

**First six months 2023 results:**

Sales in Safety and Industrial were down 7.2 percent in U.S. dollars.

On an organic sales basis:

- Sales increased in automotive aftermarket, electrical markets, roofing granules, and abrasives and decreased in personal safety, industrial adhesives and tapes, and closure and masking systems.
- Growth was held back by the disposable respirator sales decline within personal safety along with the exit of Russia (which, together, negatively impacted year-on-year organic growth by 7.3 percentage points) for the first six months of 2023; declines within industrial adhesives and tapes due to consumer electronics softness, closure and masking systems was down as consumers pulled back on discretionary spending impacting e-commerce shipments (slowing down in packaging and shipping activity).

Business segment operating income (loss) margins increased year-on-year primarily due to lower special item costs for significant litigation. 2022 was impacted by a pre-tax charge in the second quarter of approximately \$1.2 billion related to steps toward resolving Combat Arms Earplugs litigation (discussed in Note 14). Margins were also impacted by aggressive spending discipline, pricing and productivity actions which were more than offset by the lower sales volume, restructuring costs, inflation impacts, investments in the business and China COVID-related challenges. Adjusting for special item costs for significant litigation (non-GAAP measure), business segment operating income margins decreased year-on-year as displayed above.

**Transportation and Electronics Business:**

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Sales (millions)	\$ 2,191	\$ 2,268	\$ 4,241	\$ 4,608
Sales change analysis:				
Organic sales	(1.3) %		(4.7) %	
Acquisitions	0.5 %		0.2	
Divestitures	(1.3)		(1.1)	
Translation	(1.3)		(2.4)	
Total sales change	(3.4) %		(8.0) %	
Business segment operating income (millions)	\$ 410	\$ 475	\$ 704	\$ 939
Percent change	(13.8) %		(25.1) %	
Percent of sales	18.7 %	21.0 %	16.6 %	20.4 %
Adjusted sales (millions) (non-GAAP measure)	\$ 1,859	\$ 1,950	\$ 3,564	\$ 3,970
Sales change analysis:				
Organic sales	(2.4) %		(7.0) %	
Acquisitions	0.6		0.3	
Divestitures	(1.5)		(1.3)	
Translation	(1.4)		(2.2)	
Total sales change	(4.7) %		(10.2) %	
Adjusted business segment operating income (millions) (non-GAAP measure)	\$ 369	\$ 455	\$ 653	\$ 903
Percent change	(19.3) %		(27.8) %	
Percent of sales	19.8 %	23.4 %	18.3 %	22.8 %

The preceding table also displays business segment sales (and sales change) and operating income (loss) information adjusted for special items. For Transportation and Electronics these adjustments include the sales and estimates of income regarding PFAS manufactured products that 3M plans to exit by the end of 2025. Refer to the *Certain amounts adjusted for special items - (non-GAAP measures)* section for additional details.