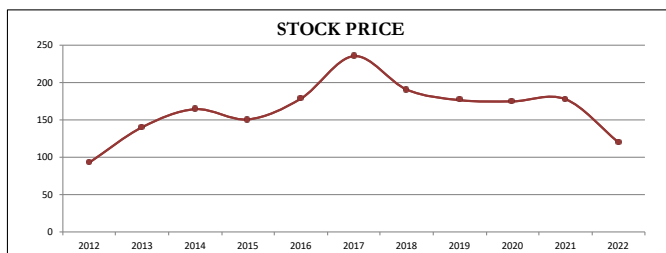
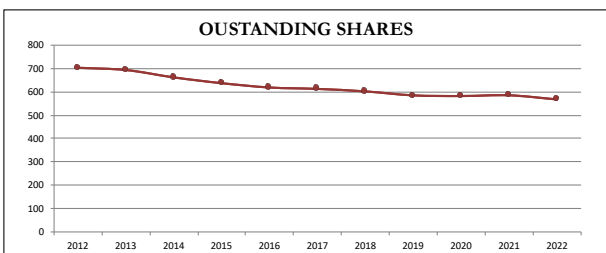


Report Date: 22/06/2023
 Fiscal Year End Date: 31 December

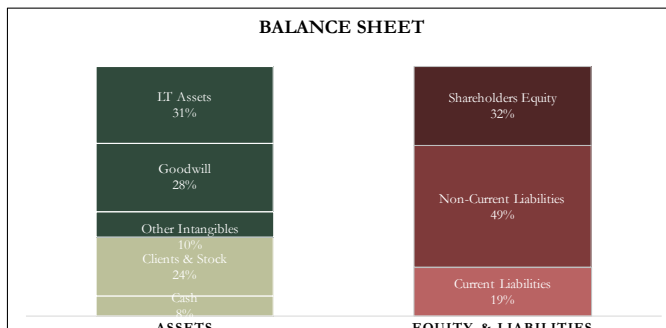
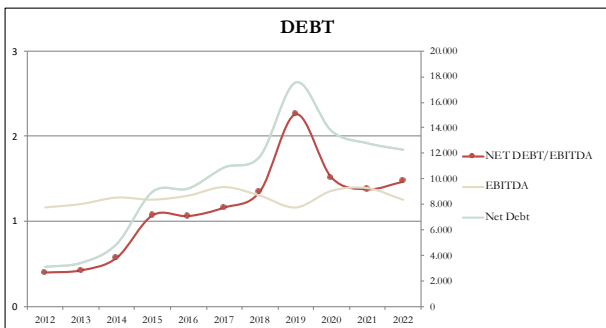


2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(Fiscal Year End date)
703	694	662	637	619	613	602	585	582	585	568	568	Outstanding Shares (Millions)
	-1,38%	-4,56%	-3,75%	-2,90%	-0,97%	-1,75%	-2,82%	-0,48%	0,53%	-3,02%	-2,12%	Δ Outstanding Shares vs Last Year CAGR
92,85	140,25	164,32	150,64	178,57	235,37	190,54	176,42	174,79	177,63	119,92	100,43	Share Price (\$)
65,301	97,277	108,780	95,988	110,481	144,211	114,705	103,206	101,763	103,967	68,067	37,004	Market Cap. (\$ Millions)

SHARE REPURCHASE - SCORE

Share Repurchase 5

Marked reduction in the number of outstanding shares. Last year they were reduced a lot after the agreement with Neogen



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
13.630	12.733	12.303	10.986	11.726	14.277	13.709	12.971	14.982	15.403	14.688	14.688	SHORT TERM ASSETS
2.883	2.581	1.897	1.798	2.398	3.053	2.853	2.757	5.038	4.564	3.655	3.655	Cash
3.837	3.864	3.706	3.518	3.385	4.034	4.366	4.134	4.239	4.985	5.372	5.372	Stock & Clients
6.910	6.288	6.700	5.670	5.943	7.190	6.490	6.484	5.705	5.854	5.661	5.661	Other Short Term Assets
17.986	21.143	17.853	22.564	20.992	24.278	31.688	32.362	31.669	31.767	31.767	31.767	LONG TERM ASSETS
7.385	7.345	7.050	9.249	9.166	10.513	10.051	13.444	13.802	13.486	12.790	12.790	Goodwill
1.925	1.688	1.435	2.320	2.601	2.936	2.657	6.379	5.385	5.288	4.699	4.699	Other Intangibles
29%	27%	28%	34%	36%	41%	33%	44%	41%	40%	38%	38%	% INTANGIBLES / TOTAL ASSETS
31.616	33.876	30.156	33.550	32.718	32.906	37.987	44.659	47.344	47.072	46.455	46.455	TOTAL ASSETS
6.200	7.498	5.964	7.118	6.219	7.687	7.244	9.222	7.948	9.523	9.035	9.035	CURRENT LIABILITIES
1.085	1.683	1.06	2.044	972	1.853	1.211	2.795	806	1.307	1.938	1.938	Short Term Debt
5.115	5.815	5.858	5.074	5.247	5.834	6.033	6.427	7.142	8.216	7.097	7.097	Other Current Liabilities
7.376	8.430	11.050	14.685	16.156	13.597	20.895	25.311	26.465	22.432	22.698	22.698	NON-CURRENT LIABILITIES
4.916	4.326	6.705	8.753	10.678	12.096	13.411	17.518	17.989	16.056	14.001	14.001	Long Term Debt
13.576	15.928	17.014	21.803	22.375	21.284	28.139	34.533	34.413	31.955	31.733	31.733	TOTAL LIABILITIES
18.040	17.948	13.142	11.747	10.343	11.622	9.848	10.126	12.931	15.117	14.722	14.722	TOTAL EQUITY
30679	32.416	34.317	36.575	37.907	39.115	40.636	42.135	43.761	45.821	47.950	47.950	Retained Earnings
465	446	33	39	45	52	63	59	64	71	48	48	Minority Interests
57%	53%	44%	35%	32%	35%	26%	23%	27%	32%	32%	32%	FINANCIAL AUTONOMY
2,20	1,70	2,06	1,54	1,89	1,86	1,89	1,41	1,89	1,62	1,63	1,63	LIQUIDITY RATIO
0,47	0,34	0,32	0,25	0,39	0,40	0,39	0,30	0,63	0,48	0,40	0,40	CASH RATIO
3.118	3.428	4.914	8.999	9.252	10.896	11.769	17.536	13.757	12.799	12.284	12.284	Net Debt
43%	47%	56%	65%	68%	65%	74%	77%	73%	68%	68%	68%	Debt Ratio
46%	47%	35%	33%	28%	36%	26%	27%	23%	30%	28%	28%	Debt Quality
0,40	0,43	0,58	1,07	1,06	1,16	1,35	2,26	1,52	1,38	1,47	1,47	NET DEBT/EBITDA

BALANCE SHEET - SCORE

Intangibles 3
 Intangibles are quite high and only Goodwill represents around 28%

Debt 3
 Reasonable value, but it has been growing little by little and it is expected to be higher in the coming years to pay the pending fines

Liquidity 4
 3M presents a correct financial solvency in the short term

Retained Earnings 5
 In the period 2012-2022 the Reserves have increased every year

Financial Autonomy 3
 Equity is at correct values, but it is a misleading figure, and it has been declining in the last decade because 3M has generously rewarded the shareholder, through share repurchases and dividends

INCOME STATEMENT

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
29,904	30,871	31,821	30,274	30,109	31,657	32,765	32,136	32,184	35,355	34,229		Sales
	2%	3,1%	-4,9%	-0,5%	5,1%	3,5%	-1,9%	0,1%	9,9%	-3,2%	1,36%	Δ Sales vs Last Year
												CAGR
7,771	8,037	8,543	8,381	8,697	9,364	8,695	7,767	9,072	9,284	8,370	9,025	EBITDA
6,483	6,666	7,135	6,946	7,223	7,820	7,207	6,174	7,161	7,369	6,539		EBIT
6,351	6,562	7,026	6,823	7,026	7,548	7,000	5,712	6,795	7,204	6,392		EBT
4,444	4,659	4,956	4,833	5,050	4,869	5,349	4,570	5,499	5,921	5,777		Net Earnings
22%	22%	22%	23%	24%	25%	22%	19%	22%	21%	19%		Operating Margin
15%	15%	16%	16%	17%	15%	16%	14%	17%	17%	17%		Net Margin
14%	14%	16%	14%	15%	15%	14%	10%	12%	13%	12%		ROA
25%	26%	38%	41%	49%	42%	54%	45%	43%	39%	39%		ROE
31%	31%	40%	33%	37%	35%	33%	22%	27%	26%	24%		ROCE

INCOME STATEMENT - SCORE

Sales 1

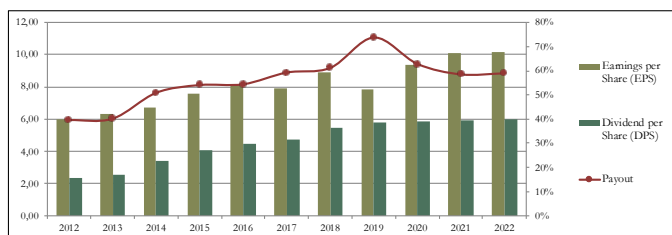
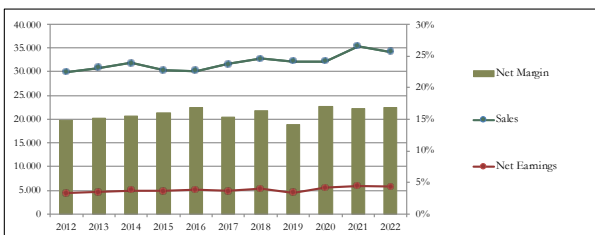
Despite recent acquisitions, Sales are stagnant

Net Margin 5

The Net Margin reached 17% during the last 3 years analyzed, and it is quite a high value. However, in 2022 the result was masked by the profit obtained after the divestment of Food Safety

ROE/ROCE/ROA 4

3M has high profitability ratios that have diminished a bit in recent years, but they continue to demonstrate the enormous quality of the business



DIVIDEND

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
5,96	6,32	6,72	7,58	8,16	7,93	8,89	7,81	9,36	10,12	10,18	9,83	Earnings per Share (EPS)
	6,0%	6,3%	12,8%	7,7%	-2,8%	12,1%	-12,1%	19,8%	8,1%	0,6%		Δ EPS vs Last Year
												CAGR
2,36	2,54	3,42	4,10	4,44	4,70	5,44	5,76	5,88	5,92	6,00		Dividend per Share (DPS)
	7,63%	34,63%	19,88%	8,29%	5,86%	15,74%	5,88%	2,08%	0,68%	1,35%		Δ DPS vs Last Year
												CAGR
40%	40%	51%	54%	54%	59%	61%	74%	63%	58%	59%		Payout
2,54%	1,81%	2,08%	2,72%	2,49%	2,00%	2,86%	3,26%	3,36%	3,33%	5,00%		Dividend Yield

9,53%	Expected Dividend Yield in 5Y
15,19%	Expected Dividend Yield in 10Y
9,78%	CAGR

DIVIDEND - SCORE

Dividend 5

3M has been paying dividends continuously for more than 100 years, and more than 60 years of consecutive increases

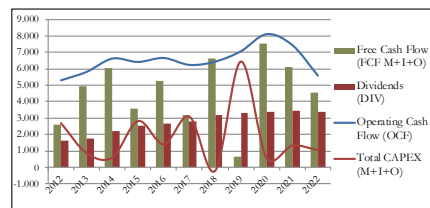
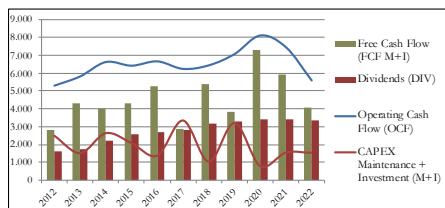
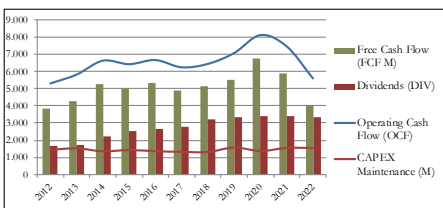
Growth 3

In the last decade, the growth of the Dividend has been 9.78% annualized. However, during the years 2021 and 2022 the increase was insignificant

Payout 4

The Payout has been growing and in 2022 it reached 59%, a value that is still sustainable, but that in the last 10 years has been increasing progressively

CASH FLOW



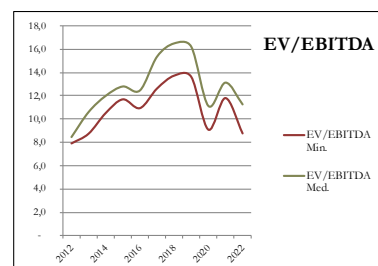
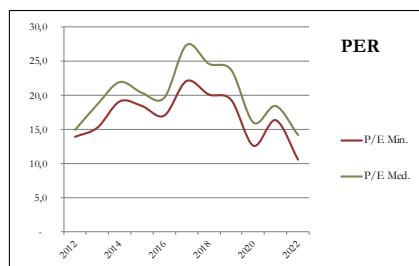
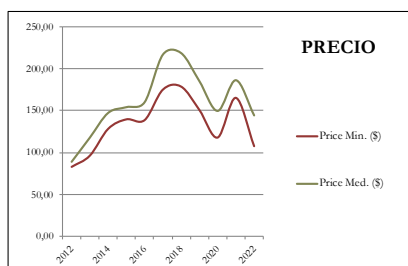
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	(\$ Millions)
5,300	5,817	6,626	6,420	6,662	6,240	6,439	7,070	8,115	7,454	5,591		Operating Cash Flow (OCF)
1,443	1,527	1,358	1,428	1,362	1,324	1,315	1,576	1,373	1,552	1,549		CAPEX Maintenance (M)
2,489	1,519	2,638	2,080	1,378	3,347	1,040	3,211	797	1,552	1,536		CAPEX Maintenance + Investment (M+I)
2,686	856	596	2,817	1,403	3,086	-222	6,444	580	1,317	1,046		Total CAPEX (M+I+O)
3,857	4,290	5,268	4,992	5,300	4,916	5,124	5,494	6,740	5,902	4,042		Free Cash Flow (FCF M)
2,811	4,298	3,988	4,340	5,284	2,893	5,399	3,859	7,316	5,902	4,055		Free Cash Flow (FCF M+I)
2,614	4,961	6,030	3,603	5,259	3,154	6,661	626	7,533	6,137	4,545		Free Cash Flow (FCF M+I+O)
1,635	1,730	2,216	2,561	2,678	2,803	3,193	3,316	3,388	3,420	3,369		Dividends (DIV)
1,288	1,371	1,408	1,435	1,474	1,544	1,488	1,593	1,911	1,915	1,831		Depreciation / Amortization

CASH FLOW - SCORE

Cash Flow 5

Operating Cash Flow (OCF) had an excellent trend until 2020. This, together with a practically flat Maintenance CAPEX, allowed 3M to generate a growing FCF

ANALYSIS - VALUATION



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2025 (e)	
15,6	22,2	24,5	19,9	21,9	29,7	21,4	22,6	18,7	17,6	11,8		P/E (Fiscal Year End date)
8,8	12,5	13,3	12,5	13,8	16,6	14,5	15,5	12,7	12,6	9,6		EV/ EBITDA (Fiscal Year End date)
94,96	139,35	166,26	168,65	181,40	258,63	258,63	219,50	181,37	207,33	181,02		Price Max. (\$)
82,85	96,28	128,19	139,56	138,69	175,04	178,62	150,74	117,87	165,20	107,52		Price Min. (\$)
88,91	117,82	147,23	154,11	160,05	216,84	218,63	185,12	149,62	186,27	144,27		Price Med. (\$)
14,9	18,6	21,9	20,3	19,6	27,3	24,6	23,7	16,0	18,4	14,2		P/E Med.
13,9	15,2	19,1	18,4	17,0	22,1	20,1	19,3	12,6	16,3	10,6		P/E Min.
61.386	70.208	89.976	97.927	95.060	118.143	119.298	105.739	82.381	109.491	73.312		EV Min.
65.645	85.144	102.377	107.195	108.272	143.751	143.381	125.851	100.866	121.820	94.172		EV Med.
7,9	8,7	10,5	11,7	10,9	12,6	13,7	13,6	9,1	11,8	8,8		EV/EBITDA Min.
8,4	10,6	12,0	12,8	12,4	15,4	16,5	16,2	11,1	13,1	11,3		EV/EBITDA Med.
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
5.545	5.877	6.230	6.604	7.000	7.420	7.865	8.337	8.837	9.367	9.929		FCF Forecast (\$)
	5.392	5.243	5.099	4.959	4.822	4.690	4.561	4.435	4.315	4.194	4.320	FCF Discounted (\$)

PRICE MULTIPLES VALUATION

By PER Med.	\$190,42
By EV/EBITDA Med.	\$195,19
By Closer Support	\$110,00
By PER Min.	\$155,06
By EV/EBITDA Min.	\$159,52
By Farther Support	\$95,00

PRICES (DISCOUNTED CASH FLOW)

CAGR 10Y	6%	
Perpetual CAGR	3%	
Discount	9%	
Target Price	\$214,71	
Security Margin	15%	\$182,50
Security Margin	30%	\$150,30

PRICE RANGE

1° TARGET PRICE **\$169,53**

2° TARGET PRICE **\$139,97**

These prices are calculated based on an average between Discounted Cash Flows and Historical Prices. For discounts, we estimate a free cash flow based on the average of the last 4 years, while the multiples are generated from the average and minimum PER and EV/EBITDA ratios from 2017.

TOTAL SCORE

FINANCIAL HEALTH

Intangibles	3
Debt	3
Liquidity	4
Retained Earnings	5
Financial Autonomy	3

PROFITABILITY

Sales	1
Net Margin	5
Ratios	4
Adjustment	

DIVIDEND

Dividend	5
Growth	3
Payout	4
Repurchase	5
Cash Flow	5

DIVIDEND ST. - FINAL SCORE

3,85

CONCLUSION