Today’s meeting highlights

• Our 3M Value Model positions us to win
• Four strategic priorities delivering value for our customers and shareholders
  • Portfolio management ... more to do
  • Transformation ... enhancing customer experience
  • Innovation ... accelerating priority growth platforms
  • People and culture ... developing and advancing
• Balanced and disciplined capital allocation
• Announcing new 2019 – 2023 financial objectives; previewing 2019 outlook
Agenda

2018 Investor Day | Nov 15, 2018

- The 3M Value Model
- Priorities
- Financial objectives
The 3M Value Model

**Vision**

**Strengths**
- Technology
- Manufacturing
- Global Capabilities
- Brand

**Priorities**
- Portfolio
- Transformation
- Innovation
- People and Culture

**Values**
Our vision

Our Vision

3M Technology Advancing Every Company
3M Products Enhancing Every Home
3M Innovation Improving Every Life
Our strengths: the power of 3M

Customer Insights
Customer Inspired Innovation

Fundamental Strengths
Unique and differentiated value

Customer First
End-user focused

Customer Needs
Insights
Domain Expertise
Technology

Technology
Global Capabilities

Manufacturing
Brand

Vision
Strengths
Priorities
Values
Our priorities
Delivering on our commitments for growth, value, and returns

Portfolio
Fully leveraging our 3M value model

Transformation
Activating our transformation advantages

Innovation
Realizing the full potential of our innovation model

People & Culture
Developing our people and advancing our culture
Our values

Leadership Behaviors
- Play to win
- Prioritize and execute
- Foster collaboration and teamwork
- Develop others and self
- Innovate
- Act with integrity and transparency

Code of Conduct: Be 3M
- Be good
- Be honest
- Be fair
- Be loyal
- Be accurate
- Be respectful

- Inclusion
- Diversity
- Sustainability
- Respect, encourage, challenge
Increasing customer value and shareholder returns
Top priorities to delivering our overall plan and in 2019
Portfolio
Identified opportunities to strengthen portfolio in 2012

2012 Portfolio Framework

- Financial attractiveness
- Strategic attractiveness

Colors:
- Push Forward
- Heartland
- Strategic Review
Rigorous process for evaluation of strategic options

- **Status Quo**: Continue to execute according to the current plan
- **Invest**: Accelerate investment for growth
- **Fix**: Aggressive changes to improve performance
- **Combine**: Implement reorganization options
- **Harvest or Shutdown**: Maximize value on path to close
- **Divest or Spin**: Proceed with valuation and separation

- Combined business for greater customer relevance, going from 40 to 23 divisions
- Completed 10+ divestitures, representing $1.1 billion in revenue and $2.1 billion in proceeds
- Fixed or exited multiple products globally or in specific regions of the world
- Reshaped and repositioned our Electronics & Energy and Safety & Graphics businesses
Sharper focus on strategic and financial attractiveness

Key pillars of the portfolio prioritization model

**Strategic attractiveness**
- Technology that enhances the core and can be advanced by 3M
- Businesses that benefit from or enhance 3M’s manufacturing strength
- Businesses with global potential that benefit from or enhance 3M’s local sales and operations
- Enhances or is enhanced by global 3M brand strength

**Financial attractiveness**
- Market size
- Market growth
- Market profitability
- Growth
- Profitability
- ROIC
Continuing to evolve our portfolio prioritization model

2018 Portfolio Framework

- Clear view of our “Heartland”
- Additional opportunities in “Push Forward”
**Fully leveraging our 3M Value Model**

Reshaping our portfolio through three key actions

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**Heartland and Push Forward**

Prioritizing investments

- Grow our Heartland businesses faster than their markets
- Invest to increase scale and accelerate growth in our Push Forward businesses

**M&A**

Creating differentiated value

- Add businesses where we create unique value from our Fundamental Strengths
- Add businesses that create or extend market leadership
- Add businesses that enable priority growth platforms

**Review**

Maximizing value from all businesses

- Redesign and optimize global business models
- Increase value through divestitures and other strategic options

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Balanced capital allocation plan
First priority is investing in innovation and organic growth

<table>
<thead>
<tr>
<th>Growth investments</th>
<th>Dividend</th>
<th>Flexible deployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>~30%</td>
<td>~30%</td>
<td>~40%</td>
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</table>

**R&D**
~6% to sales

**Cap-ex**
5.0% – 5.5% to sales

**60 years**
Consecutive annual increases

**100+ years**
Paid dividends without interruption
Expected to grow in-line with earnings over time

**Acquisitions**
Highest priority for flexible deployment

**Share repurchase**
Maintain minimum repurchase threshold
Based on relative value; influenced by other demands on capital

Note: capital allocation percentages based on mid-point of 2019 – 2023 plan
Delivering maximum value from increased M&A investments

Building on our success since 2012...

12 Acquisitions: $7.7B

“Fewer, larger” acquisitions exceeding expectations

Proven value creation through integration management

- Highest priorities in Health Care, Industrial, and Safety & Graphics; actively exploring opportunities across all five business groups
- Acquisitions that enable priority growth platforms
- Leveraging our Fundamental Strengths to continue delivering differentiated growth and value
- Utilizing our integration management and Lean Six Sigma to maximize value and returns
Creating value through ongoing review of our portfolio

<table>
<thead>
<tr>
<th>Exploring broader range of strategic options</th>
<th>Divesting businesses to improve focus and value</th>
<th>New global business models to maximize value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Information Systems</td>
<td>Communication Markets</td>
<td>Closure and Masking Systems</td>
</tr>
</tbody>
</table>

- Explored possible divestiture or spin
- Decided to keep and increase investments to accelerate growth and value
- Explored how to maximize value with a strong business that was not well aligned to our fundamental strengths
- Decided to divest
- Explored how to maximize value
- Decided to implement new global business model focused on maximizing cash flow
Portfolio management enables the 3M Value Model

Great progress ...

- Realigned and consolidated businesses to increase customer relevance
- Prioritized resources for businesses and markets that best leverage our Fundamental Strengths
- Acquired businesses that leverage our market leadership, strengths and value from integration into global 3M
- Acted to maximize value of strategic review businesses, including through divestitures

... more to do

- Realigning resources to our highest priority, most attractive businesses
- Increasing our investment in M&A to accelerate growth, value and returns
- Executing portfolio actions to maximize value across review businesses
Transformation
Activating our transformation advantages
Well positioned to accelerate value creation

Accomplishments
Successfully deployed ERP system in Europe and U.S.
Simplified, standardized and redesigned business processes
Streamlined end-to-end engagement with customers
Created value through new service models

What’s next
Enhance customer service
Increase value creation
Leverage ERP capabilities
Streamline deployments
Utilize data and analytics
Improving operating income margin in West Europe

Deliver 20% operating income in 2020 enabled by Business Transformation

Leveraging a strong foundation
- Global Service Center
- Marketing Sales Operations
- Supply Chain Center of Expertise

Regionalization of Europe
- Reduced number of regional operating units by half
- Better leverage scale of operations

Building a healthier portfolio
- Exited 2% to 3% of West Europe revenues
- Redeployment of resources to higher value portfolio

Optimizing footprint
- Reduced number of manufacturing locations by 1/3
- Investing in disruptive manufacturing technology

Streamlined engagement with our customers
Delivering even more value
200-300 bps margin improvement by 2023

- New product innovation
- Business Transformation
- Footprint optimization
- Disruptive technology
- Lean Six Sigma
Innovation
Proven ability to extend innovation value over the long-term

Disruptive innovation at origin

Adhesives and tapes
- Acrylic foam tape
- Laminating adhesives
- Skin-friendly silicone tapes
- Optically clear adhesives

Nonwovens
- Thinsulate™ thermal insulation
- Acoustic insulation
- Filtrete™ filters
- Biopharmaceutical filtration

Multi-layer optical films
- Notebook display
- Brightness enhancement film
- Solar films
- Automotive glass films

High performance fluids
- Precision cleaning
- Protective coatings
- Immersion cooling for data centers
- EV battery cooling
Increasing investment in Priority Growth Platforms

Wound Care
Population Health
Automotive Electrification
Connected Roads
Food Safety
Biopharmaceutical Filtration
Connected Safety
Structural Bonding
Surface Finishing
Air Quality
Grid Modernization
Custom Orthodontics
Advancing sustainability for 3M
Strong focus on environmental, social and governance

2025 Goals
- Energy & climate
- Raw materials
- Water
- Health & safety
- Education & development

3M Value Model
- Operational Environmental, Health and Safety (EHS)
- Environmental stewardship
- Sustainability inspired innovation
- Product stewardship
- Diversity and Inclusion

Reputation

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## Applying our science to improve every life
Visibly leading and innovating for a more sustainable future

<table>
<thead>
<tr>
<th>Focus areas:</th>
<th>Science for circular</th>
<th>Science for climate</th>
<th>Science for community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspirations:</td>
<td>Design solutions that do more with less material, advancing a global circular economy</td>
<td>Innovate to decarbonize industry, accelerate global climate solutions and improve our environmental footprint</td>
<td>Create a more positive world through science and inspire people to join us</td>
</tr>
<tr>
<td>Examples:</td>
<td>Eliminating solvents</td>
<td>Enabling solar energy</td>
<td>Supporting STEM education</td>
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</table>
Enhancing the core with our approach to innovation

Organic
3M Value Model creating new growth platforms and line extensions

Inorganic
Acquisitions and partnerships to add to our growth platforms

Ventures
Investments to accelerate technology development and time to market

Disruptive
Market centric approach to customer needs that leads to disruptive new technology and businesses

Sustainability
Visibly leading and innovating for a more sustainable future
People and culture
Strengthening our competitive edge in attracting top talent
Developing our people and advancing our culture

- Most inclusive enterprise
- Strong, diverse talent pipeline
- Engaged, purpose- and performance-driven individuals and teams

- Continuous, relevant learning ecosystem
- Leading edge leadership development
- 3M Science of Change

- Expanded model for collaboration
- 3M FlexAbility in career and workplace
- Advancing our global talent in a digital world

Inclusive workplace
Development for all
Future of work
Long-term financial objectives
Long-term financial objectives
2019 – 2023 plan: continuity in realistic targets

<table>
<thead>
<tr>
<th>Objective</th>
<th>Target</th>
</tr>
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<tbody>
<tr>
<td>Organic local-currency growth</td>
<td>3% to 5%</td>
</tr>
<tr>
<td>Earnings per share growth</td>
<td>8% to 11%</td>
</tr>
<tr>
<td>Return on invested capital</td>
<td>20%</td>
</tr>
<tr>
<td>Free cash flow conversion</td>
<td>100%</td>
</tr>
</tbody>
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Refer to appendix slide deck for the definition and calculation of ROIC and free cash flow conversion.
Organic local-currency growth targets
Strong, market-leading global businesses

2019 – 2023 average

<table>
<thead>
<tr>
<th>Business</th>
<th>Growth Targets</th>
</tr>
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<tbody>
<tr>
<td>Health Care</td>
<td>4% to 6%</td>
</tr>
<tr>
<td>Safety &amp; Graphics</td>
<td>3% to 6%</td>
</tr>
<tr>
<td>Industrial</td>
<td>3% to 5%</td>
</tr>
<tr>
<td>Electronics &amp; Energy</td>
<td>2% to 6%</td>
</tr>
<tr>
<td>Consumer</td>
<td>2% to 4%</td>
</tr>
</tbody>
</table>

Organic local-currency growth = organic volume + price
The 3M Value Model

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Values