of PFAS across its product portfolio (the "exit"), including the actual timing, costs and financial impact of such exit; the Company's ability to complete such exit, on the anticipated timing or at all; potential governmental or regulatory actions relating to PFAS manufacturing and production, or the Company's exit plans; the Company's ability to identify and manufacture acceptable substitutes for the discontinued products, and the possibility that such substitutes will not achieve the anticipated or desired commercial or operational results; potential litigation relating to the Company's exit plans; and the possibility that the planned exit will involve greater costs than anticipated, or otherwise have negative impacts on the Company's relationships with its customers and other counterparties. 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 January 24, 2023, press release for descriptions of non-GAAP financial measures such as adjusted net cash provided by (used in) operating activities, adjusted free cash flow, adjusted free cash flow conversion, net debt, adjusted EBITDA, and various measures that adjust for the impacts of special items.

As discussed therein, beginning in 2023, 3M is changing certain of its non-GAAP measures. As a result, 3M's 2023 outlook expectations reflect measures on that basis. Relevant 2023 non-GAAP measure changes include:

- Adjusting for the results of manufactured PFAS products in arriving at results, adjusted for special items — Previously, 3M included an adjustment for PFAS manufacturing exit costs. The non-GAAP measure change involves expanding the extent of adjustment to include the sales and estimates of income (including exit costs) and associated activity regarding manufactured PFAS products that 3M plans to exit by the end of 2025.

The "Supplemental Financial Information Non-GAAP Measures — New Outlook Basis" section of the referenced press release provides relevant 2023 outlook expectation non-GAAP measures and prior period non-GAAP measure information on this new basis.

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.

Certain 2022 non-GAAP amounts on the existing and new outlook basis include the following:

(Dollars in millions, except per share amounts)	Existing Basis	New Outlook Basis
Adjusted total sales growth	(3.2)%	(3.6)%
Adjusted organic sales growth	1.2%	0.8%
Adjusted earnings per share	\$10.10	\$9.88
Adjusted operating cash flow	\$6,440	\$6,404
Adjusted free cash flow conversion	82%	86%

Taking actions in a challenging environment to transform 3M for the future

- Responding to economic realities
 - **December softening:** increased end-market weakness in consumer electronics and consumer retail along with significant slowing in China due to COVID-related impacts
 - **Proactively taking actions:** reduced manufacturing production output given softening end-market demand; delivered sequential inventory decline of ~\$250 million
 - **Focused on supply chain improvement:** supply chain stabilization progressing; this is our most significant opportunity for improvement in operating margins and cash flow
- Transforming 3M to drive long-term success
 - Investing in growth, productivity, and sustainability
 - Advanced Health Care spin workstreams and remain on track
 - Announced exit of PFAS manufacturing by end of 2025
 - Continue to work toward a mediated resolution for Combat Arms litigation

Q4 2022

Organic growth

+0.4%

Includes ~-(2.6) ppt headwind from disposable respirator decline and exit of Russia

Adjusted operating margin

19.1%

Adjusted earnings per share

\$2.28

Q4 2022 operating margin and EPS

	Adjusted operating margin	Adjusted earnings per share	Commentary
Q4 2021	20.0%	\$2.45	
Total organic growth/productivity/other	+0.4%	+\$0.04	
Disposable respirator/Russia exit	-0.7%	-\$0.15	<ul style="list-style-type: none"> Decline in COVID-related disposable respirator demand; exit of operations in Russia
Remaining organic growth/productivity/other	+1.1%	+\$0.19	<ul style="list-style-type: none"> Strong pricing, spending discipline, and ongoing benefits from productivity actions Continued headwinds from global supply chain challenges and geopolitical impacts Investments in growth, productivity, and sustainability
Raw material	-1.4%	-\$0.16	<ul style="list-style-type: none"> Raw materials and logistics cost inflation
FX	+0.1%	-\$0.10	<ul style="list-style-type: none"> U.S. dollar strength
Divestiture*	0.0%	-\$0.04	<ul style="list-style-type: none"> Food Safety divestiture; Aearo Technologies deconsolidation
Other expense/income	NA	+\$0.03	<ul style="list-style-type: none"> Primarily lower net interest expense
Adjusted tax rate**	NA	-\$0.05	<ul style="list-style-type: none"> Q4 2022 adjusted tax rate of 16.9% versus 15.1% in Q4 2021
Shares outstanding	NA	+\$0.11	<ul style="list-style-type: none"> Average diluted shares down 4.7%
Q4 2022	19.1%	\$2.28	

* 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.

Q4 2022 cash flow and balance sheet

Adjusted free cash flow

\$1.7B

Adjusted free cash flow conversion

131%

Cash returned to shareholders

\$1.4B

Adjusted free cash flow

- Q4: \$1.7B, up 3% YoY; FY: \$4.7B, down 25% YoY

Adjusted free cash flow conversion

- Q4: 131%, up 18 pts YoY; FY: 82%, down 18 pts YoY
- Q4 YoY increase driven by reduction in working capital partially offset by cash impact from capitalization of R&D for U.S. tax purposes

Capital expenditures

- Q4: \$506M, down 9% YoY; FY: \$1.75B, up 9% YoY

Net debt

- Q4: \$12.0B, down 4% YoY

Capital returned to shareholders

- Q4: dividends \$819M; share repurchases \$536M
- FY: dividends \$3.4B; share repurchases \$1.5B; reduced outstanding shares by 16M via exchange offer due to Food Safety divestiture



Business Group performance

Safety & Industrial

Transportation & Electronics

Health Care

Consumer

Business Group performance

	<u>FY 2022</u> Organic growth	<u>Q4 2022</u> Organic growth	
	<u>Adjusted</u> operating margin	<u>Adjusted</u> operating margin	Q4 Commentary
Safety & Industrial	<u>1.0%</u> 22.5%	<u>1.3%</u> 22.4%	<ul style="list-style-type: none"> Organic growth in electrical markets, automotive aftermarket, abrasives, and roofing granules; personal safety, closure and masking systems, industrial adhesives and tapes declined Disposable respirator sales declined ~\$165M, or -47% organically YoY; reduced segment organic growth by 6.2 ppts Adjusted operating margin +2.7 ppts YoY; benefits from pricing and strong spending discipline more than offset increased raw materials/logistics costs, manufacturing productivity headwinds, and investments
Transportation & Electronics	<u>1.2%</u> 20.4%	<u>1.4%</u> 17.8%	<ul style="list-style-type: none"> Organic growth in automotive and aerospace, advanced materials, commercial solutions, and transportation safety; electronics declined significantly Consumer electronics softness continues; weak demand for phones, tablets, and TVs Adjusted operating margins +60 bps YoY; benefits from pricing, strong spending discipline, and restructuring actions more than offset increased raw materials/logistics costs, manufacturing productivity headwinds, and investments
Health Care	<u>3.2%</u> 21.6%	<u>1.9%</u> 20.6%	<ul style="list-style-type: none"> Organic growth in separation and purification, health information systems, and oral care; medical solutions declined Operating margin -2.9 ppts YoY; decline driven by manufacturing productivity headwinds, increased raw materials/logistics costs, and investments partially offset by pricing and strong spending discipline; EBITDA margin of 28.5% Healthcare and oral care elective procedure volumes at ~90% of pre-COVID levels
Consumer	<u>-0.9%</u> 18.8%	<u>-5.7%</u> 17.9%	<ul style="list-style-type: none"> All business' sales declined organically; lower consumer spend on discretionary items along with retailers aggressively reducing inventory levels Operating margin -3.3 ppts YoY; decline driven by lower sales volumes, increased raw materials/logistics and outsourced manufactured hardgoods costs, manufacturing productivity headwinds, and investments partially offset by pricing and strong spending discipline

2022 full-year performance

Organic sales growth
1.2%

Adjusted earnings per share
\$10.10

Adjusted free cash flow conversion
82%

2022 full-year performance

- Organic sales growth of 1.2% YoY, includes 2.0 ppt headwind from disposable respirator decline and exit of Russia vs. worldwide GDP/IPI of ~3%
- Focused on serving customers while navigating supply chain challenges including Belgium plant shutdown and China COVID-related lockdowns
- Strong execution of pricing actions offset headwinds from raw materials/logistics inflation
- Divested Food Safety business; received ~\$1B in consideration and reduced outstanding shares by 16M via exchange offer
- Returned \$3.4 billion to shareholders via dividends and \$1.5 billion via share repurchases
- Continued to strengthen the balance sheet, while executing our capital allocation strategy

Advancing portfolio and long-term strategy

- Positioned 3M for long-term growth:
 - Progressed work to spinoff a leading healthcare technology company and create a more focused material science leader in 3M
 - Acquired the technology assets of LeanTec to advance digital solutions for autobody shop customers
 - Divested Food Safety business; European floor care business; consumer skin care brands Neobun™ and Neoplast™ in Thailand
 - Took action to support Aearo Technologies' work toward a mediated resolution of the Combat Arms litigation
 - Announced exit of PFAS manufacturing and innovating toward discontinuing use of PFAS across portfolio by the end of 2025
 - Simplified organization structure and advanced digital strategy to better serve customers and improve efficiency of operations



2023 outlook

2023 outlook

Executing our transformation

- Expect macroeconomic challenges to persist in 2023
- Taking actions to reduce costs, structure, and inventory—building on actions in 2H 2022
- Examining all aspects of business in preparation for Health Care spin — further actions anticipated
- Focused on delivering for customers and shareholders by leveraging 3M strengths: science, customer-centered innovation, supply chain, manufacturing, and iconic brands
- Capitalizing on high growth opportunities across all business groups and rationalizing areas of slower growth
- Making progress on our legal matters
- Maintaining strong balance sheet and disciplined capital allocation strategy

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

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

Adjusted earnings per share **\$8.50 to \$9.00**

Includes \$0.55-\$0.80 headwind from disposable respirator decline, exit of Russia, FX and divestitures

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

Note: Beginning in 2023, 3M is changing certain of its non-GAAP measures. As a result, 2023 outlook expectations reflect amounts on that basis. See slide 3 “Note on non-GAAP financial measures” for additional information.

2023 guidance

Adj. organic sales growth (3%) to Flat

- Organic sales headwind of (2%) from disposable respirator decline and Russia exit
- Selling prices up LSD year-on-year
- Foreign currency translation (FX) impact on sales of (1%) to (2%)
- Divestitures impact on sales of (1%), primarily Food Safety and Aearo Technologies

Adj. earnings per share \$8.50 to \$9.00

- Includes earnings headwind of (\$0.55) to (\$0.80) per share from combined impact of disposable respirator/Russia exit (\$0.30) to (\$0.45); FX (\$0.10) to (\$0.20); and divestitures (\$0.15)
- Raw material carryover/energy headwind of \$150M to \$250M, or (\$0.20) to (\$0.35) per share
- Non-operating items: earnings headwind of flat to (\$0.10) per share; includes non-operating pension expense increase of \$125M, and adjusted tax rate of 18% to 19%

Adj. free cash flow conversion 90% to 100%

- Expecting continued healing of global supply chains
- Significant opportunity to drive improvement in working capital, particularly inventory
- Total capital expenditures of \$1.5B to \$1.8B, includes water stewardship investments of ~\$0.2B related to exit of PFAS manufacturing

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Managing in a challenging macroeconomic environment

Outlook by Business Group

Safety & Industrial

- Organic sales growth: down LSD
- Industrial end-market demand moderating, customers cautious
- Disposable respirator sales returning to pre-pandemic levels; resulting in a YoY headwind of \$450M to \$550M
- China recovery expected as year progresses

Transportation & Electronics

- Organic sales growth (ex. PFAS): down MSD to flat
- Divergent trends with auto builds up LSD; consumer electronics demand down significantly
- Continued strong auto electrification growth trends

Health Care

- Organic sales growth: up LSD to MSD
- Gradual recovery of healthcare procedure volumes
- Monitoring impact of consumer discretionary spend on oral care
- Creating differentiated value in attractive market segments

Consumer

- Organic sales growth: down LSD to flat
- Near-term weakness in consumer discretionary spending; retailers aggressively reducing inventory levels
- Continue to leverage iconic brands with leading positions
- Accelerating new product launches across key brands

Note: Beginning in 2023, 3M is changing certain of its non-GAAP measures. As a result, 2023 outlook expectations reflect amounts on that basis. See slide 3 “Note on non-GAAP financial measures” for additional information.

Q1 2023 outlook

Macroeconomic and end-market trends

- Soft consumer retail discretionary spending; retailers continue to aggressively reduce inventories
- Consumer electronics down sequentially
 - Smartphones ~(10)%, tablets ~(15)%, TVs ~(30)%
- Semiconductor down MSD sequentially
- Auto builds down MSD sequentially
- Healthcare/oral care procedure volumes similar to Q4
- Industrial end-markets mixed
- China COVID related impacts remain
- EMEA geopolitical challenges remain

Q1 Outlook

- Adjusted sales of \$7.2B to \$7.6B
- Adjusted EPS range of \$1.25 to \$1.65
- Adjusted sales range reflects continued slowing of end-market trends to start year
- Adjusted EPS range includes impact of slowing sales volumes, pre-tax restructuring charge of \$75M to \$100M, or (\$0.10) to (\$0.15) cents per share, along with normal first-quarter items

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Q&A

Mike Roman

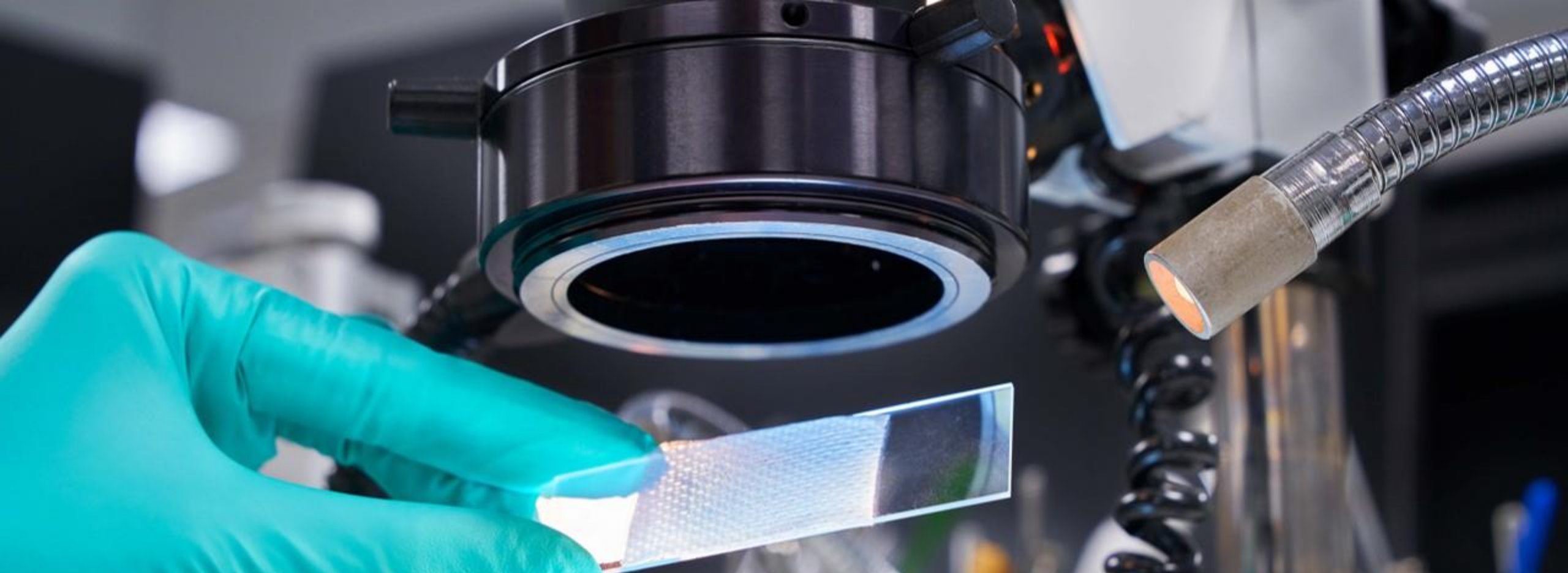
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Appendix

Q4 2022 P&L

As reported (GAAP) (\$M)	Q4 2022	Q4 2021	Change
Sales	\$8,079	\$8,612	-6.2%
Gross profit	\$3,494	\$3,914	-10.8%
% to sales	43.2%	45.5%	-2.3 pts
SG&A	\$2,146	\$1,824	+17.6%
% to sales	26.5%	21.2%	+5.3 pts
R&D & related	\$445	\$474	-6.2%
% to sales	5.5%	5.5%	— pts
Goodwill impairment expense	\$271	—	+100.0%
% to sales	3.4%	—	+3.4 pts
Operating income	\$632	\$1,616	-60.9%
% to sales	7.8%	18.8%	-11.0 pts
Net income	\$541	\$1,339	-59.6%
GAAP earnings per share	\$0.98	\$2.31	-57.7%

Q4 2022 sales recap

	Americas	EMEA	APAC	Worldwide
Organic growth	+1.4%	+2.0%	-2.6%	+0.4%
Acquisitions/divestitures	-1.6%	-2.2%	-1.1%	-1.6%
FX	-0.4%	-10.7%	-9.5%	-5.0%
Total growth	-0.6%	-10.9%	-13.2%	-6.2%

	U.S.	Canada	Mexico	Brazil	China/HK	Japan
Organic growth	—%	+2%	+9%	+13%	-8%	+3%

Business segment information

(\$M)	Net Sales		Q4 2022 Sales Growth				Adjusted Operating Income*			Adjusted Operating Margin*	
	Q4 2022	Q4 2021	Organic Growth	FX	M&A	Total Sales Change	Q4 2022	Q4 2021	Percent change	Q4 2022	Q4 2021
Safety & Industrial	\$2,735	\$2,848	1.3%	-5.3%	—%	-4.0%	\$611	\$562	8.9%	22.4%	19.7%
Transportation & Electronics	\$2,055	\$2,184	1.4%	-6.2%	-1.1%	-5.9%	\$366	\$376	-2.9%	17.8%	17.2%
Health Care	\$2,042	\$2,190	1.9%	-4.5%	-4.1%	-6.7%	\$421	\$515	-18.2%	20.6%	23.5%
Consumer	\$1,246	\$1,390	-5.7%	-3.1%	-1.6%	-10.4%	\$224	\$295	-24.1%	17.9%	21.2%
Total Operating Business Segment							\$1,622	\$1,748			
Corporate & Unallocated	\$1	\$—					\$(78)	\$(28)			
Total	\$8,079	\$8,612	0.4%	-5.0%	-1.6%	-6.2%	\$1,544	\$1,720	-10.2%	19.1%	20.0%

*"Safety & Industrial", "Transportation & Electronics", "Corporate & Unallocated", "Total Operating Business Segment" and "Total" provided on an adjusted basis
Organic growth = organic volume + price

Additional sales detail

(\$M)	Net Sales	
	Q4 2022	Q4 2021
Business groups		
Abrasives	329	315
Automotive Aftermarket	309	283
Closure and Masking Systems	252	272
Electrical Materials	328	299
Industrial Adhesives & Tapes	526	562
Personal Safety	895	1,018
Roofing Granules	96	90
Other Safety & Industrial	—	9
Total Safety & Industrial Business Group	2,735	2,848
Advanced Materials	296	280
Automotive & Aerospace	429	410
Commercial Solutions	390	405
Electronics	760	892
Transportation Safety	180	188
Other Transportation & Electronics	—	9
Total Transportation & Electronics Business Group	2,055	2,184

(\$M)	Net Sales	
	Q4 2022	Q4 2021
Business groups		
Food Safety	—	93
Health Information Systems	338	323
Medical Solutions	1,134	1,204
Oral Care	328	340
Separation & Purification Sciences	226	226
Other Health Care	16	4
Total Health Care Business Group	2,042	2,190
Consumer Health & Safety	117	142
Home Care	246	262
Home Improvement	538	619
Stationery & Office	345	368
Other Consumer	—	(1)
Total Consumer Business Group	1,246	1,390
Corporate & Unallocated	1	—
Total 3M	8,079	8,612

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