3M News Center

3M Reports Third-Quarter 2022 Results

Third-Quarter Highlights:

Company reports GAAP earnings per share of $6.77.
Adjusted earnings per share of $2.69, excluding the impact of special items.

	Q3 2022	Q3 2021
GAAP EPS	$ 6.77	$ 2.45
Special Items	(4.08)	0.13
Adjusted EPS	$ 2.69	$ 2.58
Memo:		
GAAP operating income margin	48.2 %	20.0 %
Adjusted operating income margin	21.5 %	21.1 %

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

Sales of $8.6 billion, down 4 percent year-on-year, which included impacts of negative 1 percent from divestitures and negative 5 percent from foreign currency translation due to strength of U.S. dollar.
Organic sales growth of 2 percent year-on-year which included a 1.4 percentage point headwind from the decline in disposable respirator demand.
Operating cash flow was $1.5 billion, down 18 percent year-on-year, while adjusted free cash flow was $1.4 billion, down 16 percent year-on-year.
3M returned $1.0 billion to shareholders via dividends and gross share repurchases.
Received approximately $1 billion in consideration and reduced outstanding shares by 16 million via exchange offer due to Food Safety divestiture.

ST. PAUL, Minn., Oct. 25, 2022 /PRNewswire/ -- 3M (NYSE: MMM) today reported third-quarter 2022 results.

"We continue to execute our strategies and deliver for our customers in a highly uncertain environment," said 3M chairman and CEO Mike Roman. "Excluding the impact of the decline in disposable respirator sales, our team posted over 3 percent organic growth. We delivered sequential and year-over-year margin expansion, amidst macroeconomic challenges and the strengthening U.S. dollar."

"We continue to position 3M for the future through investments for growth, productivity and sustainability, along with active portfolio management," Roman continued. "This quarter we divested our food safety business and began executing the work-streams to successfully spin our Health Care business, resulting in two world-class, public companies."

3M updated its full-year sales and earnings expectations to reflect the continued strengthening of the U.S. dollar and the uncertain macroeconomic environment.

Total sales growth: -3.5 to -3.0 percent vs. -2.5 to -0.5 percent prior
Organic sales growth: 1.5 to 2.0 percent vs. 1.5 to 3.5 percent prior
Acquisition and divestiture sales growth: -0.5 percent vs. 0 percent prior
Foreign currency translation impact on sales: -4.5 percent vs. -4.0 percent prior

Adjusted earnings per share^: $10.10 to $10.35 vs. $10.30 to $10.80 prior
Operating cash flow^ of $6.8 to $7.4 billion contributing to 85% to 95% adjusted free cash flow conversion^

See the "Supplemental Financial Information Non-GAAP Measures" section for applicable information.
^ As further discussed at * therein, 3M cannot, without unreasonable effort, forecast certain items required to develop meaningful comparable GAAP financial measures and, therefore, does not provide them on a forward-looking basis reflecting these items.

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 21999291). The telephone replay will be available until 11:30 a.m. EDT (10:30 a.m. CDT) on October 31, 2022.

Consolidated Financial Statements and Supplemental Financial Information Non-GAAP Measures

View the Consolidated Financial Statements and Supplemental Financial Information Non-GAAP Measures on 3M's website: https://investors.3m.com/Financial-Statements-Q322

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.

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 or on Twitter @3M or @3MNews.

Please note that the company announces material financial, business and operational information using the3M 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 or @3MNews.

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