

2021 Second Quarter Earnings

(Unaudited)

July 27, 2021

Events

2021 Earnings Calls

Q3

October 26

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, 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, 2020, 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; and (14) tax-related external conditions, including changes in tax rates, laws or regulations. 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), as updated by applicable Current Reports on Form 8-K. The information contained in this presentation is as of the date indicated. The Company assumes no obligation to update any forward-looking statements contained in this presentation 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 July 27, 2021, press release for descriptions of non-GAAP financial measures such as free cash flow, adjusted free cash flow, free cash flow conversion, adjusted free cash flow conversion, net debt, adjusted EBITDA, and various measures that adjust for the impacts of special items. 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.

Q2 2021 ... continued strong growth and execution

- Broad-based organic growth across all business groups and geographic areas
- Strong growth and operating rigor driving increased earnings, margins and robust cash flow
- Global economic recovery continues to improve, though uncertainty remains from COVID-19
- Ongoing strength in end markets including home improvement, oral care and industrial; health care elective procedure volumes increasing
- Supply chain, raw material and logistics headwinds expected to persist through 2021; declining pandemic-related demand for disposable respirators
- Prioritizing investments in growth, productivity and sustainability
- Updating full-year 2021 guidance

Q2 2021 summary

21.4%

year-on-year

Organic local-currency growth

22.0%

+2.4 pts year-on-year

Adjusted operating margin

\$2.59

+44% year-on-year

Adjusted earnings per share

Sales of \$8.9B, up 24.7% year-on-year

Organic sales growth across all business groups led by Transportation & Electronics and Health Care

Accelerating investments in growth platforms including automotive electrification, air quality, home improvement, and biopharma filtration

Health care respirator demand slowing, shifting output to industrial and consumer end markets; adjusting manufacturing production volumes

Strong operational execution despite significant year-on-year increase in raw materials and logistics costs

Delivering strong cash flow and continuing to strengthen capital structure and financial flexibility

Q2 2021 adjusted operating margin and EPS

| | Adjusted Operating Income Margin | Adjusted Earnings Per Share | |
|---------------------------------------|----------------------------------|-----------------------------|--|
| Q2 2020 | 19.6% | \$1.81 | |
| Organic volume/productivity and other | +4.1% | +\$0.89 | Strong organic volume growth and productivity; benefits from restructuring actions; application of Brazilian Supreme Court social tax ruling (+1.0%; +\$0.12); increases in certain legal reserves and ongoing legal costs |
| Price/raw material | -1.4% | -\$0.17 | Selling price increases more than offset by higher raw materials and logistics costs |
| Divestitures* | -0.1% | -\$0.02 | Drug delivery divestiture (May 2020) |
| FX | -0.2% | +\$0.08 | Net of hedge impact; full-year 2021 FX benefit of approximately \$0.15 per share, remains unchanged |
| Other expense/income | NA | +\$0.06 | Primarily non-operating pension benefit (+\$0.05) |
| Tax rate** | NA | -\$0.03 | Adjusted Q2 2021 tax rate 21.5% versus 20.7% in prior year; full-year 2021 tax rate range of 20% to 21%, remains unchanged |
| Shares outstanding | NA | -\$0.03 | Average diluted shares up 1% |
| Q2 2021 | 22.0% | \$2.59 | |

* Includes impact of lost income from divested businesses.

** The effect of income taxes on items that had specific tax rates are reflected within their respective impacts in the table above.

Q2 2021 cash flow and balance sheet

\$1.6B

+2% year-on-year

Adjusted free cash flow

103%

-44 pts year-on-year

Adjusted free cash flow conversion

\$1.4B

+61% year-on-year

Cash returned to shareholders

Proactive balance sheet management

- Net debt of \$12.7B, down \$3.5B, or 22% year-on-year

Adjusted free cash flow conversion

- Q2: 103%, down 44 pts; YTD: 94%, down 13 pts
- Q2 and YTD year-on-year decline in conversion of 37 and 17 pts, respectively, due to timing of prior year income tax payment

Capital expenditures

- Q2: \$394M; YTD \$704M
- FY 2021: \$1.8B to \$2.0B

Cash returned to shareholders

- Dividends: Q2 \$858M; YTD \$1.7B
- Gross share repurchases: Q2 \$503M; YTD \$734M

Q2 Business Group performance

| | Organic Growth | Segment Operating Margin | Commentary |
|---|----------------|--------------------------|--|
| Safety & Industrial | +17.6% | 22.1% | <ul style="list-style-type: none"> Continued end-market strength (industrial, automotive, electronics, construction) driving growth in autobody repair, roofing granules, abrasives, industrial adhesives and tapes, and electrical OEM/MRO Disposable respirator sales up 3% organically year-on-year; however, declined 11% sequentially Operating margins -1.3 ppts year-on-year; increases in raw materials, logistics and legal costs partially offset by sales growth |
| Transportation & Electronics | +24.2% | 22.0% | <ul style="list-style-type: none"> Organic growth led by automotive OEM; continued strength in semiconductor, factory automation and consumer electronics (TVs/tablets) Operating margins +3.4 ppts year-on-year; improvement due to sales growth, partially offset by rising raw materials and logistics costs |
| Health Care | +23.2% | 25.3% | <ul style="list-style-type: none"> Organic growth led by oral care due to higher patient visits; continued improvement in medical solutions due to rising elective procedure volumes; food safety benefited as food services activity returned Operating margins +8.8 ppts year-on-year; improvement due to sales growth, partially offset by rising raw materials and logistics costs |
| Consumer | +17.8% | 21.0% | <ul style="list-style-type: none"> Continued strength in home improvement and home cleaning; improving office and stationery demand driven by return-to-school and workplace trends Operating margins -1.6 ppts year-on-year; increases in raw materials, logistics, outsourced hardgoods manufacturing costs, and investments in advertising/merchandising, partially offset by sales growth |

Updating 2021 planning estimates

Organic local-currency growth

6% to 9% vs.
3% to 6%, prior

Earnings per share

\$9.70 to \$10.10 vs.
\$9.20 to \$9.70, prior

Free cash flow conversion

90% to 100% vs.
95% to 105%, prior

Second-half 2021 expectations

- Global macroeconomic and end-market recovery continues, but remain fluid and uneven
- Improving health care elective procedure volumes; and return-to-workplace/school trends
- Decline in pandemic-related disposable respirator demand of \$100-300M year-on-year
- Continued semiconductor chip supply constraints negatively impacting electronics & auto OEM production volumes
- Raw materials and logistics inflation persists; now expect full-year 2021 headwind of \$0.65-\$0.80 per share vs. \$0.30-\$0.50, prior; \$0.40-\$0.55 per share in the second half
- Restructuring program on track, anticipate pre-tax restructuring charge of \$60-110M
- Maintaining strong execution and operating rigor while continuing to invest in growth, productivity and sustainability

Third quarter items of note

- End-market trends:
 - Health care elective procedure volumes to increase
 - Home improvement remains strong
 - Return-to-school and workplace trends improving
 - Smartphone shipments down HSD year-on-year
 - Global car & light truck builds down 3% year-on-year
- Decline in pandemic-related disposable respirator demand of \$50-100M year-on-year (\$100-150M sequentially)
- Expect year-on-year operating margin headwind of 50-100 bps from raw materials/logistics costs net of selling price
- Pre-tax restructuring charge of \$50-75M
- Increase in legal defense costs year-on-year
- Higher investments in growth, productivity and sustainability

Q&A

Mike Roman

Chairman of the Board &
Chief Executive Officer

Monish Patolawala

Executive Vice President &
Chief Financial Officer

Bruce Jermeland

Senior Vice President,
Investor Relations

Appendix

Q2 2021 P&L

| (\$M) | Q2 2020 | Q2 2021 | Change |
|----------------------------|------------|------------|----------|
| Sales | \$7,176 | \$8,950 | +24.7% |
| Gross profit | \$3,371 | \$4,231 | +25.5% |
| % to sales | 47.0% | 47.3% | +0.3 pts |
| SG&A | \$1,594 | \$1,746 | +9.6% |
| % to sales | 22.2% | 19.6% | -2.6 pts |
| R&D & related | \$424 | \$514 | +21.0% |
| % to sales | 5.9% | 5.7% | -0.2 pts |
| Gain on sale of businesses | (\$387) | ---- | NM |
| % to sales | (5.4%) | ---- | NM |
| Operating income | \$1,740 | \$1,971 | +13.2% |
| % to sales | 24.3% | 22.0% | -2.3 pts |
| Net income | \$1,306 | \$1,524 | +16.7% |
| GAAP earnings per share | \$2.25 | \$2.59 | +15.1% |

Q2 2021 sales recap

| | Americas | EMEA | APAC | Worldwide |
|---------------------------|----------|--------|--------|-----------|
| Organic volume | +25.3% | +19.8% | +15.9% | +21.3% |
| Price | +0.3% | +0.3% | -0.5% | +0.1% |
| Organic local-currency | +25.6% | +20.1% | +15.4% | +21.4% |
| Acquisitions/Divestitures | -0.7% | -1.6% | ---- | -0.7% |
| FX | +1.2% | +10.2% | +4.8% | +4.0% |
| Total growth | +26.1% | +28.7% | +20.2% | +24.7% |

| | U.S. | Canada | Mexico | Brazil | China/HK | Japan |
|------------------------|--------|--------|--------|--------|----------|--------|
| Organic local-currency | +21.9% | +36.6% | +59.8% | +54.4% | +12.3% | +12.2% |

Business segment information

| (\$M) Business groups | Net Sales | | Q2 2021 Sales Growth | | | | Organic local-currency by Geographic Area | | | Business Segment Operating Income/Adjusted Operating Income* | | | Business Segment Operating Margin/Adjusted Operating Margin* | |
|-------------------------------------|----------------|----------------|-------------------------------|-------------|--------------|--------------------------|--|-----------------|--------------|--|----------------|-------------------|---|--------------|
| | Q2 2020 | Q2 2021 | Organic local- currency | FX | M&A | Total Sales Change | Americas | Asia Pacific | EMEA | Q2 2020 | Q2 2021 | Percent change | Q2 2020 | Q2 2021 |
| Safety & Industrial | \$2,657 | \$3,254 | 17.6% | 4.8% | 0.0% | 22.4% | 21% | 18% | 10% | \$623 | \$718 | 15.3% | 23.4% | 22.1% |
| Transportation & Electronics | \$1,937 | \$2,482 | 24.2% | 3.9% | 0.0% | 28.1% | 34% | 17% | 39% | \$360 | \$546 | 51.6% | 18.6% | 22.0% |
| Health Care | \$1,823 | \$2,278 | 23.2% | 4.3% | -2.6% | 24.9% | 25% | 14% | 26% | \$301 | \$576 | 91.9% | 16.5% | 25.3% |
| Consumer | \$1,231 | \$1,482 | 17.8% | 2.6% | 0.0% | 20.4% | 20% | 9% | 19% | \$278 | \$311 | 11.8% | 22.6% | 21.0% |
| Elimination of Dual Credit | (\$473) | (\$547) | | | | | | | | (\$119) | (\$138) | | | |
| Total Operating Business Segment | | | | | | | | | | \$1,443 | \$2,013 | | | |
| Corporate & Unallocated | \$1 | \$1 | | | | | | | | (\$35) | (\$42) | | | |
| Total | \$7,176 | \$8,950 | 21.4% | 4.0% | -0.7% | 24.7% | 25.6% | 15.4% | 20.1% | \$1,408 | \$1,971 | 39.9% | 19.6% | 22.0% |

* "Corporate and Unallocated" and "Total" provided on an adjusted basis

Organic local-currency = organic volume + price

Additional sales detail

| (\$M) Business groups | Net Sales | |
|---|-----------|---------|
| | Q2 2020 | Q2 2021 |
| Abrasives | 242 | 353 |
| Automotive Aftermarket | 202 | 313 |
| Closure and Masking Systems | 235 | 254 |
| Electrical Materials | 251 | 319 |
| Industrial Adhesives & Tapes | 545 | 761 |
| Personal Safety | 1,095 | 1,133 |
| Roofing Granules | 86 | 121 |
| Other Safety & Industrial | 1 | 0 |
| Total Safety & Industrial Business Group | 2,657 | 3,254 |
| Advanced Materials | 236 | 304 |
| Automotive & Aerospace | 268 | 469 |
| Commercial Solutions | 327 | 454 |
| Electronics | 884 | 998 |
| Transportation Safety | 222 | 259 |
| Other Transportation & Electronics | 0 | (2) |
| Total Transportation & Electronics Business Group | 1,937 | 2,482 |

| (\$M) Business groups | Net Sales | |
|------------------------------------|--------------|--------------|
| | Q2 2020 | Q2 2021 |
| Drug Delivery | 41 | 0 |
| Food Safety | 78 | 95 |
| Health Information Systems | 276 | 299 |
| Medical Solutions | 1,067 | 1,275 |
| Oral Care | 144 | 364 |
| Separation & Purification Sciences | 216 | 248 |
| Other Health Care | 1 | (3) |
| Total Health Care Business Group | 1,823 | 2,278 |
| Consumer Health & Safety | 120 | 163 |
| Home Care | 257 | 272 |
| Home Improvement | 564 | 666 |
| Stationery & Office | 257 | 352 |
| Other Consumer | 33 | 29 |
| Total Consumer Business Group | 1,231 | 1,482 |
| Corporate & Unallocated | 1 | 1 |
| Elimination of Dual Credit | (473) | (547) |
| Total | 7,176 | 8,950 |

3M Science.
Applied to Life.™