

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): **July 26, 2022**

**3M COMPANY**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or other jurisdiction of incorporation)

**File No. 1-3285**

(Commission File Number)

**41-0417775**

(IRS Employer Identification No.)

**3M Center, St. Paul, Minnesota**

(Address of Principal Executive Offices)

**55144-1000**

(Zip Code)

(Registrant's Telephone Number, Including Area Code) **(651) 733-1110**

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$.01 Per Share	MMM	New York Stock Exchange
	MMM	Chicago Stock Exchange, Inc.
0.950% Notes due 2023	MMM23	New York Stock Exchange
1.500% Notes due 2026	MMM26	New York Stock Exchange
1.750% Notes due 2030	MMM30	New York Stock Exchange
1.500% Notes due 2031	MMM31	New York Stock Exchange

Note: The common stock of the Registrant is also traded on the SWX Swiss Exchange.

Securities registered pursuant to section 12(g) of the Act: **None**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the exchange Act.

## Item 2.02. Results of Operations and Financial Condition

On July 26, 2022, 3M Company issued a press release reporting second-quarter 2022 financial results and updating its full-year 2022 outlook (attached hereunder as Exhibit 99.1 and incorporated herein by reference).

## Item 8.01. Other Events

On July 26, 2022, the Company issued a press release announcing its intent to spin off its Health Care business, resulting in two standalone public companies, in a transaction that is intended to be tax-free for the Company's stockholders for U.S. federal income tax purposes. The press release is attached hereunder as Exhibit 99.2 and incorporated herein by reference.

Also on July 26, 2022, the Company issued a press release announcing that its wholly-owned subsidiary Aearo Technologies and certain of its related entities (the "Aearo Entities") have voluntarily initiated chapter 11 proceedings under the U.S. Bankruptcy Code to address potential liabilities related to Dual-Ended Combat Arms – Version 2 earplugs and mask/respirator products historically manufactured and sold by the Aearo Entities. In consideration of the Aearo Entities' agreement to indemnify the Company for such liabilities, the Company has entered into a funding and indemnification agreement with the Aearo Entities to fund a trust to resolve all claims determined to be entitled to compensation and to support the Aearo Entities as they continue to operate during the chapter 11 proceedings, as set forth in the agreement. The press release is attached hereunder as Exhibit 99.3 and incorporated herein by reference.

## Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
<a href="#">99.1</a>	<a href="#">Press Release, dated as of July 26, 2022, of 3M Company (furnished pursuant to Item 2.02 hereof)</a>
<a href="#">99.2</a>	<a href="#">Press Release, dated as of July 26, 2022, of 3M Company (filed pursuant to Item 8.01 hereof)</a>
<a href="#">99.3</a>	<a href="#">Press Release, dated as of July 26, 2022, of 3M Company (filed pursuant to Item 8.01 hereof)</a>
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

3M COMPANY

By: /s/ Michael M. Dai

Michael M. Dai,  
Vice President, Associate General Counsel & Secretary

Dated: July 26, 2022

## 3M Reports Second-Quarter 2022 Results

## Second-Quarter Highlights:

- Aearo Technologies takes action to efficiently and equitably resolve litigation related to Combat Arms Earplugs resulting in a pre-tax charge of \$1.2 billion, or \$1.66 per share; Company reports GAAP earnings per share of \$0.14, including impact of Special Items.
- Adjusted earnings per share of \$2.48 in midst of continued uncertain macroeconomic environment.

	Q2 2022		Q2 2021	
GAAP EPS	\$	0.14	\$	2.59
Special Items:				
Aearo Technologies actions - Combat Arms Earplugs		1.66		—
Zwijndrecht-related (PFAS-related environmental commitments as previously announced on July 6, 2022)		0.51		—
Other net costs for significant litigation		0.17		0.16
Adjusted EPS	\$	2.48	\$	2.75
Memo:				
GAAP operating income margin		1.3	%	22.0
Adjusted operating income margin		21.0	%	23.4

See the “Supplemental Financial Information Non-GAAP Measures” section for applicable information.

- Sales of \$8.7 billion, down 3 percent year-on-year, which included a negative 4 percentage point impact from foreign currency translation due to strength of U.S. dollar.
- Organic sales growth of 1 percent year-on-year which included a 4 percentage point headwind from the combined impact of China COVID-related lockdowns and decline in disposable respirator demand.
- Operating cash flow was \$1.1 billion, down 40 percent year-on-year, while adjusted free cash flow was \$1.0 billion, down 41 percent year-on-year.
- 3M returned \$0.8 billion to shareholders via dividends.

ST. PAUL, Minn. – July 26, 2022 – 3M (NYSE: MMM) today reported second-quarter 2022 results.

“In a challenging macroeconomic environment, 3M executed well and delivered solid earnings, while continuing to drive growth through investments in large, fast-growing areas,” said 3M chairman and CEO Mike Roman. “Looking ahead, we updated our adjusted full-year expectations largely due to the strength of the U.S. dollar and uncertain macroeconomic environment. We remain focused on innovating for customers, driving operational improvements and advancing our environmental stewardship – while positioning 3M for the future through our plan to spin-off our Health Care business and resolve Combat Arms litigation in a manner that is efficient and equitable.”

## Full-Year 2022 Outlook

3M updated its full-year sales and earnings expectations to reflect the impact of the strong U.S. dollar along with the current uncertain macroeconomic environment.

- Total sales growth: -2.5 to -0.5 percent vs. 1 to 4 percent prior
- Organic sales growth: 1.5 to 3.5 percent vs. 2 to 5 percent prior
- Foreign currency translation: -4 percent vs. -1 percent prior
- GAAP earnings per share: \$7.32 to \$7.82 vs. \$9.89 to 10.39 prior
- Adjusted earnings per share: \$10.30 to \$10.80 vs. \$10.75 to \$11.25 prior
- Operating cash flow of \$6.6 to \$7.2 billion contributing to 90% to 100% adjusted free cash flow conversion

See the “Supplemental Financial Information Non-GAAP Measures” section for applicable information.

### **Taking Steps to Equitably Resolve Litigation Related to Combat Arms Earplugs**

In a separate press release issued today, 3M announced it is taking steps to resolve litigation related to Combat Arms Earplugs Version 2 (“Combat Arms Earplugs”). Aearo Technologies and related entities (“Aearo Technologies”), all of which are wholly-owned 3M subsidiaries, have voluntarily initiated chapter 11 proceedings. With this change in strategy, this process is intended to resolve claims related to Combat Arms Earplugs in a manner that is equitable to all parties, including plaintiffs with claims that are determined to be entitled to compensation. 3M and all other associated businesses have not filed for chapter 11 and will continue to operate as usual. Aearo Technologies' will also continue to operate in the ordinary course.

To access the press release, please visit our press release page [here](#).

### **Planned Spin-Off of Health Care Business**

In a separate press release issued today, 3M announced its intent to spin off its Health Care business, resulting in two world-class, public companies well positioned to pursue their respective growth plans.

To access the press release, please visit our press release page [here](#).

### **Update on Pending Food Safety Transaction with Neogen**

3M has now indicated it intends to complete the transaction through a split-off with a targeted closing date of September 1, 2022, subject to approval by Neogen shareholders, receipt of required regulatory approvals and the satisfaction of other customary closing conditions.

### **Zwijndrecht, Belgium Facility Received Approval to Restart Idled Manufacturing**

As previously reported on July 6, 2022, 3M received approval from the Flemish authorities to restart certain operations at its Zwijndrecht, Belgium manufacturing facility that have been idled in recent months, including production of electronic heat transfer fluids and others. This approval has been granted following 3M's investment in new and additional technologies to significantly reduce PFAS discharges and emissions from its facility, as well as our submission of testing data that indicates the effectiveness of these technologies. The restart process for these operations is on track with the company's expectations.

### **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 <http://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:  
Go to 3M's Investor Relations website at <http://investors.3m.com> and click on “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 21999290). The telephone replay will be available until 11:30 a.m. EDT (10:30 a.m. CDT) on August 1, 2022.
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## 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 "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, 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 offerings; (8) the availability and cost of purchased components, compounds, raw materials and energy (including oil and natural gas and their derivatives) due to shortages, increased demand or supply 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; (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; and (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. 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.

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3M Company and Subsidiaries  
**CONSOLIDATED STATEMENT OF INCOME**  
(Millions, except per-share amounts)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 8,702	\$ 8,950	\$ 17,531	\$ 17,801
<b>Operating expenses</b>				
Cost of sales	5,093	4,719	9,919	9,244
Selling, general and administrative expenses	3,023	1,746	4,905	3,554
Research, development and related expenses	476	514	956	1,038
Total operating expenses	8,592	6,979	15,780	13,836
Operating income	110	1,971	1,751	3,965
Other expense (income), net	50	33	88	82
Income before income taxes	60	1,938	1,663	3,883
Provision for income taxes	(23)	415	279	734
Income of consolidated group	83	1,523	1,384	3,149
Income (loss) from unconsolidated subsidiaries, net of taxes	(1)	2	1	3
Net income including noncontrolling interest	82	1,525	1,385	3,152
Less: Net income (loss) attributable to noncontrolling interest	4	1	8	4
Net income attributable to 3M	\$ 78	\$ 1,524	\$ 1,377	\$ 3,148
Weighted average 3M common shares outstanding – basic	571.0	581.0	571.6	580.7
Earnings per share attributable to 3M common shareholders – basic	\$ 0.14	\$ 2.62	\$ 2.41	\$ 5.42
Weighted average 3M common shares outstanding – diluted	572.7	588.6	573.8	587.4
Earnings per share attributable to 3M common shareholders – diluted	\$ 0.14	\$ 2.59	\$ 2.40	\$ 5.36

3M Company and Subsidiaries  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(Dollars in millions)  
(Unaudited)

	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,722	\$ 4,564
Marketable securities – current	262	201
Accounts receivable – net	4,914	4,660
Inventories	5,645	4,985
Prepays	588	654
Other current assets	383	339
Total current assets	14,514	15,403
Property, plant and equipment – net	9,319	9,429
Operating lease right of use assets	835	858
Goodwill and intangible assets – net	18,057	18,774
Other assets	2,909	2,608
Total assets	\$ 45,634	\$ 47,072
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ 2,257	\$ 1,307
Accounts payable	3,273	2,994
Accrued payroll	704	1,020
Accrued income taxes	228	260
Operating lease liabilities – current	256	263
Other current liabilities	3,178	3,191
Total current liabilities	9,896	9,035
Long-term debt	14,019	16,056
Other liabilities	7,903	6,864
Total liabilities	31,818	31,955
Total equity	13,816	15,117
Shares outstanding		
June 30, 2022: 569,603,928		
December 31, 2021: 571,845,478		
Total liabilities and equity	\$ 45,634	\$ 47,072

3M Company and Subsidiaries  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Dollars in millions)  
(Unaudited)

	Six months ended June 30,	
	2022	2021
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 2,138	\$ 3,575
Cash flows from investing activities:		
Purchases of property, plant and equipment	(808)	(704)
Purchases and proceeds from sale or maturities of marketable securities and investments – net	(62)	(402)
Proceeds from sale of businesses, net of cash sold	13	—
Other investing activities	43	63
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(814)	(1,043)
Cash flows from financing activities:		
Change in debt	(834)	(445)
Purchases of treasury stock	(773)	(734)
Proceeds from issuances of treasury stock pursuant to stock option and benefit plans	227	480
Dividends paid to shareholders	(1,700)	(1,716)
Other financing activities	(22)	(19)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(3,102)	(2,434)
Effect of exchange rate changes on cash and cash equivalents	(64)	(37)
Net increase (decrease) in cash and cash equivalents	(1,842)	61
Cash and cash equivalents at beginning of year	4,564	4,634
Cash and cash equivalents at end of period	\$ 2,722	\$ 4,695



3M Company and Subsidiaries  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
**NON-GAAP MEASURES**  
(Unaudited)

(Dollars in millions, except per share amounts)	Operating Income (Loss)				Income Before Taxes	Provision for Income Taxes	Effective Tax Rate	Net Income Attributable to 3M	Earnings per Diluted Share	Year-over-year earnings per diluted share percent change
	Safety and Industrial	Safety and Industrial Margin	Total Company	Total Company Margin						
Three months ended June 30, 2021 GAAP	\$ 662	21.8 %	\$ 1,971	22.0 %	\$ 1,938	\$ 415	21.5 %	\$ 1,524	\$ 2.59	
Adjustments for special items:										
Net costs for significant litigation	52		127		127	30		97	0.16	
Three months ended June 30, 2021 adjusted amounts (non-GAAP measures) <sup>(a)</sup>	\$ 714	23.6 %	\$ 2,098	23.4 %	\$ 2,065	\$ 445	21.6 %	\$ 1,621	\$ 2.75	
Three months ended June 30, 2022 GAAP	\$ (707)	(24.2) %	\$ 110	1.3 %	\$ 60	\$ (23)	(38.3) %	\$ 78	\$ 0.14	(95) %
Adjustments for special items:										
Net costs for significant litigation	1,337		1,716		1,716	374		1,342	2.34	
Three months ended June 30, 2022 adjusted amounts (non-GAAP measures) <sup>(a)</sup>	630	21.5 %	\$ 1,826	21.0 %	\$ 1,776	\$ 351	19.8 %	\$ 1,420	\$ 2.48	(10) %
Six months ended June 30, 2021 GAAP	1,414	23.1 %	\$ 3,965	22.3 %	\$ 3,883	\$ 734	18.9 %	\$ 3,148	\$ 5.36	
Adjustments for special items:										
Net costs for significant litigation	117		\$ 262		\$ 262	\$ 62		\$ 200	\$ 0.34	
Six months ended June 30, 2021 adjusted amounts (non-GAAP measures) <sup>(a)</sup>	1,531	25.0 %	\$ 4,227	23.7 %	\$ 4,145	\$ 796	19.2 %	\$ 3,348	\$ 5.70	
Six months ended June 30, 2022 GAAP	(71)	(1.2) %	\$ 1,751	10.0 %	\$ 1,663	\$ 279	16.8 %	\$ 1,377	\$ 2.40	(55) %
Adjustments for special items:										
Net costs for significant litigation	1,400		\$ 1,966		\$ 1,966	\$ 399		\$ 1,567	\$ 2.73	
Six months ended June 30, 2022 adjusted amounts (non-GAAP measures) <sup>(a)</sup>	1,329	22.2 %	\$ 3,717	21.2 %	\$ 3,629	\$ 678	18.7 %	\$ 2,944	\$ 5.13	(10) %

(Dollars in millions, except per share amounts)

	Full Year 2022 Forecast	
	Earnings per share	
2022 GAAP earnings per share (GAAP)*	\$ 7.32	to \$ 7.82
Adjustments for estimated special items:		
Net costs for significant litigation	Pre-tax ~\$2,150	\$ 2.98
Divestiture costs*	—	—
2022 adjusted earnings per share amounts (non-GAAP measures) <sup>(a)</sup>	\$ 10.30	to \$ 10.80

\* 3M does not include projected divestiture gains and the impact potentially-divested businesses may have on expected operations in its forecasted outlook guidance until close of a transaction as these items have not yet occurred and generally involve certain conditions that are outside of 3M's control. Additionally, 3M cannot, without unreasonable effort, forecast certain items required to develop meaningful comparable GAAP financial measures. These items include, but are not limited to, divestiture costs in light of the fact that such items are difficult to predict in advance to include in a GAAP estimate. This is due to limitations in predicting the meaningful amount and timing of costs involved over the duration of an announced segment-sized deal, including factors outside of 3M's control, and 3M believes would result in a range of projected values so broad as to not be meaningful to investors. For these reasons, 3M believes that the probable significance of such information is low.

3M Company and Subsidiaries  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
**NON-GAAP MEASURES (CONTINUED)**  
(Unaudited)

- (a) In addition to reporting financial results in accordance with U.S. GAAP, 3M also provides non-GAAP measures that adjust for the impacts of special items. Special items for the periods presented include the items described in the section entitled “Description of Special Items”. Operating income (loss), segment operating income (loss), income before taxes, net income, earnings per share, and the effective tax rate are all measures for which 3M provides the reported GAAP measure and a measure adjusted for special items. The adjusted measures are not in accordance with, nor are they a substitute for, GAAP measures. While the Company includes certain items in its measure of segment operating performance, it also considers these non-GAAP measures in evaluating and managing its operations. The Company believes that discussion of results adjusted for special items is useful to investors in understanding underlying business performance, while also providing additional transparency to the special items. Special items impacting operating income (loss) are reflected in Corporate and Unallocated, except as described with respect to net costs for significant litigation in the “Description of Special Items” section. The determination of these items may not be comparable to similarly titled measures used by other companies.

In the first quarter of 2022, the Company changed the extent of matters and charges/benefits it includes within special items with respect to net costs for significant litigation. Previously, 3M included net costs, when significant, associated with changes in accrued liabilities related to respirator mask/asbestos litigation and PFAS-related other environmental matters, along with the associated tax impacts. The non-GAAP measure changes involved including net costs for litigation related to 3M's Combat Arms Earplugs, expanding net costs to include external legal fees and insurance recoveries associated with the applicable matters in addition to changes in accrued liabilities, and to include all such net costs for the applicable matters, not just when considered significant. The information provided herein reflects the impacts of these changes for all periods presented.

Major GAAP Cash Flow Categories (dollars in millions)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net cash provided by (used in) operating activities	\$ 1,127	\$ 1,887	\$ 2,138	\$ 3,575
Net cash provided by (used in) investing activities	(551)	(674)	(814)	(1,043)
Net cash provided by (used in) financing activities	(1,048)	(1,183)	(3,102)	(2,434)

Major GAAP Cash Flow Categories (dollars in billions)	Full-Year 2022 Forecast
Net cash provided by (used in) operating activities*	\$6.6 to \$7.2
Purchase of property, plant and equipment	(\$1.7 to \$2.0)
Free cash flow	\$4.6 to \$5.5
Adjustments for special items:	
Net costs for significant litigation after-tax payment impacts	~\$0.6
Divestiture costs*	—
TCJA transition tax payment	~\$0.1
Adjusted free cash flow <sup>(b)</sup>	\$5.3 to \$6.2
Net income attributable to 3M*	\$4.2 to \$4.5
Adjustments for special items:	
Net costs for significant litigation	~\$1.7
Divestiture costs*	—
Adjusted net income attributable to 3M <sup>(a)</sup>	\$5.9 to \$6.2
Adjusted free cash flow conversion <sup>(b)</sup>	90% to 100%

\* 3M does not include projected divestiture gains and the impact potentially-divested businesses may have on expected operations in its forecasted outlook guidance until close of a transaction as these items have not yet occurred and generally involve certain conditions that are outside of 3M's control. Additionally, 3M cannot, without unreasonable effort, forecast certain items required to develop meaningful comparable GAAP financial measures. These items include, but are not limited to, divestiture costs in light of the fact that such items are difficult to predict in advance to include in a GAAP estimate. This is due to limitations in predicting the meaningful amount and timing of costs and payments involved over the duration of an announced segment-sized deal, including factors outside of 3M's control, and 3M believes would result in a range of projected values so broad as to not be meaningful to investors. For these reasons, 3M believes that the probable significance of such information is low.

3M Company and Subsidiaries  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
**NON-GAAP MEASURES (CONTINUED)**  
(Unaudited)

Adjusted Free Cash Flow (non-GAAP measure) (dollars in millions)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net cash provided by (used in) operating activities	\$ 1,127	\$ 1,887	\$ 2,138	\$ 3,575
Purchases of property, plant and equipment	(384)	(394)	(808)	(704)
Free cash flow	743	1,493	1,330	2,871
Adjustments for special items:				
Net costs for significant litigation after-tax payment impacts	160	70	288	120
TCJA transition tax payment	68	68	68	77
Divestiture-related restructuring after-tax payment impacts	—	3	—	4
Adjusted free cash flow <sup>(b)</sup>	971	1,634	1,686	3,072
Net income attributable to 3M	\$ 78	\$ 1,524	\$ 1,377	\$ 3,148
Adjustments for special items:				
Net costs for significant litigation	1,342	97	1,567	200
Adjusted net income attributable to 3M <sup>(a)</sup>	\$ 1,420	\$ 1,621	\$ 2,944	\$ 3,348
Adjusted free cash flow conversion <sup>(b)</sup>	6%	10%	5%	9%

(b) Adjusted free cash flow and adjusted free cash flow conversion are not defined under U.S. GAAP. Therefore, they should not be considered a substitute for income or cash flow data prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other companies. The Company defines adjusted free cash flow as net cash provided by operating activities, adjusted for special items, less purchases of property, plant and equipment. Cash payments associated with special items in the determination of adjusted free cash flow are reflected net of applicable tax using the U.S. statutory corporate tax rate during the period of payment. It should not be inferred that the entire adjusted free cash flow amount is available for discretionary expenditures. The Company defines adjusted free cash flow conversion as adjusted free cash flow divided by net income attributable to 3M, adjusted for special items. Special items for the periods presented include the items described in section entitled "Description of Special Items". The Company believes adjusted free cash flow and adjusted free cash flow conversion are meaningful to investors as they are useful measures of performance and the Company uses these measures as an indication of the strength of the company and its ability to generate cash.

3M Company and Subsidiaries  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
**NON-GAAP MEASURES (CONTINUED)**  
(Unaudited)

(Dollars in millions)	Adjusted EBITDA (non-GAAP measure) <sup>(c)</sup>				Adjusted EBITDA Margin (non-GAAP measure) <sup>(c)</sup>			
	Three months ended June 30,		Six months ended June 30,		Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Safety and Industrial	\$ 774	\$ 864	\$ 1,617	\$ 1,822	26.5%	28.5%	27.1%	29.7%
Transportation and Electronics	578	616	1,175	1,271	25.4%	26.2%	25.5%	26.7%
Health Care	648	709	1,252	1,331	29.7%	32.8%	29.1%	31.5%
Consumer	284	327	545	630	21.4%	23.3%	20.6%	23.4%
Corporate and Unallocated	4	54	49	105				
Total Company	\$ 2,288	\$ 2,570	\$ 4,638	\$ 5,159	26.3%	28.7 %	26.5 %	29.0 %

Adjusted EBITDA (non-GAAP measure) (dollars in millions)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 8,702	\$ 8,950	\$ 17,531	\$ 17,801
Net income attributable to 3M	78	1,524	1,377	3,148
Add/(subtract):				
Net income/(loss) attributable to noncontrolling interest	4	1	8	4
(Income)/loss from unconsolidated subsidiaries, net of taxes	1	(2)	(1)	(3)
Provision for income taxes	(23)	415	279	734
Other expense/(income):				
Interest (Income)/expense	117	113	222	241
Pension & OPEB non-service cost (benefit)	(67)	(80)	(134)	(159)
Depreciation and amortization expense	462	472	921	932
Adjustments for special items:				
Net costs for significant litigation	1,716	127	1,966	262
Adjusted EBITDA <sup>(c)</sup>	\$ 2,288	\$ 2,570	\$ 4,638	\$ 5,159
Adjusted EBITDA margin <sup>(c)</sup>	26.3 %	28.7 %	26.5 %	29.0 %

3M Company and Subsidiaries  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
**NON-GAAP MEASURES (CONTINUED)**  
(Unaudited)

<b>Adjusted EBITDA (non-GAAP measure) Three months ended June 30, 2022 (dollars in millions)</b>	<b>Safety and Industrial</b>	<b>Transportation and Electronics</b>	<b>Health Care</b>	<b>Consumer</b>	<b>Corporate and Unallocated</b>	<b>Total Company</b>
Net sales	\$ 2,924	\$ 2,268	\$ 2,179	\$ 1,330	\$ 1	\$ 8,702
Business segment operating income (loss) (measure of segment operating performance)	\$ (707)	\$ 476	\$ 494	\$ 247	\$ (400)	\$ 110
Add/(subtract):						
Depreciation and amortization	144	102	154	37	25	462
Adjustments for special items:						
Net costs for significant litigation	1,337				379	1,716
Adjusted EBITDA (non-GAAP measure) <sup>(c)</sup>	\$ 774	\$ 578	\$ 648	\$ 284	\$ 4	\$ 2,288
Adjusted EBITDA margin (non-GAAP measure) <sup>(c)</sup>	26.5 %	25.4 %	29.7 %	21.4 %		26.3 %

<b>Adjusted EBITDA (non-GAAP measure) Three months ended June 30, 2021 (dollars in millions)</b>	<b>Safety and Industrial</b>	<b>Transportation and Electronics</b>	<b>Health Care</b>	<b>Consumer</b>	<b>Corporate and Unallocated</b>	<b>Total Company</b>
Net sales	\$ 3,029	\$ 2,355	\$ 2,165	\$ 1,400	\$ 1	\$ 8,950
Business segment operating income (measure of segment operating performance)	\$ 662	\$ 513	\$ 548	\$ 290	\$ (42)	\$ 1,971
Add/(subtract):						
Depreciation and amortization	150	103	161	37	21	472
Adjustments for special items:						
Net costs for significant litigation	52				75	127
Adjusted EBITDA (non-GAAP measure) <sup>(c)</sup>	\$ 864	\$ 616	\$ 709	\$ 327	\$ 54	\$ 2,570
Adjusted EBITDA margin (non-GAAP measure) <sup>(c)</sup>	28.5 %	26.2 %	32.8 %	23.3 %		28.7 %

<b>Adjusted EBITDA (non-GAAP measure) Six months ended June 30, 2022 (dollars in millions)</b>	<b>Safety and Industrial</b>	<b>Transportation and Electronics</b>	<b>Health Care</b>	<b>Consumer</b>	<b>Corporate and Unallocated</b>	<b>Total Company</b>
Net sales	\$ 5,975	\$ 4,608	\$ 4,303	\$ 2,643	\$ 2	\$ 17,531
Business segment operating income (loss) (measure of segment operating performance)	\$ (71)	\$ 972	\$ 942	\$ 471	\$ (563)	\$ 1,751
Add/(subtract):						
Depreciation and amortization	288	203	310	74	46	921
Adjustments for special items:						
Net costs for significant litigation	1,400				566	1,966
Adjusted EBITDA (non-GAAP measure) <sup>(c)</sup>	\$ 1,617	\$ 1,175	\$ 1,252	\$ 545	\$ 49	\$ 4,638
Adjusted EBITDA margin (non-GAAP measure) <sup>(c)</sup>	27.1 %	25.5 %	29.1 %	20.6 %		26.5 %

<b>Adjusted EBITDA (non-GAAP measure) Six months ended June 30, 2021 (dollars in millions)</b>	<b>Safety and Industrial</b>	<b>Transportation and Electronics</b>	<b>Health Care</b>	<b>Consumer</b>	<b>Corporate and Unallocated</b>	<b>Total Company</b>
Net sales	\$ 6,128	\$ 4,751	\$ 4,234	\$ 2,689	\$ (1)	\$ 17,801
Business segment operating income (measure of segment operating performance)	\$ 1,414	\$ 1,069	\$ 1,012	\$ 559	\$ (89)	\$ 3,965
Add/(subtract):						
Depreciation and amortization	291	202	319	71	49	932
Adjustments for special items:						
Net costs for significant litigation	117				145	262
Adjusted EBITDA (non-GAAP measure) <sup>(c)</sup>	\$ 1,822	\$ 1,271	\$ 1,331	\$ 630	\$ 105	\$ 5,159
Adjusted EBITDA margin (non-GAAP measure) <sup>(c)</sup>	29.7 %	26.7 %	31.5 %	23.4 %		29.0 %

3M Company and Subsidiaries  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
**NON-GAAP MEASURES (CONTINUED)**  
(Unaudited)

- (c) Adjusted EBITDA and adjusted EBITDA margin are not defined under U.S. GAAP. Therefore, adjusted EBITDA and adjusted EBITDA margin should not be considered a substitute for other measures prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other companies. The Company defines adjusted EBITDA as net income attributable to 3M, adjusted for net income/(loss) attributable to noncontrolling interest, (income)/loss from unconsolidated subsidiaries, provision for income taxes, other expense/(income), depreciation and amortization expense, and special items. For business segments, the Company defines adjusted EBITDA as business segment operating income (loss) (3M's measure of segment operating performance) adjusted for depreciation and amortization expense and special items. The Company defines adjusted EBITDA margin as adjusted EBITDA divided by net sales. Special items for the periods presented include the items described in the section entitled "Description of Special Items". The Company considers these non-GAAP measures in evaluating and managing the Company's operations. The Company believes adjusted EBITDA and adjusted EBITDA margin are meaningful to investors as they provide useful analyses of ongoing underlying operating trends.

<b>Net Debt (non-GAAP measure)</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Total debt	\$ 16,276	\$ 17,363
Less: Cash, cash equivalents and marketable securities	3,011	4,792
<b>Net debt <sup>(d)</sup></b>	<b>\$ 13,265</b>	<b>\$ 12,571</b>

- (d) Net debt is not defined under U.S. GAAP and may not be computed the same as similarly titled measures used by other companies. The Company defines net debt as total debt less the total of cash, cash equivalents and current and long-term marketable securities. 3M believes net debt is meaningful to investors as 3M considers net debt and its components to be an important indicator of liquidity and a guiding measure of capital structure strategy.

**Description of Special Items:**

In addition to reporting financial results in accordance with U.S. GAAP, the Company also provides various non-GAAP measures that incorporate adjustments for the impacts of special items. Special items incorporated in the preparation of these non-GAAP measures for the periods presented include the items described below:

*Net costs for significant litigation:*

- These relate to 3M's respirator mask/asbestos, PFAS-related other environmental, and Combat Arms Earplugs matters. Net costs include the impacts of changes in accrued liabilities, external legal fees, and insurance recoveries, along with the associated tax impacts. Net costs related to respirator mask/asbestos and Combat Arms Earplugs matters are reflected as special items in the Safety and Industrial business segment while those associated with PFAS-related other environmental matters are primarily reflected as corporate special items in Corporate and Unallocated. In the second quarter of 2022 and 2021, 3M made payments of approximately \$202 million and \$90 million, respectively, related to net costs for significant litigation. In the first six months of 2022 and 2021, 3M made payments of approximately \$363 million and \$153 million, respectively, related to net costs for significant litigation.

*Divestiture costs:*

- These include costs related to separating and divesting substantially an entire business segment of 3M following public announcement of its intended divestiture.

*Gain/loss on sale of businesses:*

- There were no gains/losses on sales of businesses for the periods presented. Additionally, 3M does not include expected gains on divestitures in its forecasted outlook guidance as these items have not yet occurred and generally involve certain conditions that are outside of 3M's control.

3M Company and Subsidiaries  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
**NON-GAAP MEASURES (CONTINUED)**  
(Unaudited)

*Divestiture-related restructuring actions:*

- In the second quarter of 2021, 3M made payments of approximately \$4 million associated with divestiture-related restructuring actions. In the first six months of 2022 and 2021, 3M made payments of approximately \$1 million and \$5 million, respectively, associated with divestiture-related restructuring actions.

*Enactment/measurement period adjustments related to the Tax Cuts and Jobs Act (TCJA)*

- In the second quarter of 2022 and 2021, 3M made payments of approximately \$68 million and \$68 million, respectively, related to the transition tax expense incurred as a result of the 2017 enactment of the TCJA. In the first six months of 2022 and 2021, 3M made payments of approximately \$68 million and \$77 million, related to the transition tax expense incurred as a result of the 2017 enactment of the TCJA.
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3M Company and Subsidiaries  
**SALES CHANGE ANALYSIS** <sup>(e)</sup>  
(Unaudited)

Three months ended June 30, 2022				
Sales Change Analysis By Geographic Area	Americas	Asia Pacific	Europe, Middle East and Africa	Worldwide
Organic sales	3.9 %	(1.8)%	(2.0)%	1.0 %
Divestitures	—	—	—	—
Translation	(0.2)	(6.0)	(10.2)	(3.8)
Total sales change	3.7 %	(7.8)%	(12.2)%	(2.8) %

Six months ended June 30, 2022				
Sales Change Analysis By Geographic Area	Americas	Asia Pacific	Europe, Middle East and Africa	Worldwide
Organic sales	3.2 %	0.5 %	(2.0)%	1.4 %
Divestitures	—	—	—	—
Translation	(0.1)	(4.3)	(7.9)	(2.9)
Total sales change	3.1 %	(3.8)%	(9.9)%	(1.5) %

Three months ended June 30, 2022					
Worldwide Sales Change By Business Segment	Organic sales	Acquisitions	Divestitures	Translation	Total sales change
Safety and Industrial	0.7 %	— %	— %	(4.1) %	(3.4)%
Transportation and Electronics	0.5	—	—	(4.2)	(3.7)
Health Care	4.4	—	—	(3.8)	0.6
Consumer	(2.5)	—	—	(2.5)	(5.0)
Total Company	1.0	—	—	(3.8)	(2.8)

Six months ended June 30, 2022					
Worldwide Sales Change By Business Segment	Organic sales	Acquisitions	Divestitures	Translation	Total sales change
Safety and Industrial	0.6 %	— %	— %	(3.1) %	(2.5)%
Transportation and Electronics	0.1	—	—	(3.1)	(3.0)
Health Care	4.5	—	—	(2.9)	1.6
Consumer	0.3	—	—	(2.0)	(1.7)
Total Company	1.4	—	—	(2.9)	(1.5)

(e) Total sales change is calculated based on reported sales results. 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.



3M Company and Subsidiaries  
**BUSINESS SEGMENTS**  
(Unaudited)

3M discloses business segment operating income as its measure of segment profit/loss, reconciled to both total 3M operating income and income before taxes. Business segment operating income excludes certain expenses and income that are not allocated to business segments (as described below in "Corporate and Unallocated").

Effective in the first quarter of 2022, the measure of segment operating performance used by 3M's chief operating decision maker (CODM) changed and, as a result, 3M's disclosed measure of segment profit/loss (business segment operating income) was updated. The change to business segment operating income aligns with the update to how the CODM assesses performance and allocates resources for the Company's business segments. The changes included the items described below. The financial information presented herein reflects the impact of these business segment reporting changes for all periods presented.

*Eliminating inclusion of dual credit in measure of segment operating performance*

3M business segment operating performance measures were updated to no longer include dual credit to business segments for certain sales and related operating income. Management previously evaluated its business segments based on net sales and operating income performance, including dual credit reporting. 3M reflected additional ("dual") credit to another business segment when the customer account activity ("sales district") with respect to the particular product sold to the external customer was provided by a different business segment. For example, privacy screen protection products are primarily sold by the Display Materials and Systems Division within the Transportation and Electronics business segment; however, certain sales districts within the Consumer business segment provide the customer account activity for sales of the product to particular customers. In this example, the non-primary selling segment (Consumer) previously would also have received credit for the associated net sales initiated through its sales district and the related approximate operating income. The offset to the dual credit business segment reporting was reflected as a reconciling item entitled "Elimination of Dual Credit," such that sales and operating income in total were unchanged.

*Reflecting certain litigation-related costs in the Safety and Industrial segment's operating performance measure*

3M's business segment operating performance measure with respect to its Safety and Industrial business segment was updated relative to litigation-related costs for respirator mask/asbestos litigation matters. Previously, 3M included these costs, when significant, as a special item within Corporate and Unallocated. 3M now includes all litigation-related costs associated with respirator mask/asbestos litigation matters within the Safety and Industrial business segment (along with other Safety and Industrial matters already included therein, such as those related to Combat Arms Earplugs).

**BUSINESS SEGMENT INFORMATION**

NET SALES (Millions)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Safety and Industrial	\$ 2,924	\$ 3,029	\$ 5,975	\$ 6,128
Transportation and Electronics	2,268	2,355	4,608	4,751
Health Care	2,179	2,165	4,303	4,234
Consumer	1,330	1,400	2,643	2,689
Corporate and Unallocated	1	1	2	(1)
Total Company	\$ 8,702	\$ 8,950	\$ 17,531	\$ 17,801

3M Company and Subsidiaries  
**BUSINESS SEGMENTS - (CONTINUED)**  
(Unaudited)

BUSINESS SEGMENT INFORMATION OPERATING INCOME (LOSS) (Millions)	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Safety and Industrial	\$ (707)	\$ 662	\$ (71)	\$ 1,414
Transportation and Electronics	476	513	972	1,069
Health Care	494	548	942	1,012
Consumer	247	290	471	559
<b>Total business segment operating income (loss)</b>	<b>510</b>	<b>2,013</b>	<b>2,314</b>	<b>4,054</b>
Corporate and Unallocated				
Corporate special items:				
Net costs for significant litigation	(379)	(75)	(566)	(145)
Other corporate expense - net	(21)	33	3	56
<b>Total Corporate and Unallocated</b>	<b>(400)</b>	<b>(42)</b>	<b>(563)</b>	<b>(89)</b>
<b>Total Company operating income</b>	<b>110</b>	<b>1,971</b>	<b>1,751</b>	<b>3,965</b>
Other expense/(income), net	50	33	88	82
<b>Income before income taxes</b>	<b>\$ 60</b>	<b>\$ 1,938</b>	<b>\$ 1,663</b>	<b>\$ 3,883</b>

*Corporate and Unallocated*

Corporate and Unallocated operating income includes “corporate special items” and “other corporate expense-net”. Corporate special items include net costs for significant litigation associated with PFAS-related other environmental matters, gain/loss on sale of businesses, and divestiture-related restructuring costs. Other corporate expense-net includes items such as net costs related to limited unallocated corporate staff and centrally managed material resource centers of expertise costs, corporate philanthropic activity, and other net costs that 3M may choose not to allocate directly to its business segments. Other corporate expense-net also includes costs and income from contract manufacturing, transition services and other arrangements with the acquirer of the former Drug Delivery business following its 2020 divestiture. Items classified as revenue from this activity are included in Corporate and Unallocated net sales. Because Corporate and Unallocated includes a variety of miscellaneous items, it is subject to fluctuation on a quarterly and annual basis.

## **About 3M**

At 3M, we apply science in collaborative ways to improve lives daily as our employees connect with customers all around the world. Learn more about 3M's creative solutions to the world's problems at [www.3M.com](http://www.3M.com) or on Twitter [@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 Twitter [@3M](https://twitter.com/3M) or [@3MNews](https://twitter.com/3MNews).

## **Contacts**

### **3M**

#### **Investor Contacts:**

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or

Diane Farrow, 612-202-2449

**3M Announces Plans to Create Long Term Value Through Spin-Off of Health Care Business**

- New 3M will remain a leading global material science innovator serving diverse end markets, with science and technology, manufacturing, global capabilities, and iconic brands
- Standalone Health Care business will be a leading global diversified healthcare technology company focused on wound care, oral care, healthcare IT, and biopharma filtration
- Tax-free transaction expected to be completed by year-end 2023
- 3M intends to complete the previously announced separation of Food Safety business through a split-off transaction with a targeted closing date of September 1, 2022, subject to certain conditions

ST. PAUL, MN – July 26, 2022 – 3M (NYSE: MMM) today announced its intent to spin off its Health Care business, resulting in two world-class public companies well positioned to pursue their respective growth plans. The New 3M will remain a leading global material science innovator serving customers across a range of industrial and consumer end markets, and Health Care will be a leading global diversified healthcare technology company focused on wound care, healthcare IT, oral care, and biopharma filtration.

“Today’s actions advance our ability to create value for customers and shareholders,” said 3M chairman and chief executive officer Mike Roman. “Disciplined portfolio management is a hallmark of our growth strategy. Our management team and board continually evaluate the strategic options that will best drive long term sustainable growth and value. The decision to spin off our Health Care business will result in two well-capitalized, world-class companies, well positioned to pursue their respective priorities.”

As leading standalone companies, each is expected to benefit from:

- Enhanced agility and focus to better position for long term success;
- Ability to tailor capital allocation strategies and make company-specific investment decisions to drive innovation and growth;
- Compelling investment profiles appealing to different investor bases; and,
- Distinct boards and management teams comprised of world-class leaders with relevant expertise and track records driving value creation.

**New 3M: A Leading Global Material Science Innovator**

New 3M, with \$26.8 billion in sales in 2021, will remain a leading global material science innovator, powered by an operating model rooted in science and technology, manufacturing, global capabilities, and iconic brands. The company will continue to leverage its unique and differentiated innovation to capitalize on customer opportunities aligned with key global megatrends such as electronics, safety, mobility, digitization, home improvement, and sustainability.

New 3M expects to continue to deliver profitable growth, generate robust cash flow, and return capital to shareholders while maintaining a strong balance sheet. New 3M will continue to prioritize strategic opportunities, including investments in growth, productivity, and sustainability while maintaining a proactive approach to portfolio management. 3M anticipates that there will be no changes to the Company’s capital allocation priorities through the completion of the separation.

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## **Health Care: A Leading Global Diversified Health Care Technology Company**

Health Care, with approximately \$8.6<sup>1</sup> billion in sales in 2021, will be a diversified healthcare technology leader with a deep and diverse portfolio of trusted brands, global capabilities, and leadership in attractive end market segments such as wound care, oral care, healthcare IT, and biopharma filtration. Health Care will be better positioned to deliver industry-leading innovation that enables better, smarter, and safer healthcare for patients worldwide.

Health Care will focus on growth, grounded in its strong track record of profitability. With robust cash flow generation, Health Care will be well positioned to pursue its strategic objectives.

### **Transaction Details**

Health Care is currently expected to be spun off with net leverage of approximately 3.0x – 3.5x EBITDA and to be positioned for rapid deleveraging. Additionally, New 3M expects to retain a stake of 19.9% in Health Care, which will be monetized over time.

The spin-off is intended to be tax-free for U.S. federal income tax purposes. The Company expects to complete the transaction by year-end 2023. The transaction is subject to satisfaction of customary conditions, including final approval from the 3M Board of Directors, filing and effectiveness of a Form 10 registration statement with the U.S. Securities and Exchange Commission, receipt of a tax opinion, receipt of a private letter ruling from the Internal Revenue Service, satisfactory completion of financing, and receipt of other regulatory approvals.

3M will retain responsibility for non-Health Care related litigation, including those related to Combat Arms Earplugs and PFAS.

### **Advisors**

Goldman Sachs & Co and PJT Partners are serving as financial advisors and Wachtell, Lipton, Rosen & Katz is serving as legal counsel on the spin-off of 3M's Health Care business.

### **Update on Pending Food Safety Transaction with Neogen**

3M intends to complete the transaction through a split-off with a targeted closing date of September 1, 2022, subject to approval by Neogen shareholders, receipt of required regulatory approvals and the satisfaction of other customary closing conditions.

### **Taking Action to Efficiently and Equitably Resolve Combat Arms Earplugs Litigation**

In a separate press release issued today, 3M announced it is taking steps to resolve litigation related to Combat Arms Earplugs. Aearo Technologies and related entities ("Aearo Technologies"), all of which are wholly-owned 3M subsidiaries, have voluntarily initiated chapter 11 proceedings. With this change in strategy, this process is intended to resolve claims related to Combat Arms Earplugs in a manner that is more efficient and equitable to all parties, including plaintiffs with claims that are determined to be entitled to compensation. 3M and its other businesses have not filed for chapter 11 and will continue to operate as usual. Aearo Technologies' operations are also expected to continue operating in the ordinary course.

To access the press release, please visit our [press release page](#) here.

### **Q2 2022 Earnings Results and Conference Call**

In a separate press release issued today, 3M announced its second-quarter 2022 results and updated its outlook for the full-year 2022.

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<sup>1</sup> Includes Food Safety (~\$0.4B), expected to be divested by Sept. 1, 2022, that will no longer be part of the Health Care business.

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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 <http://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:
  - Go to 3M's Investor Relations website at <http://investors.3M.com> and click on "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 21999290). The telephone replay will be available until 11:30 a.m. EDT (10:30 a.m. CDT) on August 1, 2022.

### 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 "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, 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 offerings; (8) the availability and cost of purchased components, compounds, raw materials and energy (including oil and natural gas and their derivatives) due to shortages, increased demand or supply 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; (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; and (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. 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3M Company and Subsidiaries  
**SUPPLEMENTAL FINANCIAL INFORMATION**  
**NON-GAAP MEASURES**  
(Unaudited)

Year ended December 31, 2021 (millions)	[A]	[B]	[A-B]
	3M Company	Health Care <sup>a</sup>	New 3M (non-GAAP measure) <sup>b</sup>
Total Net Sales	\$ 35,355	\$ 8,597	\$ 26,758

<sup>(a)</sup> Includes Food Safety revenue of \$368M, which is expected to be divested by Sept. 1, 2022, and therefore will no longer be part of the Health Care business.

<sup>(b)</sup> New 3M net sales, a non-GAAP measure, is not defined under U.S. GAAP and, therefore, should not be considered a substitute for other measures prepared in accordance with U.S. GAAP and may not be comparable to similarly titled measures used by other companies. 3M defines "New 3M" net sales as consolidated 3M Company net sales minus net sales of its Health Care business segment. 3M announced it will spin-off its Health Care business. The Company believes New 3M net sales information is meaningful to investors as they consider how the spin off of the Health Care business may impact 3M's operating results.

**Investor Contacts:**

Bruce Jermeland, 651-733-1807  
or  
Diane Farrow, 612-202-2449

**3M Subsidiary Aearo Technologies Takes Action to Efficiently and Equitably Resolve Litigation Related to Combat Arms Earplugs**

- Aearo Technologies and related entities have voluntarily initiated chapter 11 proceedings
- 3M has committed \$1 billion to fund a trust to resolve all claims determined to be entitled to compensation

ST. PAUL, MN – July 26, 2022 – 3M (NYSE: MMM) today announced it is taking action to resolve litigation related to Combat Arms Earplugs Version 2 (“Combat Arms Earplugs”). Aearo Technologies and related entities (“Aearo Technologies”), all of which are wholly-owned 3M subsidiaries, have voluntarily initiated chapter 11 proceedings seeking court supervision to help establish a trust – funded by 3M – to efficiently and equitably resolve all claims determined to be entitled to compensation.

3M and Aearo Technologies believe the Combat Arms Earplugs were effective and safe when used properly, but nevertheless face increasing litigation, including approximately 115,000 filed claims and an additional 120,000 claims on an administrative docket as of June 30, 2022. The well-established chapter 11 process is intended to achieve an efficient and equitable resolution, reduce uncertainty, and increase clarity for all stakeholders, while reducing the cost and time that could otherwise be required to litigate thousands of cases. 3M and its other businesses have not filed for chapter 11 and will continue to operate as usual. Aearo Technologies will also continue to operate in the ordinary course.

“We have great respect for the brave men and women who protect us, and remain committed to the military as an active partner and valued customer going forward,” said 3M chairman and chief executive officer Mike Roman. “We determined that taking this decisive action now will allow 3M and Aearo Technologies to address these claims in a way that is more efficient and equitable than the current litigation.”

The company believes that, absent the actions taken today, the claims could take years, if not decades, to litigate on a case-by-case basis. With this change in strategy, this process is intended to resolve claims related to Combat Arms Earplugs in a manner that is more efficient and equitable to all parties.

**Announcement Details**

- Aearo Technologies was acquired by 3M in 2008 and has since operated as a wholly-owned subsidiary of 3M.
- 3M has entered into a funding agreement with Aearo Technologies to establish a trust to resolve all claims determined to be entitled to compensation, and to support Aearo Technologies as it continues to operate during the chapter 11 process.
- The claims largely relate to the previous generation Combat Arms Earplugs manufactured by Aearo Technologies, as well as discontinued Aearo Technologies mask and respirator products utilized to reduce workplace exposure to asbestos, silica, coal mine dust or occupational dusts.
- Aearo Technologies has indemnified 3M for obligations related to the claims.
- 3M has committed \$1 billion to fund the trust, based on the analysis of an experienced estimator of claims in chapter 11.
- 3M has also committed an additional \$240 million to fund projected related case expenses.
- 3M will provide additional funding if required under the terms of the agreement.

As a result, 3M recorded a total pre-tax charge of \$1.2 billion, or \$1.66 per share, and reflected it as an adjustment in arriving at its results, adjusted for special items.

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## **Additional Information**

In conjunction with the chapter 11 process, Aearo Technologies will file customary first day motions with the bankruptcy court seeking authority to continue operating in the normal course of business, without interruption or disruption to its customers, vendors, and employees.

The Aearo Technologies chapter 11 cases were filed in the U.S. Bankruptcy Court for the Southern District of Indiana. Additional information is available on [resolvingearpluglitigation.com](http://resolvingearpluglitigation.com) and [www.3mearplugsfacts.com](http://www.3mearplugsfacts.com). Court filings and information about the chapter 11 cases are available on a separate website administered by Aearo Technologies' claims agent, Kroll; information is also available by calling (855) 639-3375 (Toll-Free US/Canada) or +1 (347) 897-3818 (International); or by emailing [aearotechnologiesinfo@ra.kroll.com](mailto:aearotechnologiesinfo@ra.kroll.com).

## **Advisors**

Kirkland & Ellis LLP is serving as legal counsel and AlixPartners LLP is serving as restructuring advisor to Aearo Technologies. PJT Partners is serving as financial advisor and White & Case LLP is serving as legal counsel to 3M.

## **Planned Spin-Off of Health Care Business**

In a separate press release issued today, 3M announced its intent to spin off its Health Care business, resulting in two world-class public companies well positioned to pursue their respective growth plans.

To access the press release, please visit our press release page [here](#).

## **Q2 2022 Earnings Results and Conference Call**

In a separate press release issued today, 3M announced its second-quarter 2022 results and updated its outlook for the full-year 2022. Please see the company's second-quarter earnings press release for more details.

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 <http://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:
  - Go to 3M's Investor Relations website at <http://investors.3m.com> and click on "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 21999290). The telephone replay will be available until 11:30 a.m. EDT (10:30 a.m. CDT) on August 1, 2022.
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## Forward-Looking Statements

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