3M Company (MMM)

$172.05 (Stock Price as of 11/28/2025)

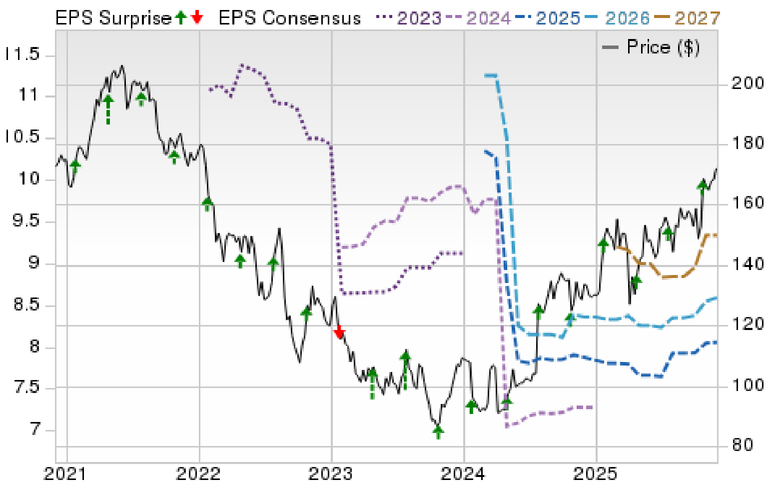
Price Target (6-12 Months): **$180.00**

Long Term: 6-12 Months	**Zacks Recommendation:**	**Neutral**
	(Since: 05/31/24)	
	Prior Recommendation: Underperform	
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	**2-Buy**
	Zacks Style Scores:	VGM: F
	Value: D | Growth: F	Momentum: C

Summary

3M is poised to benefit from solid momentum in the Safety and Industrial unit, driven by strength in the industrial adhesives and tapes, abrasives and electrical markets. Strength in the electronics, aerospace and defense markets is aiding the Transportation and Electronics unit. Solid operational execution, restructuring savings and spending discipline are supporting the margin performance. Synergies from acquisitions made by the company also bolster its growth. Its measures to reward shareholders through dividends are encouraging. However, persistent softness in the retail markets, owing to a decrease in consumer discretionary spending, remains a concern for the Consumer segment. High debt levels, if not controlled, are likely to raise financial obligations and hurt profitability. Foreign currency headwinds are an added concern for the company.

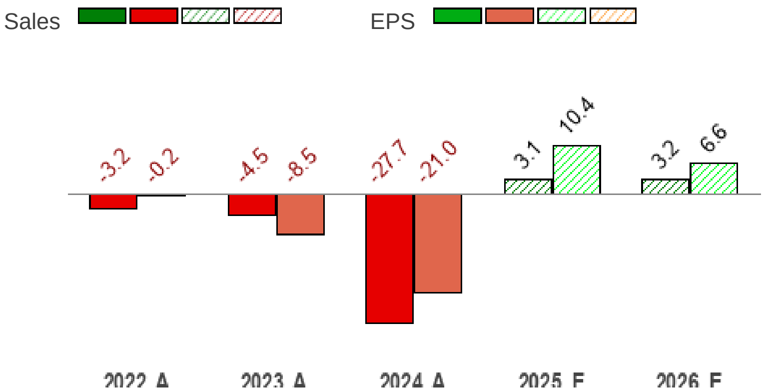
Price, Consensus & Surprise(1)



Data Overview

52 Week High-Low	$172.85 - $122.18
20 Day Average Volume (sh)	2,938,714
Market Cap	$91.4 B
YTD Price Change	33.3%
Beta	1.08
Dividend / Div Yld	$2.92 / 1.7%
Industry	[Diversified Operations]
Zacks Industry Rank	Top 40% (96 out of 243)
Last EPS Surprise	4.3%
Last Sales Surprise	1.1%
EPS F1 Est- 4 week change	0.1%
Expected Report Date	01/20/2026
Earnings ESP	0.0%
P/E TTM	21.8
P/E F1	21.4
PEG F1	2.5
P/S TTM	3.7

Sales and EPS Growth Rates (Y/Y %)(1)



Sales Estimates (millions of $)(1)

	Q1	Q2	Q3	Q4	Annual*
2026	6,028 E	6,365 E	6,489 E	6,255 E	25,136 E
2025	5,780 A	6,158 A	6,318 A	6,095 E	24,351 E
2024	8,003 A	6,255 A	6,294 A	5,808 A	23,630 A

EPS Estimates(1)

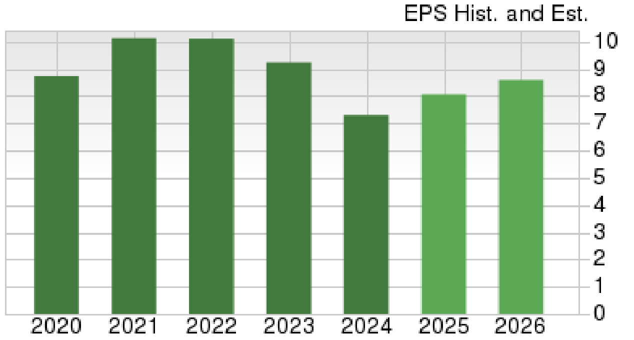
	Q1	Q2	Q3	Q4	Annual*
2026	1.99 E	2.19 E	2.25 E	2.11 E	8.59 E
2025	1.88 A	2.16 A	2.19 A	1.83 E	8.06 E
2024	2.39 A	1.93 A	1.98 A	1.68 A	7.30 A

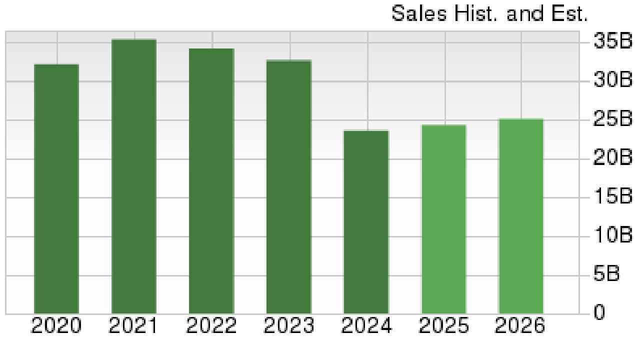
*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 11/28/2025.
(2) The report's text and the price target are as of 11/25/2025.

Overview

Headquartered in St. Paul, MN, and founded in 1902, 3M Company together with its subsidiaries operates as a diversified technology firm. It has manufacturing operations across the globe and serves a diversified customer base throughout the world. On a geographical basis, the company has operations in the Americas (55% of 2024 net revenues), China (11%) Asia (17%), Europe, Middle East & Africa (17%) and other markets. Exiting 2024, it has an employee base of 61,500 people.
In July 2022, 3M announced plans to spin off its Healthcare business into a separate public company. The company completed the spin-off in April 2024. The spin-off will facilitate the company to flourish through better operational focus, capital allocation policies and financial flexibility. After the spin-off, the company has three business segments:



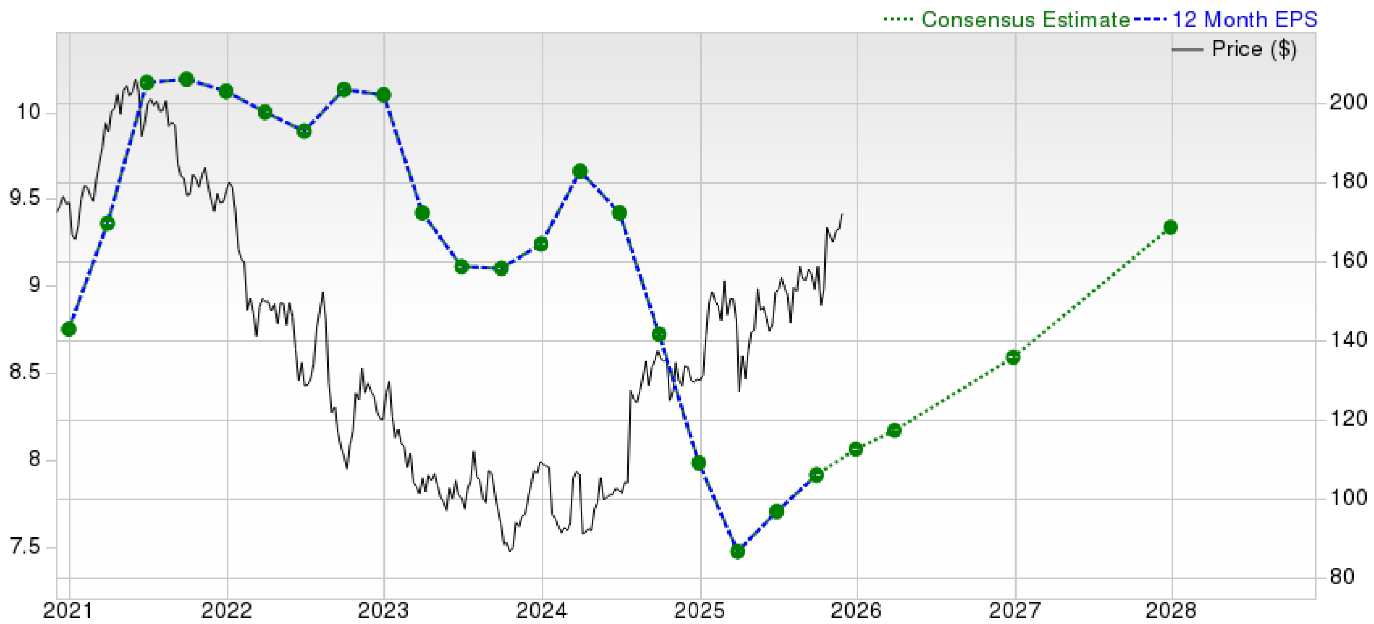


As of 11/28/2025

The Safety & Industrial segment (46.4% of 2024 net revenues) mainly serves customers in the electrical, safety and industrial markets across the globe. The segment includes industrial adhesives and tapes, personal safety, abrasives, closure and masking systems, roofing granules, electrical materials and automotive aftermarket businesses. Some of the popular brands offered by the segment include Scotch-Brite abrasives, Scotch & Temflex Vinyl tapes, Scotchkote Coatings, Scotchcast resins, Collision repair and paint spray, VHB bonding tapes and Scotchgard Protector.

The Transportation & Electronics segment (31.5%) primarily serves original equipment manufacturers (OEMs) in the electronics and transportation industries across the globe. The segment includes electronics, commercial solutions, advanced materials, transportation safety, automotive and aerospace, and other related businesses. Major brands offered under this segment include Nextel Ceramic fibers and textiles, Thinsulate Acoustic Insulation products and automotive components, Novec Engineered Fluids, Scotchlite graphic films, Scotchcal, Controltac commercial graphics and 3M Diamond Grade DG3 reflective sheeting.

The Consumer segment (22.1%) provides office supplies, retail abrasives, paint accessories, stationery, home improvement products, homecare products and consumer healthcare products. Some of its brands include ACE, FUTURO, Nexcar, Scotch-Brite, Command, Post-it, Scotchgard and Scotch tapes among others. Its products are marketed through traditional wholesalers, retailers, distributors and e-commerce channel.



As of 11/28/2025

Reasons To Buy:

Strength in the Safety and Industrial and Transportation and Electronics units, along with accretive acquisitions, augurs well for 3M. Its efforts to reward its shareholders are encouraging.

- 3M has been undertaking **structural reorganization actions** to reduce the size of its corporate center, streamline its geographic footprint, simplify the supply chain, align business go-to-market models to customers and optimize manufacturing roles to align with production volumes. The company expects these restructuring actions to reduce operational costs and improve margins and cash flow in the long term. It expects these actions to be completed by 2025 and yield annual pre-tax savings. In the first nine months of 2025, these actions, together with strong organic volume and productivity, raised 3M's adjusted operating margin by 220 basis points year over year to 24.2%. For 2025, the company expects adjusted operating margins to increase 180-200 basis points year over year.

- 3M has been witnessing solid momentum in the **Safety and Industrial segment**, driven by strength in personal safety, industrial specialties, industrial adhesives and tapes, abrasives and electrical markets. Stable demand for electrical infrastructure products like medium voltage cable accessories and insulation tapes augurs well for the segment in the quarters ahead. Also, an increase in demand for industrial adhesives and electronics bonding solutions bodes well for it. The segment's organic sales improved 3.1% year over year in the first nine months of 2025.

- The company's **Transportation and Electronics segment** has been benefiting from strength in the transportation and aerospace end markets. Solid momentum in the electronics, aerospace and defense, commercial branding and automotive markets, driven by demand for new products and expanding sales coverage, is proving beneficial for the segment. Though the segment's organic revenues decreased 1.2% year over year in the first nine months, the same increased 1.8% in the third quarter of 2025. Backed by strength across its businesses, the company provided a positive outlook. For 2025, it expects total adjusted organic sales to grow more than 2.5% on a year-over-year basis.

- 3M has strengthened and expanded its geographical footprint of its businesses through **acquisitions** while unlocking cash by disposing of underperforming or non-core assets. In April 2022, 3M acquired the technology assets of LeanTec. The acquisition has strengthened its ability to deliver a more connected, digital bodyshop solution via its RepairStack Performance Solutions. The company acquired M*Modal's technology business in February 2019. The buyout expanded its capabilities in the Health Information Systems business. Disposing of businesses also enabled the company to unlock value for shareholders. In April 2024, the company completed the spin-off of its Healthcare business. The spin-off will allow 3M to flourish through better operational focus, capital allocation policies and financial flexibility. In August 2023, the company sold certain assets from its dental local anesthetic portfolio (formerly part of the Health Care business) to Pierrel. It also divested the manufacturing assets of its Ladlumkaew, Thailand, facility to Selic Corp. In September 2022, the company completed the divestiture of its food safety business to Neogen.

- 3M is committed to rewarding its shareholders handsomely through **dividend payments and share buybacks**. In the first nine months of 2025, the company rewarded its shareholders with $1.2 billion in dividends and $2.7 billion in buybacks. Also, in 2024, it paid dividends worth $2 billion and repurchased shares for $1.8 billion. In February 2025, 3M's board of directors authorized a new share repurchase program of up to $7.5 billion, replacing the November 2018 program. This authorization has no expiry date. At the end of the third quarter of 2025, the company had $5.2 billion remaining under the share repurchase program. Also, in February 2025, it hiked its quarterly dividend by 4%.

Reasons To Sell:

Softness in the Consumer segment, increasing costs, a high debt level and adverse foreign currency effects are pressures on 3M's business.

- **Weakness in the consumer retail end markets**, owing to subdued consumer discretionary spending, remains a concern. This is reflected in the Consumer segment's results, which remained relatively flat in the first nine months of 2025. There was a particular weakness in the packaging and expression, and home improvement businesses. Also, lower demand for Per- and polyfluoroalkyl substances (PFAS) manufactured products, persistent softness in the automotive aftermarket and weakness in the roofing granules business is concerning for 3M.

- **Cost inflation** is weighing on 3M's operations. In the first nine months, the company's cost of sales was up 2% year over year. The cost of sales, as a percentage of total revenues, climbed 30 basis points to reach 58% in the same period. This upward trajectory in costs results from increased tariff-related costs, cost dis-synergies from the PFAS manufacturing exit and the Solventum spin-off.

- **High debt levels** are concerning for 3M. At the end of third-quarter 2025, the company's long-term debt was $11.9 billion, higher than $11.3 billion recorded at the third quarter 2024-end. Exiting the quarter, 3M's total debt was high at $12.6 billion. The increase in long-term debt level was primarily attributable to the issuance of $1.1 billion in debt (aggregate principal amount). Also, interest expenses in the first nine months of 2025 remained high at $724 million. Exiting the third quarter, its short-term borrowings and current portion of long-term debt totaled $749 million. Considering the company's overall high debt level, its cash and cash equivalents do not look impressive. Exiting the third quarter, it had cash and cash equivalents of $4.7 billion. It's worth noting that 3M's long-term debt-to-capital ratio is currently 71.7%, much higher than the industry's 54.3%. The company's current figure is trading higher than its five-year median of 44.9%. High debt levels, if not controlled, can increase its financial obligations and prove detrimental to profitability in the quarters ahead.

- 3M faces tremendous **local competitive pressure**, whether it is in Brazil, China, India or Indonesia. In order to reduce the competitive pressure, the company has to invest significantly in research and development (R&D) to locally develop and manufacture products. In the first nine months of 2025 and 2024, the company invested $870 million and $534 million in research and development, respectively. Its R&D expenses, as a percentage of revenues, are currently 3.9%, higher than 3.5% of the industry. High costs, if not controlled, may affect the company's margins and profitability in 2025.

- 3M's international presence keeps it exposed to the risk of **adverse currency fluctuations**. This is because a strengthening U.S. dollar may require the company to either raise prices or contract profit margins in locations outside the United States. Thus, adverse currency movements are a worry. Adverse foreign currency translation lowered the Americas and Asia Pacific regions' sales by 0.6% and 0.3%, year over year, respectively, in the first nine months of the year.

Last Earnings Report

3M's Q3 Earnings & Revenues Surpass Estimates, Increase Y/Y

FY Quarter Ending	12/31/2024
Earnings Reporting Date	**Oct 21, 2025**
Sales Surprise	**1.06%**
EPS Surprise	**4.29%**
Quarterly EPS	**2.19**
Annual EPS (TTM)	**7.91**

3M reported third-quarter 2025 results, wherein revenues and earnings surpassed the Zacks Consensus Estimate.

It's worth noting that in April 2024, the company completed the spin-off of its Healthcare business into a separate public company.

Inside the Headlines

3M delivered adjusted earnings of $2.19 per share, which surpassed the Zacks Consensus Estimate of $2.10. The company reported earnings of $1.98 per share in the year-ago quarter.

The company reported net revenues of $6.52 billion in the quarter. The metric increased 3.5% year over year. Organic sales increased 2.6%. Foreign currency translation had a positive impact of 1% while acquisitions/divestitures had a negative impact of 0.1%.

Its adjusted revenues of $6.30 billion beat the consensus estimate of $6.25 billion. On an adjusted basis, organic revenues increased 3.2% year over year.

Region-wise, organic sales in the Americas rose 2.9% year over year while Asia Pacific organic sales increased 2.9%. Organic sales from businesses in Europe, the Middle East and Africa increased 1.3%.

3M's Segmental Results

Revenues from Safety and Industrial totaled $2.92 billion, up 5.4% year over year. The Zacks Consensus Estimate for the segment's revenues was pegged at $2.90 billion. Organic revenues increased 4.1% and foreign currency translation had a positive impact of 1.3%.

Revenues from Transportation & Electronics totaled $2.19 billion, reflecting a year-over-year increase of 2.4%. The upside is attributable to a 1.8% increase in organic sales. The consensus estimate for the segment's revenues was pegged at $1.98 billion. Foreign currency translation had a 0.9% favorable impact while divestiture had an adverse impact of 0.3% on revenues.

Revenues from the Consumer segment increased 0.9% year over year to $1.31 billion. The consensus estimate for the segment's revenues was also pegged at $1.31 billion. Organic sales increased 0.3%. Movements in foreign currencies had a positive impact of 0.6%.

Margin Profile

3M's cost of sales increased 4% year over year to $3.79 billion. Selling, general and administrative expenses decreased 22.8% to $820 million. Research, development and related expenses increased 10.4% year over year to $297 million.

In the third quarter, 3M reported an operating income of $1.45 billion, up 10% from the year-ago period.

3M's adjusted operating income increased 11.6% year over year to $1.56 billion. The adjusted operating margin was 24.7% compared with 23% in the year-ago quarter. The adjusted tax rate was 19.9% compared with 20.5% in the year-ago quarter.

3M's Balance Sheet and Cash Flow

Exiting the third quarter, 3M had cash and cash equivalents of $4.7 billion compared with $5.6 billion at the end of December 2024. Long-term debt was $11.9 billion at the end of the quarter compared with $11.1 billion at the end of December 2024.

3M generated net cash of $723 million in operating activities compared with $1 million cash generated in the year-ago quarter. Capital used for purchasing property, plant and equipment decreased 25.6% to $662 million.

Adjusted free cash flow at the end of the quarter was $3.08 billion, up 13% year over year. Adjusted free cash flow conversion was 91% in the quarter.

In the first nine months of 2025, 3M rewarded its shareholders with $1.2 billion in dividend payments.

2025 Guidance

For 2025, 3M expects adjusted earnings to be in the range of $7.95-$8.05 per share compared with $7.75-$8.00 previously projected. The midpoint of the guided range is about $8.00, which reflects an increase from earnings of $7.30 per share reported in 2024.

Adjusted total revenues are expected to grow more than 2.5%, while adjusted organic revenue growth is projected to be more than 2%. It expects adjusted operating cash flow of $5.2-$5.4 billion, with more than 100% adjusted free cash flow conversion rate.

Recent News

Dividend Update — Nov. 04, 2025

3M's board of directors approved a quarterly cash dividend of 73 cents per share, payable Dec. 12, 2025, to shareholders of record as of Nov. 14, 2025.

Product Launch — April 16, 2025

3M unveiled a new collection of redesigned premium compression sleeves that offer muscle and joint support with a sleek look. Engineered with input from medical experts, the sleeves provide effective compression for soreness, swelling, sprains and strains.

Product Launch — April 15, 2025

3M launched a new Refillable Air Filter Kit, which features a reusable frame that lasts up to 20 years and a space-saving, cost-effective filter that lasts up to 12 months. Designed with advanced Filtrete Technology, it captures more small particles than standard filters, supporting better air quality and HVAC efficiency.

Valuation

3M's shares are up 31.3% in the year-to-date period and 27.6% over the trailing 12-month period. Stocks in both the Zacks sub-industry and the Zacks Conglomerates sector are down 1.3% in the year-to-date period. Over the past year, both the Zacks sub-industry and the sector are down 5.8%.

The S&P 500 index is up 16.4% and 14.4% in the year-to-date period and over the past year respectively.

The stock is currently trading at 19.87X forward 12-month price-to-earnings, which compares to 13.94X for the Zacks sub-industry, 13.94X for the Zacks sector and 23.15X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 20.67X and as low as 8.97X, with a 5-year median of 15.98X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our $180 price target reflects 20.86X forward 12-month earnings.

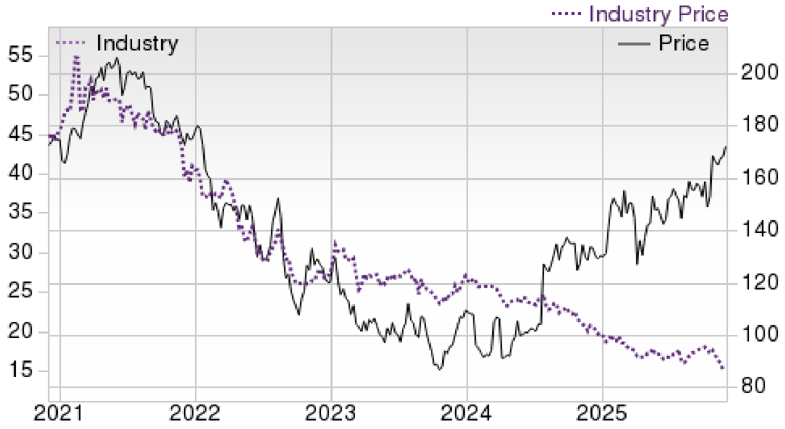
The table below shows summary valuation data for 3M

Valuation Multiples - MMM

		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	19.87	13.94	13.94	23.15
	5-Year High	20.67	22.47	22.47	23.81
	5-Year Low	8.97	12.34	12.34	15.73
	5-Year Median	15.98	15.1	15.1	21.21
P/Sales F12M	Current	3.6	2.06	2.06	5.23
	5-Year High	3.68	3.02	3.02	5.5
	5-Year Low	1.47	1.79	1.79	3.83
	5-Year Median	2.72	2.25	2.25	5.04

As of 11/24/2025 *Source: Zacks Investment Research*

Industry Analysis(1) Zacks Industry Rank: Top 40% (96 out of 243)



Top Peers (1)

Company (Ticker)	Rec	Rank
Bunzl PLC **(BZLFY)**	Neutral	4
Danaher Corporation **(DHR)**	Neutral	4
GE Aerospace **(GE)**	Neutral	3
Honeywell Internatio...**(HON)**	Neutral	3
ITT Inc. **(ITT)**	Neutral	2
Markel Group Inc. **(MKL)**	Neutral	3
Sumitomo Corp. **(SSUMY)**	Neutral	3
Icahn Enterprises L....**(IEP)**	NA	

Industry Comparison(1) Industry: Diversified Operations

Industry Peers

	MMM	X Industry	S&P 500	DHR	GE	HON
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	4	3	3
VGM Score	F	-	-	D	C	C
Market Cap	91.40 B	752.25 M	37.98 B	160.19 B	314.81 B	122.02 B
# of Analysts	4	3	22	9	4	7
Dividend Yield	1.70%	0.00%	1.46%	0.56%	0.48%	2.48%
Value Score	D	-	-	D	D	C
Cash/Price	0.06	0.24	0.04	0.01	0.04	0.11
EV/EBITDA	15.86	5.86	14.48	24.04	32.69	14.45
PEG Ratio	2.52	1.58	2.21	4.40	2.32	2.61
Price/Book (P/B)	19.55	0.76	3.36	3.14	16.55	6.88
Price/Cash Flow (P/CF)	17.19	11.03	14.93	20.76	51.51	15.99
P/E (F1)	21.35	15.81	20.30	29.41	48.13	18.06
Price/Sales (P/S)	3.68	1.46	3.10	6.60	7.16	3.00
Earnings Yield	4.68%	6.02%	4.91%	3.40%	2.08%	5.54%
Debt/Equity	2.54	0.24	0.57	0.33	0.99	1.70
Cash Flow ($/share)	10.01	0.48	8.99	10.92	5.79	12.02
Growth Score	F	-	-	D	B	B
Hist. EPS Growth (3-5 yrs)	-4.75%	14.40%	8.16%	-3.44%	62.06%	8.42%
Proj. EPS Growth (F1/F0)	10.41%	10.68%	8.18%	3.07%	34.78%	7.58%
Curr. Cash Flow Growth	-24.07%	-9.49%	7.00%	0.78%	36.32%	7.09%
Hist. Cash Flow Growth (3-5 yrs)	-4.83%	4.41%	7.31%	12.07%	-7.56%	2.08%
Current Ratio	1.84	1.52	1.19	1.52	1.08	1.36
Debt/Capital	71.72%	20.78%	38.15%	24.79%	49.67%	62.91%
Net Margin	13.70%	7.51%	12.82%	14.44%	18.34%	15.07%
Return on Equity	98.47%	11.06%	17.00%	10.92%	34.01%	38.11%
Sales/Assets	0.64	0.63	0.53	0.31	0.35	0.53
Proj. Sales Growth (F1/F0)	3.10%	0.00%	5.53%	2.70%	18.70%	5.90%
Momentum Score	C	-	-	A	A	D
Daily Price Chg	0.73%	0.00%	0.54%	-0.74%	0.62%	1.16%
1 Week Price Chg	0.30%	-3.69%	3.73%	2.79%	-5.70%	-4.53%
4 Week Price Chg	3.33%	-0.49%	0.13%	5.29%	-3.40%	-4.54%
12 Week Price Chg	10.79%	-0.60%	5.67%	13.27%	6.88%	-10.30%
52 Week Price Chg	28.85%	5.50%	13.54%	-5.39%	63.84%	-17.49%
20 Day Average Volume	2,938,714	39,762	2,762,023	3,458,544	3,946,751	3,828,485
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.14%	0.00%	0.15%	-0.10%	0.49%	0.00%
(F1) EPS Est 12 week change	1.64%	1.64%	0.60%	-0.79%	5.66%	0.81%
(Q1) EPS Est Mthly Chg	0.00%	1.47%	-0.04%	-1.18%	0.00%	-0.03%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	F
Momentum Score	C
VGM Score	F

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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