

**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): March 22, 2021

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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, Par Value \$.01 Per Share	MMM MMM	New York Stock Exchange, Inc. Chicago Stock Exchange, Inc.
0.375% Notes due 2022	MMM22A	New York Stock Exchange, Inc.
0.950% Notes due 2023	MMM23	New York Stock Exchange, Inc.
1.500% Notes due 2026	MMM26	New York Stock Exchange, Inc.
1.750% Notes due 2030	MMM30	New York Stock Exchange, Inc.
1.500% Notes due 2031	MMM31	New York Stock Exchange, Inc.

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

This Current Report on Form 8-K is being furnished to include supplemental unaudited historical business segment information and consolidated income information (furnished hereunder as Exhibit 99 and incorporated herein by reference) that reflects the following:

- Changes in the measure of segment operating performance used by 3M's chief operating decision maker
- Change in accounting principle for determining net periodic pension and postretirement plan cost

The Company did not operate using this measure of segment operating performance or employ this accounting principle for determining net periodic pension and postretirement plan cost in any period prior to the first quarter of 2021 and will begin to report comparative results under this basis with the filing of its Quarterly Report on Form 10-Q for the quarter ending March 31, 2021.

The information contained in this Current Report shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act.

Forward-Looking Statements

This Current Report contains forward-looking information about 3M's financial results and estimates and business prospects that involve substantial risks and uncertainties. Forward-looking statements relate to future events and typically address the Company's expected future business and financial performance. Words such as "plan," "expect," "aim," "believe," "project," "target," "anticipate," "intend," "estimate," "will," "should," "could," "forecast" and other words and terms of similar meaning, typically identify such forward-looking statements. In particular, these include, among others, statements relating to:

- worldwide economic, political, regulatory, international trade, capital markets and other external conditions, such as interest rates, financial conditions of our suppliers and customers, trade restrictions such as tariffs in addition to retaliatory counter measures, and natural and other disasters or climate change affecting the operations of the Company or our suppliers and customers,
- risks related to public health crises such as the global pandemic associated with the coronavirus (COVID-19),
- liabilities related to certain fluorochemicals and the outcome of contingencies,
- the Company's strategy for growth, future revenues, earnings, cash flow, uses of cash and other measures of financial performance, and market position,
- competitive conditions and customer preferences,
- foreign currency exchange rates and fluctuations in those rates,
- new business opportunities, product development, and future performance or results of current or anticipated products,
- fluctuations in the costs and availability of purchased components, compounds, raw materials and energy,
- Information technology systems including ERP system roll-out and implementations,
- Security breaches and other disruptions to information technology infrastructure,
- the scope, nature or impact of acquisition, strategic alliance and divestiture activities,
- operational execution, including inability to generate productivity improvements as estimated,
- future levels of indebtedness, common stock repurchases and capital spending,
- future availability of and access to credit markets,
- pension and postretirement obligation assumptions and future contributions,
- asset impairments,
- tax liabilities and effects of changes in tax rates, laws or regulations, and
- legal and regulatory proceedings, legal compliance risks (including 3rd party risks) with regards to environmental, product liability and other laws and regulations in the United States and other countries in which we operate.

For details of the risks stated above, see Part I, Item 1A "Risk Factors" of the Company's annual report on Form 10-K for the year ended December 31, 2020. The Company assumes no obligation to update or revise any forward-looking statements.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99	<u>Supplemental unaudited historical business segment information and consolidated income information (furnished pursuant to Item 2.02 hereof) reflecting changes effected during the first quarter of 2021 relative to the measure of segment operating performance and accounting principle for determining net periodic pension and postretirement plan cost</u>
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/ Monish Patolawala
Monish Patolawala,
Senior Vice President and Chief Financial Officer (Principal
Financial Officer)

Dated: March 22, 2021

This Current Report on Form 8-K includes supplemental unaudited historical business segment information and consolidated income information that reflects the following:

- Changes in the measure of segment operating performance used by 3M's chief operating decision maker
- Change in accounting principle for determining net periodic pension and postretirement plan cost

The Company did not operate using this measure of segment operating performance or employ this accounting principle for determining net periodic pension and postretirement plan cost in periods prior to the first quarter of 2021 and will begin to report comparative results under this basis with the filing of its Quarterly Report on Form 10-Q for the quarter ending March 31, 2021. Until 3M's interim financial statements as of and for the quarter ending March 31, 2021 are issued, amounts on the updated basis are not in accordance with U.S. GAAP and, as a result, are considered non-GAAP measures. The Company is furnishing this information as it believes it is useful to investors to aid in understanding, on a timely basis, the impacts of these changes on historical periods as they prepare to consider 3M's future results on the updated basis.

The information contained in this Current Report shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act.

Changes in the measure of segment operating performance used by 3M's chief operating decision maker (CODM)

Note 19 to 3M's consolidated financial statements in its 2020 Annual Report on Form 10-K describes 3M's business segments and measure of segment operating performance used by 3M's CODM. As discussed therein, the measure of segment operating performance includes dual credit for certain related operating income and excludes certain expenses and income that are not allocated to business segments and instead reflected in Corporate and Unallocated.

Effective in the first quarter of 2021, the measure of segment operating performance used by 3M's CODM changed and, as a result, 3M's disclosed measure of segment profit/loss (business segment operating income) will be updated for all comparative periods presented. 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 change included the following:

Changes in cost attribution

The extent of allocation and method of attribution of certain net costs were updated to result in fewer items remaining in Corporate and Unallocated and, instead, including them in 3M's business segments' operating performance. In aggregate, for example relative to 2020, this included ascribing approximately \$454 million of net costs previously included in Corporate and Unallocated to various business segments as further reflected in the tables that follow.

Corporate and Unallocated operating income includes "special items" and "other corporate expense-net". Special items include significant litigation-related charges/benefits, 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, certain litigation and environmental expenses largely related to legacy products/businesses not allocated to business segments, 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 Communication Markets Division following its 2018 divestiture through 2019 and 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.

Previously, a larger portion of ongoing corporate staff costs and costs associated with centrally managed material resource centers was retained in Corporate and Unallocated. In addition, portions of pension costs and costs associated with certain centrally managed but ongoing business-related legal matters, along with certain insurance-related costs, were retained in Corporate and Unallocated.

Continued alignment of customer account activity

As part of 3M's regular customer-focus initiatives, the Company realigned certain customer account activity ("sales district") to correlate with the primary divisional product offerings in various countries and reduce complexity for customers when interacting with multiple 3M businesses. This impacted the amount of dual credit certain business segments receive as a result of sales district attribution. For example relative to 2020, this included reducing operating income of individual

business segments by approximately \$13 million in aggregate along with similar decrease in the elimination of dual credit as further elaborated in the tables below.

These changes in the measure of segment operating performance have no impact on total 3M consolidated sales and operating income.

Change in accounting principle for determining net periodic pension and postretirement plan cost

In the first quarter of 2021, 3M changed the method it uses to calculate the market-related value of fixed income securities included in its pension and other postretirement plan assets. The market-related value is used to determine the expected return on plan assets and the amortization of net unamortized actuarial gains or losses expense components of net periodic benefit cost. The Company previously used the calculated value approach for all plan assets, deferring over three years the impact on these amounts of asset gains or losses that differed from expected returns. 3M changed to the fair value approach for calculating market-related value for the fixed income class of plan assets, which does not involve deferring the impact of excess plan asset gains or losses in the determination of these two components of net periodic benefit cost. 3M considers the use of the fair value approach preferable to the calculated value approach as it results in a more current reflection of impacts of changes in value of these plan assets in the determination of net periodic benefit cost. Additionally, given the plans' liability-driven investment strategy whereby the changes in value of the fixed income plan assets should offset changes in the value of the plans' liabilities, this approach more closely aligns the expected return on plan assets expense component with the value reflected in the plans' funded status. This change will be applied retrospectively to all periods presented within 3M's financial statements, including those that will be included in 3M's Quarterly Report on Form 10-Q for the quarter ending March 31, 2021. The change does not impact consolidated operating income and net cash provided by operating activities but does impact the previously reported portion of pension and postretirement net periodic benefit cost (benefit) that is included within non-operating other expense (income) along with related consolidated income items such as net income and earnings per share. Other impacts include related changes to previously reported consolidated other comprehensive income, retained earnings, accumulated other comprehensive income (loss), and associated line items within the determination of net cash provided by operating activities. For classes of plan assets other than fixed income investments, the Company continues to use the calculated value approach to determine their market-related value.

3M expects the retrospective application of this change in accounting principle to increase (decrease) previously reported after-tax earnings per diluted share by \$0.11, (\$0.09), and \$0.07 for the years ended December 31, 2020, 2019, and 2018, respectively. As described in the Overview section of Item 7 of 3M's 2020 Annual Report on Form 10-K, in addition to reporting financial results in accordance with U.S. GAAP, the Company also provides non-GAAP measures that adjust for the impacts of special items ("adjusted" amounts). This change is expected to impact adjusted earnings per diluted share of the respective periods by the same amounts. Additional information is included in the tables that follow. 3M plans to further discuss the impact of this change during its quarterly earnings conference call on April 27, 2021 and in its Form 10-Q for the quarter ending March 31, 2021.

The tables below provide additional information with respect to the expected impact of the changes described above on previously reported segment information. 3M discloses business segment operating income as its measure of segment profit/loss, reconciled to both total 3M operating income and income before taxes. Additional information has been included with respect to other impacts of the change in accounting principle on total Company income.

Segment Operating Performance & Additional Total Company Income Information

Operating Income (Millions)	Updated basis (non-GAAP measure)				Total Year		Updated basis (non-GAAP measure)
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Previously Reported	Impact of Changes	
Safety and Industrial							
2020	\$ 694	\$ 623	\$ 774	\$ 693	\$ 3,054	\$ (270)	\$ 2,784
2019	615	618	615	525	2,510	(137)	2,373
2018	726	702	677	546	2,860	(209)	2,651
Transportation and Electronics							
2020	\$ 464	\$ 360	\$ 514	\$ 476	\$ 1,927	\$ (113)	\$ 1,814
2019	490	572	607	450	2,221	(102)	2,119
2018	624	640	698	567	2,643	(114)	2,529
Health Care							
2020	\$ 452	\$ 301	\$ 493	\$ 544	\$ 1,828	\$ (38)	\$ 1,790
2019	441	472	442	441	1,858	(62)	1,796
2018	496	467	475	478	1,918	(2)	1,916
Consumer							
2020	\$ 265	\$ 278	\$ 343	\$ 317	\$ 1,249	\$ (46)	\$ 1,203
2019	223	265	298	289	1,124	(49)	1,075
2018	227	277	297	256	1,084	(27)	1,057
Elimination of Dual Credit							
2020	\$ (113)	\$ (119)	\$ (142)	\$ (147)	\$ (534)	\$ 13	\$ (521)
2019	(96)	(96)	(108)	(99)	(409)	10	(399)
2018	(107)	(98)	(119)	(102)	(436)	10	(426)
Total business segment operating income							
2020	\$ 1,762	\$ 1,443	\$ 1,982	\$ 1,883	\$ 7,524	\$ (454)	\$ 7,070
2019	1,673	1,831	1,854	1,606	7,304	(340)	6,964
2018	1,966	1,988	2,028	1,745	8,069	(342)	7,727
Corporate and Unallocated							
Special Items							
2020	\$ (15)	\$ 332	\$ —	\$ —	\$ 317	\$ —	\$ 317
2019	(540)	—	106	(214)	(648)	—	(648)
2018	(873)	401	—	(5)	(477)	—	(477)
Other corporate (expense) income - net							
2020	\$ (84)	\$ (35)	\$ (73)	\$ (34)	\$ (680)	\$ 454	\$ (226)
2019	3	(129)	51	(67)	(482)	340	(142)
2018	(86)	12	(12)	43	(385)	342	(43)
Total Corporate and Unallocated							
2020	\$ (99)	\$ 297	\$ (73)	\$ (34)	\$ (363)	\$ 454	\$ 91
2019	(537)	(129)	157	(281)	(1,130)	340	(790)
2018	(959)	413	(12)	38	(862)	342	(520)
Total Company operating income							
2020	\$ 1,663	\$ 1,740	\$ 1,909	\$ 1,849	\$ 7,161	\$ -	\$ 7,161
2019	1,136	1,702	2,011	1,325	6,174	-	6,174
2018	1,007	2,401	2,016	1,783	7,207	-	7,207
Other expense (income), net							
2020					\$ 450	\$ (84)	\$ 366
2019					462	69	531
2018					207	(59)	148
Income before income taxes							
2020					\$ 6,711	\$ 84	\$ 6,795
2019					5,712	(69)	5,643
2018					7,000	59	7,059
Additional total Company income information							
Provision for income taxes							
2020					\$ (1,318)	\$ (19)	\$ (1,337)
2019					(1,130)	16	(1,114)
2018					(1,637)	(13)	(1,650)
Net income attributable to 3M							
2020					\$ 5,384	\$ 65	\$ 5,449
2019					4,570	(53)	4,517
2018					5,349	46	5,395
Earnings per diluted share							
2020					\$ 9.25	\$ 0.11	\$ 9.36
2019					7.81	(0.09)	7.72
2018					8.89	0.07	8.96