

## **Trian Calls on Solventum's Board to Create Value; Publishes Open Letter and Slide Deck**

*Solventum's Spin-Out from 3M has Maximized Executive Compensation, Not Shareholder Value*

*Outlines Three Initiatives to Improve Performance and Drive Value Creation at Solventum*

**NEW YORK, April 30, 2026** – Trian Fund Management, L.P. (“Trian”), which beneficially owns nearly 5% of Solventum Corporation’s common stock (NYSE: SOLV) (“Solventum” or the “Company”) and is one of the Company’s largest active shareholders, today published an open letter to the Solventum Board of Directors (the “Board”) and an accompanying slide deck arguing that the Company continues to be significantly under-managed following its spin-out from 3M – and outlining three immediately actionable initiatives to restore performance and prioritize shareholder value creation.

Trian believes Solventum's spin-out has been managed in a way that has maximized executive compensation, not shareholder value. When Solventum separated from 3M, management took one of the biggest performance resets of any U.S. spin-off in the last decade, erasing \$13 billion in shareholder value relative to the \$25 billion market capitalization analysts had projected at spin. The CEO has since been paid more than \$80 million in just over two years – all in the context of a company with just a \$12 billion market capitalization that has not delivered any return for shareholders.

Despite Trian’s efforts to engage constructively with the Board, Solventum has so far not taken action to drive shareholder value creation or add independent shareholder representation to the Board. Trian has heard from several large shareholders over recent weeks who have expressed their frustration with where the Company is today.

Trian believes Solventum would be a considerably more valuable company today if the Board and management are willing to take steps to realize its potential, including:

- 1) **Right-sizing overhead costs, driving net productivity and reinvesting in growth** in order to reach (and exceed) performance levels Solventum delivered inside of 3M
- 2) **Simplifying its portfolio and divesting non-core businesses**, starting with the immediate separation of the Health Information Systems (“HIS”) business
- 3) **Improving capital allocation** by prioritizing share repurchases at current levels

### **About Trian Fund Management**

Founded in 2005, Trian is a multi-billion dollar investment management firm. Trian is a highly engaged shareholder, bringing an entrepreneurial spirit, deep operational expertise, and an ownership mentality to its public and private investments. Leveraging the 50+ years’ operating experience of our Founding Partners, Nelson Peltz and Peter May, Trian seeks to invest in high quality companies with untapped potential. Trian works with management teams and boards to

help companies execute operational and strategic initiatives designed to drive long-term shareholder value. For more: [www.trianpartners.com](http://www.trianpartners.com)

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otherwise), or trade in options, puts, calls, swaps or other derivative instruments relating to such shares.

Some of the materials in this press release, accompanying letter and presentation, contain forward-looking statements. All statements contained herein that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words “anticipate,” “believe,” “expect,” “potential,” “could,” “opportunity,” “estimate,” “plan,” and similar expressions are generally intended to identify forward-looking statements. The projected results and statements contained herein that are not historical facts are based on current expectations, speak only as of the date of these materials and involve risks, uncertainties and other factors that may cause actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such projected results and statements. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of Trian.

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To: Solventum Board of Directors  
April 30, 2026

Over the last eighteen months, we have called on Solventum (the “Company”) to act with greater urgency to restore performance to historical levels and simplify its conglomerate structure. Tangible progress has been slow, and shareholders have lost billions of dollars in value as a result.

In short, we believe Solventum’s spin-out from 3M has been managed in a way which has resulted in executive compensation being maximized, not shareholder value. The events that have transpired include:

- In its spin-out from 3M, management took one of the biggest performance resets of any U.S. spin-off in the last decade, despite Solventum’s strong track record of performance inside 3M and opportunities to perform even better once separated (see attached slide deck pages 3-5)
- 3M analysts estimated Solventum would spin-out at a \$25 billion market cap. Instead, Solventum spun-out at a \$12 billion market cap. \$13 billion in shareholder value was lost in that spin process (pp. 6-7)
- We believe incentives played a meaningful role, as the CEO received more than \$40 million of equity awards at the post-spin share price – awards that are likely worth far more than where they priced (p. 8)
- In our view, management has prioritized managing expectations and done little to restore performance. We estimate the Company has generated \$2 billion less cash flow than it would have under 3M
- We believe the Company has not been transparent about ways it can create value. Waiting to execute on portfolio and capital allocation opportunities has likely cost shareholders billions in additional value (p. 9)
- The CEO has already been paid more than \$80 million in just over 2 years, while the business has gone backwards – all in the context of a company with just a \$12 billion market capitalization that has not delivered a return for shareholders

We have heard from several large shareholders over recent weeks who have expressed their frustration with where the Company is today. In our over 20 years of engaging constructively with large public companies and institutional shareholders, we have never written a letter like this before – but we have never encountered a situation like this where the issues are as fundamental as motivation, effort and alignment. In good conscience, we can no longer sit on our hands. If this board and management team do not want to prioritize shareholder value creation at Solventum, we are confident there are others who will.

We are making this letter public along with the attached slides to facilitate greater transparency and dialogue around how the Company has been managed – and to outline what we believe management and the board should do to rectify the situation and unlock the value that exists at Solventum today (pp. 10-16).

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We believe the value destruction at Solventum began with the Company’s pre-spin investor day, when management talked down the quality and potential of the business. Solventum, formerly 3M Health Care, was consistently 3M’s best performing business – yet, its new management team took one of the largest performance resets we have seen, and one of the largest margin resets of any U.S. spin-out in the last decade.

Following this introduction, Solventum’s shares began trading in the mid-\$60s, less than half of the ~\$145 share price 3M analysts estimated ahead of its separation. Unfortunately for shareholders, we believe the initial Investor Day remains an overhang on the share price today as it meaningfully impacted the perception of the business as it was introduced to the public market.

Rather than move quickly to restore performance, management has seemingly prioritized managing expectations, resulting in low bars for themselves to clear and ensuring easy “beats.” The Company’s Long-Range Plan (“LRP”) implies Solventum will not return to the EBIT level it delivered inside of 3M in 2023 until 2028, a full five years after the spin (adjusted for the Purification & Filtration (“P&F”) sale for comparability). This has enabled low performance targets over multiple years on which management is compensated.

In addition to performance not being maximized, we believe the Company has not been fully transparent about the ways in which it could have created value for shareholders since the spin-out from 3M. Following Solventum's separation, management intimated that tax rules stood in the way of divestitures and capital returns in its initial two years as a public company. The Company ultimately agreed to divest its P&F business – but only after Trian and others pushed for it. We believe the Company could have acted far more decisively to separate its other non-core businesses and return capital in its first two years.

For more than a year we have communicated a sense of urgency to separate the Company's non-core Health Information Systems ("HIS") division or recruit external senior talent into the business. Neither has happened. With recent perceived headwinds from AI impacting software valuations, waiting has now cost shareholders. Management has done little to educate investors on the history of the HIS business nor the characteristics that make it so uniquely advantaged and durable. In the eyes of the market, this business has lost value under Solventum's stewardship, creating another overhang on the Company's shares today.

The Company has attempted to placate shareholders with announcements – including a \$500 million cost-out plan and a \$1 billion share buyback. However, the \$500 million did not indicate any profit benefit. The buyback authorization has not been put to use in any material way, and it has been primarily telegraphed as a mechanism for offsetting dilution, not driving per share value. Announcements without actions and tangible results do not create value. We do not find it a coincidence that these announcements often come shortly before the director nominating window opens.

Believing the board would benefit from independent directors with a shareholder mindset, we have suggested both a Trian (2024) and third-party representative (2025) be added to the board. In 2025, when we proposed that Solventum add a third-party representative who had served as Chairman and CEO of a Fortune 100 healthcare company (and holds numerous other leadership and board roles) – the board declined. We struggle to understand how an S&P 500 company, with not one independent director who has served as an S&P 500 CEO, would turn down someone with this individual's experience.

We have given the Company plenty of time to announce what we believe are obvious value creation initiatives, but our patience has run out. If we do not see material improvement, we believe far greater changes will be necessary. We believe there is substantial value which can be realized at Solventum through responsible management in the following areas:

- 1) Performance: The business' growth rate, margins and cash flow continue to lag that of the performance levels it delivered inside of 3M – margins and cash flow in particular. Any sense that performance is "good" today is mainly because of how low expectations have been set. We see considerable opportunity to right-size overhead costs and drive productivity savings, reinvest in growth while also realizing savings to the bottom line. We would be disappointed if the Company does not meaningfully exceed its LRP.
- 2) Portfolio: Trian and others have urged the Company to move quickly to simplify its portfolio to a focused MedSurg core. While progress was made with the exit of one non-core business in 2025 (P&F), the Company has been slow to separate HIS and Dental – and waiting has cost shareholders. Solventum should act quickly to avoid further value degradation, starting with a separation of HIS *immediately* (by spin or sale), concurrent with or shortly followed by a separation of the Company's Dental business.
- 3) Capital Allocation: With the Company's shares consistently trading at a low valuation multiple since the spin (shares currently trade at ~10x earnings vs. core MedSurg peers at ~15x earnings), we strongly believe the Company should be prioritizing share repurchases today. Especially if management believes it can exceed its own public plan (which is not a high bar), there is likely no higher return on capital than buying back the Company's own shares at these levels.

We also expect this management team to start working together from one central headquarters and to stop commuting to work by private aircraft. Shareholders are paying for this, and we believe it is emblematic of a culture that does not put the owners of the business first. The Company's headquarters is in St. Paul, Minnesota – which is home to many iconic American businesses (Medtronic, UnitedHealth, 3M, Fastenal and others) and strong pools of talent.

We believe Solventum would be a considerably more valuable company today if the board and management team are willing to take the appropriate steps to realize its potential. If not, we are confident there are others who are more than willing to step in to work on behalf of shareholders and capitalize on the opportunity.



APRIL 2026

## Disclaimer and Disclosures

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## Solventum, Formerly 3M Health Care, Owns Advantaged Businesses

- Solventum owns a collection of unique businesses which share in high quality characteristics:
  - Invented and continue to define their respective product categories with well-recognized brands
  - #1 positions across the portfolio in consolidated markets
  - Focused on categories where performance matters, and Solventum’s products perform the best
  - Products are often low ticket, yet niche, critical, daily-use items and services for customers
  - Limited direct reimbursement risk across the portfolio
  - Highly cash generative operations

### 2025 Business Mix

	Sales (\$bn)	EBIT (\$bn)	EBIT Margin	Business Highlights
MedSurg	\$4.8bn	\$0.8bn	17%	<ul style="list-style-type: none"> <li>▪ #1 position in core wound care technology, negative pressure wound therapy</li> <li>▪ Leading branded supplier of performance driven medical supplies</li> </ul>
Health Info Systems	\$1.4bn	\$0.5bn	37%	<ul style="list-style-type: none"> <li>▪ #1 position in hospital billing coding software</li> <li>▪ Mission critical product offering; 75% of hospitals in the U.S. use at least one Solventum software product</li> </ul>
Dental Solutions	\$1.3bn	\$0.35bn	26%	<ul style="list-style-type: none"> <li>▪ Leading position in branded, daily-use, performance driven dental consumables</li> <li>▪ 3M invented several of the dental supply categories it leads in</li> </ul>
<b>Total<sup>(1)</sup></b>	<b>\$7.8bn</b>	<b>\$1.6bn</b>	<b>21%</b>	

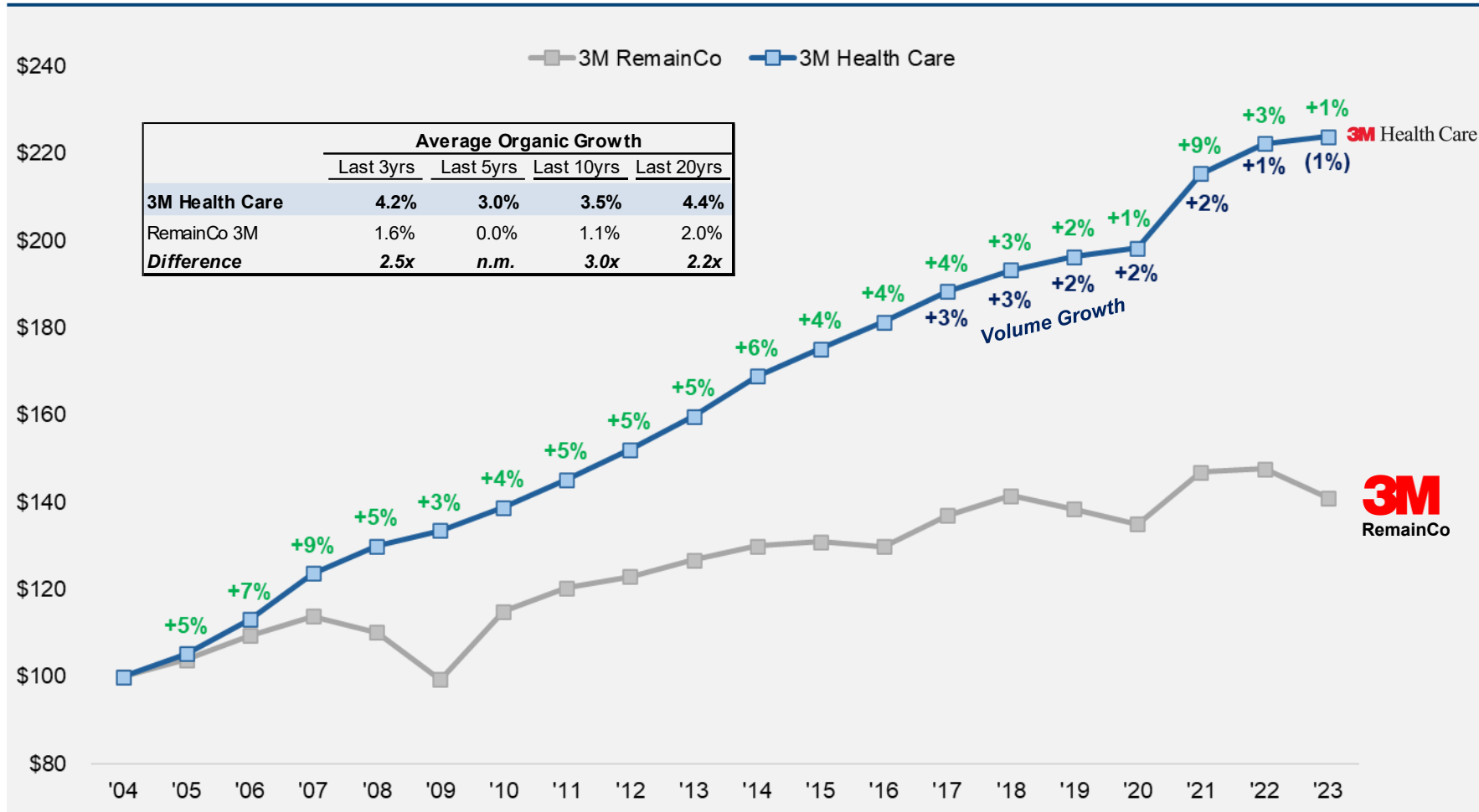
Source: Company filings, Trian analysis.

Note: Segment financials reflect 2025 results. (1) Total sales and EBIT exclude the 2025 financial contribution from the P&F divestiture. Totals will not tie to the sum of displayed segments due to the financial contribution from the Drinking Water business and unallocated corporate items.

# Solventum Had Long Been 3M's Best Performing Business

*3M Health Care grew organically every single year for more than 20 years, even through recessions. The business consistently grew at more than 2x the rate of the rest of 3M, and it delivered that growth with healthy volumes and at substantially higher profit margins than the rest of 3M.*

## Organic Sales Growth: 3M Health Care vs. 3M RemainCo



Source: Company filings, Triam analysis.

Note: 3M Health Care organic growth includes Purification and Filtration ("P&F"), which was divested in 2025 to Thermo Fisher. P&F was growth dilutive over the long-term. 3M Health Care organic growth also excludes the pharmaceutical business which was divested in 2006 and 2007.

## New Management Took a Consistent Performer and Created a Turnaround

- At the Company's pre-spin investor day, management appeared to talk down the potential of the business and issued near-term guidance for a historic low in performance
  - Weeks later, management characterized Solventum as a "five-year turnaround story that's back-end loaded"<sup>(1)</sup>
  - One large asset manager described management's presentation as a "short pitch"
- We spoke with many former 3M Health Care and 3M corporate employees, none of whom could reconcile Solventum's new management team's commentary with the actual performance of the business

### 3M Health Care / Solventum Performance Bridge

	<u>Historical Performance</u>	<u>Pre-Spin Investor Day Guidance<sup>(2)</sup></u>	<u>Difference</u>
<b>Organic Growth</b>	3% to 4%	(2%) to 0%	(300bps) to (600bps)
<b>EBIT Margins</b>	26% to 27%	20% to 21%	(500bps) to (700bps)
	<i>Burdened by ~800bps of 3M corporate SG&amp;A allocations, most of which stayed at 3M post-spin</i>		
<b>Free Cash Flow Conversion</b>	95%+	66% to 72%	(2,300bps) to (2,900bps)

Source: Company filings, FactSet, equity research, Triam analysis.

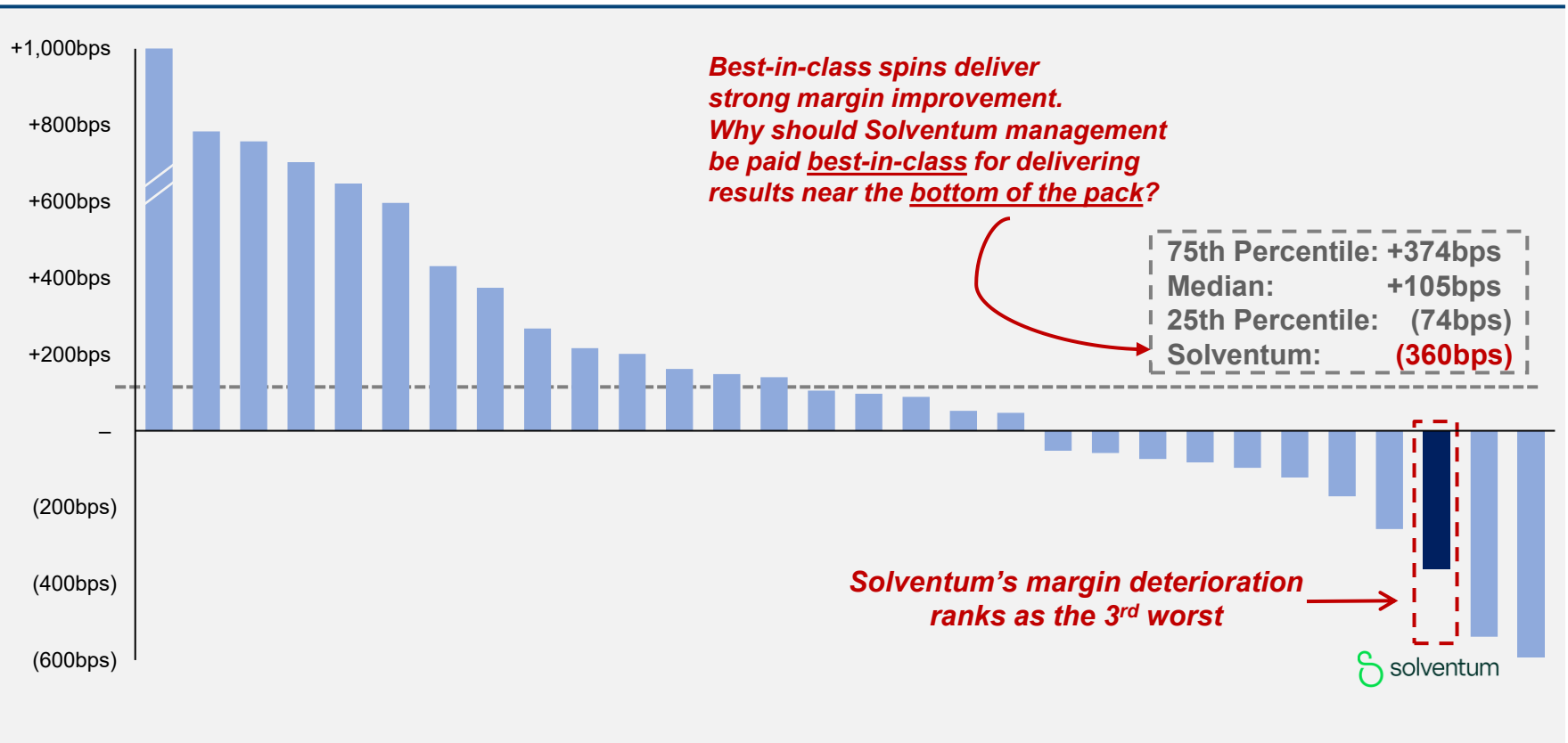
Note: Historical performance reflects 3M Health Care's performance inside of 3M ahead of the spin. (1) Per management commentary at the Bank of America Health Care Conference in May 2024.

(2) Normalized 2024 margin profile excluding the Q1 2024 carve-out quarter.

## Management Took One of the Largest Margin Resets of Any U.S. Spin in the Last Decade

- The Company has frequently blamed spin-related headwinds for its performance decline, yet Solventum's margin reset is nearly unprecedented in the context of spins. The only two businesses, of which we are aware, that performed worse than Solventum were (1) a structurally challenged generic pharmaceutical manufacturer and (2) a commodity chemicals company that spun-out into an economic downturn

### Spin-Outs >\$5bn Market Cap Since 2016: 1<sup>st</sup> Standalone Year vs. Pre-Spin Pro Forma Adj. Margin



Source: FactSet, equity research, Company filings, Triam analysis.

Note: Analysis compares the standalone pro forma adjusted operating margin in the last fiscal year pre-spin vs. the actual reported adjusted operating margin in each company's 1<sup>st</sup> full standalone year. In instances where the spun company has not yet reached its 1<sup>st</sup> full year post-spin, consensus is used as a proxy (1 spin). Comparable figures were calculated when necessary as disclosures varied. Included spin-outs since 2016 which closed by year end 2025. Excluded spins of majority stakes of public companies where the SpinCo was already operating as a standalone public company. Precedent spins include Alcoa, Alcon, Apartment Income REIT, Ardagh Metal Packaging, Bausch + Lomb, Carrier, Concentrix, Corteva, Dow, Elanco, Fortive, GE HealthCare, GE Vernova, GXO Logistics, IAA, IAC, Kenvue, Mobileye, Organon, Otis, Park Hotels & Resorts, Qualtrics, Sandisk, Sandoz, Veralto, Victoria's Secret, Vimeo, Wyndham Hotels and Yum! China.

# Solventum Spun Out at Less Than Half the Share Price That 3M Analysts Estimated




*“Health Care is 3M’s most attractive business. Long-run organic growth, operating profit, capital intensity, and cyclicity are all better than the RemainCo.”*

–  BERNSTEIN (September 2022)

*“Of 3M’s legacy portfolio, Health Care represented the largest and historically most profitable business within 3M given its highly defensible market positions in the healthcare sector that enabled it to generate highly reliable free cash flow.”*

– *William Blair* (July 2022)

## Original Equity Research Valuation Estimates for 3M Health Care (\$bn, except per share)

	J.P.Morgan	MIZUHO	Bank of America Merrill Lynch	 ALLIANCEBERNSTEIN	William Blair	Morgan Stanley	 UBS	 BARCLAYS	Avg.	Dec-24
Est. EBITDA	\$2.2	\$2.3	\$2.4	\$2.5	\$2.5	\$2.6	\$2.7	\$2.4	\$2.5	\$1.9
(x) Multiple	12.6x	12.7x	13.0x	13.1x	13.1x	13.8x	13.4x	16.6x	13.5x	10.0x
Enterprise Value	\$28.1	\$29.0	\$30.6	\$32.9	\$33.3	\$35.7	\$36.6	\$39.6	\$33.2	\$18.9
(-) Net debt	(7.8)	(8.0)	(7.7)	(8.8)	(8.9)	(9.0)	(8.7)	(7.2)	(8.3)	(7.2)
Equity Value	\$20.3	\$21.0	\$23.0	\$24.1	\$24.4	\$26.6	\$27.9	\$32.4	\$25.0	\$11.6
(÷) Shares outst.	173	173	173	173	173	173	173	173	173	176
Implied Share Value	\$117	\$121	\$132	\$139	\$141	\$154	\$161	\$187	\$144	\$66
Dec-24 Px as % of Implied PT	56%	55%	50%	47%	47%	43%	41%	35%	46%	

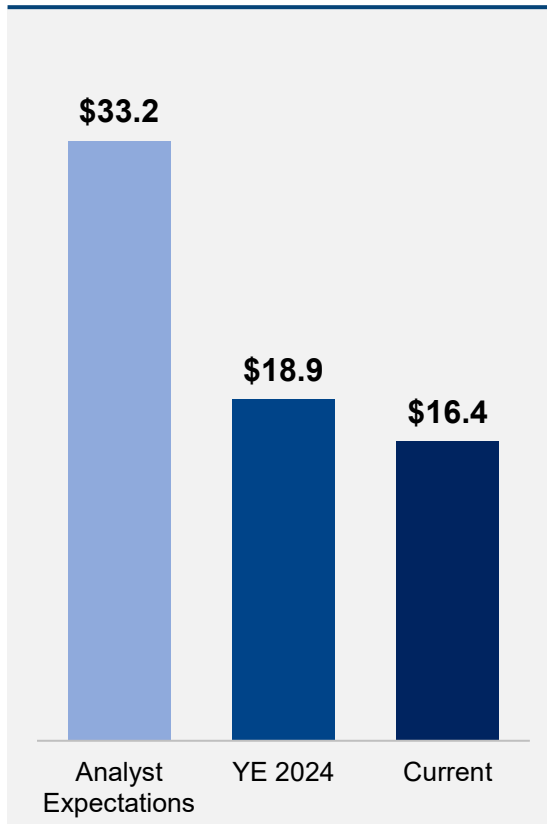
Source: Company filings, 3M filings and transcripts, FactSet, equity research, Triam analysis.

Note: Where analysts did not make a net debt assumption, we assumed 3.5x leverage, in line with the high end of 3M’s guidance. Share counts are based on the year-end 2024 share count. All broker estimates were made between September 2022 (after the Food Safety divestiture closed) and December 2023. December 2024 estimated EBITDA reflects NTM consensus figures and includes the P&F segment, as estimates were established prior to the February 2025 divestiture announcement.

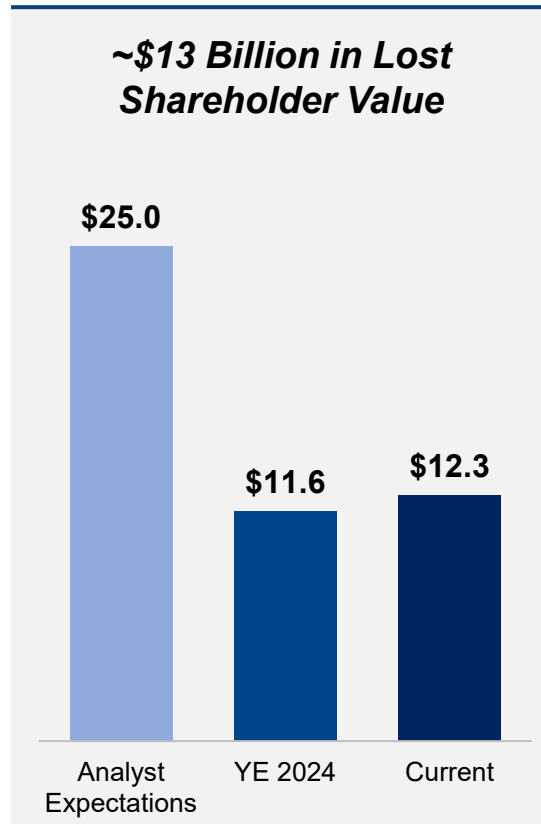
## This Resulted in ~\$13 Billion of Relative Value Destruction

- The difference between what 3M analysts originally expected Solventum would be worth and where it has traded has amounted to ~\$13 billion in lost value, more than Solventum's market capitalization today
- Unfortunately for shareholders, the initial Investor Day remains an overhang on the share price as we believe it meaningfully impacted perception of the business as it was introduced to the public market

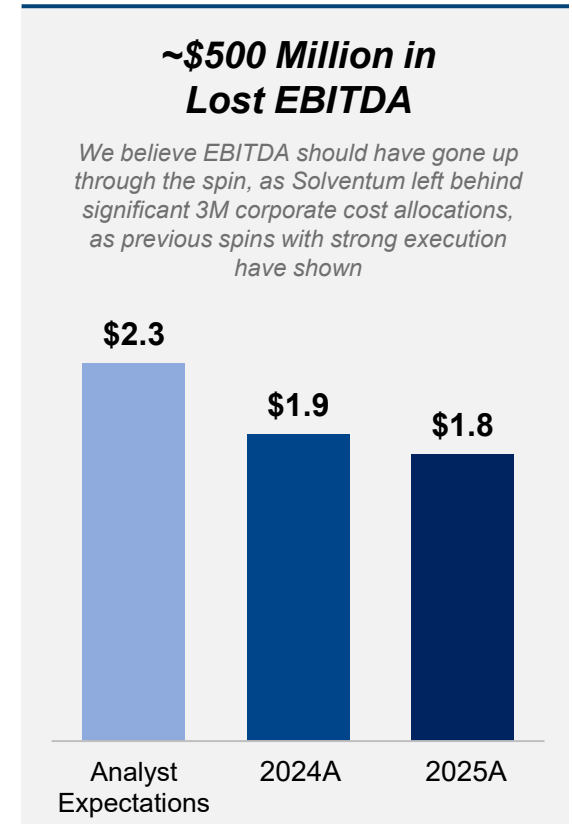
### Enterprise Value (\$bn)



### Market Capitalization (\$bn)



### EBITDA (\$bn) – Adj. for P&F<sup>(1)</sup>



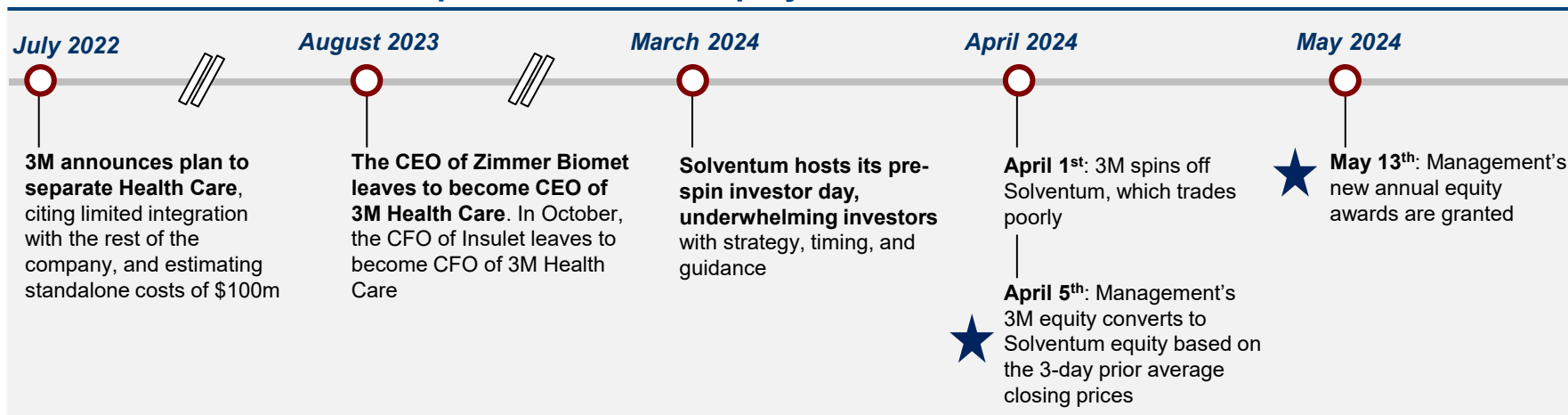
Source: Company filings, 3M filings and transcripts, FactSet, equity research, Triam analysis.

Note: Analyst expectations reflect the average of broker estimates for enterprise value, market capitalization, and EBITDA (per page 6). "Current" reflects enterprise value and market capitalization as of 2026. (1) All EBITDA figures are presented pro forma for the Purification & Filtration divestiture; Market Capitalization and Enterprise Value are presented as reported.

## Management Has Financially Benefitted From Lowering Expectations

- In Solventum's initial weeks of trading, the CEO received over \$40 million<sup>(1)</sup> in equity in the Company, which priced at less than half the share price 3M analysts originally expected – meaning the CEO received more than double the number of shares in the Company relative to what would have been granted if the spin price was what 3M analysts originally expected
  - We are concerned that the lowering of expectations in advance of the spin may have been intentional and worsened by lack of Board oversight; management left their CEO/CFO positions at public companies in order to join 3M Health Care ahead of the spin, so clearly they believed the underlying business was attractive

### Timeline of Solventum's Spin Process and Equity Awards



- **Rather than move quickly to re-accelerate performance and create value for shareholders, the Company has moved slowly – we believe management has delayed the restoration of value, enabling them to continue to accrue compensation at depressed equity values with low performance targets**
  - What little has been done so far (i.e., the P&F divestiture) was initially cited by management as being impossible until 2 years post-spin, and seemed to only gain traction after Trian and others pushed for it

## The Company Has Not Been Transparent About Ways it Can Create Value

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- Following the separation from 3M, management intimated that it was restricted from selling businesses, repurchasing shares or initiating a dividend within 2 years of its spin date. In doing so, they suggested that these actions may jeopardize the tax-free nature of the spin and create a significant tax liability
- Having served on the boards of a number of public companies which have executed spins, and having engaged with several top tier law firms, we believe that the spin-related Tax Matters Agreements with 3M provided well established pathways to divest businesses in taxable sales through the provision of a tax opinion, so long as the primary “active trade or business” remained – likely MedSurg, in Solventum’s case
- Recognizing this, we and others urged the Company to do the right thing and divest the P&F business, to which they ultimately agreed, despite initially messaging that a divestiture could not be accomplished within the first two years of the spin. The same should have also applied to the Company’s HIS business, which we believe could and should have been separated by now – even if it required working with 3M and outside tax counsel to facilitate this result. We believe this is what Solventum would have done had they been motivated by representing owners in creating value.
- The Company has also had the ability to both repurchase shares and initiate a dividend ahead of the 2-year mark, as outlined in Section 4.05(1)(b) of Revenue Procedure 96-30. Yet the Company has intimated otherwise (see below), despite being able to use fungible cash to return capital to shareholders

*"Regarding a share repurchase and dividend, we are not planning those. One of the reasons is related to our 3M agreements. So in our tax matters agreement with 3M, there are certain restrictions with respect to asset sales. And so based on those restrictions, we can't use proceeds for things like share repurchase."*

– Solventum Mgmt., February 2025

## Waiting to Deliver Has Already Cost Shareholders Billions

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- The lack of urgency in maximizing the value creation opportunity at Solventum has not only prevented shareholders from accessing an additional \$13 billion in value (see page 7), but staging the turnaround may have also led to long-term deterioration in the value of the Company's shares:
  - Portfolio: We believe the HIS business could have been separated at a high-teens to low 20s EBITDA multiple. We believe waiting to sell the business has cost shareholders meaningfully based on where software market multiples have moved today
  - Income Statement and Cash Flow: Solventum's margin and cash flow performance has fallen well below the levels at which the healthcare business executed inside of 3M. Since the spin, we estimate the Company has delivered \$2 billion<sup>(1)</sup> less FCF than it otherwise would have under 3M mgmt.
- Since joining Solventum just over 2 years ago, the top two named executive officers have already made over \$100 million<sup>(2)</sup> while many shareholders have lost money as a result of this approach; it is past time for management and the board to prioritize shareholder value creation through taking the appropriate actions:
  - 1 Restoring performance (growth, margins, cash flow) to levels delivered inside of 3M – and beyond. We believe the Company's LRP is too conservative in the context of Solventum's opportunities
  - 2 Simplifying the portfolio to a MedSurg core; starting with HIS immediately (by spin or sale) and Dental concurrently or shortly afterwards
  - 3 Allocating capital to the highest ROIC opportunities, in particular share buybacks at these levels
- **If the board and management take the right steps to realize Solventum's potential, we believe Solventum will be a substantially more valuable company**

## Performance: Solventum Should Be Performing Better Than it Did Inside of 3M

- We believe Solventum was not living up to its potential inside of 3M as it lacked consistent management and a coherent strategy (the business had 4 CEOs in 5 years leading up to the spin). As a focused, independent company, we believe Solventum should be performing *better* than it did inside of 3M
  - Similar to other well managed spins (see page 5), Solventum should have realized margin expansion through its separation as it had the opportunity shed significant 3M corporate cost allocations – something even Thermo Fisher called out as an opportunity at Solventum<sup>(1)</sup>
  - We believe there is an opportunity for the company to right-size overhead costs and reinvest in growth (sales force, R&D) while also realizing savings to the bottom line

### 3M Health Care / Solventum Performance Bridge

	Historical Performance		2025 Actual Performance		Difference
<b>Organic Growth</b>	3% to 4%	➔	3%	➔	Low End
<b>EBIT Margins</b>	26% to 27%	➔	21%	➔	(600bps)
	<i>Burdened by ~800bps of corporate SG&amp;A allocations, most of which stayed at 3M post-spin</i>				
<b>Free Cash Flow Conversion</b>	95%+	➔	0%	➔	(9,500bps)

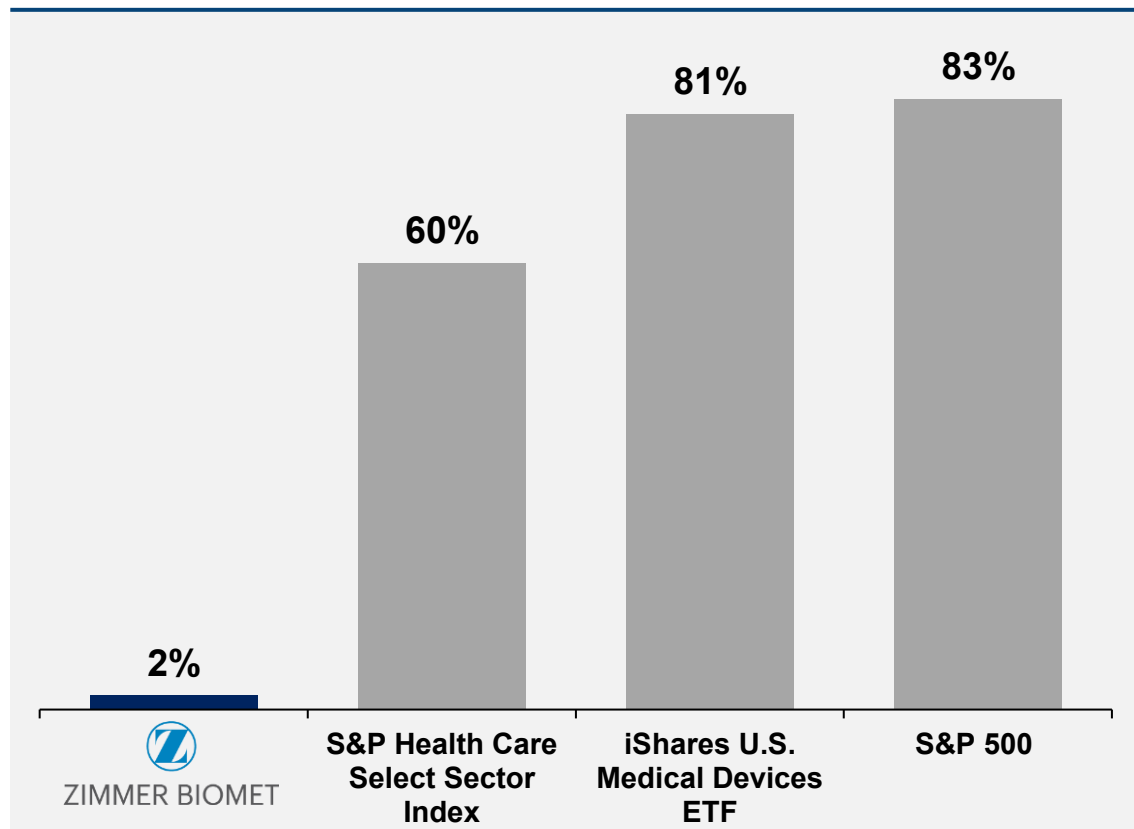
Source: Company filings, FactSet, equity research, Triun analysis.

(1) See Thermo Fisher's press release from its acquisition of Solventum's Purification and Filtration business: <https://ir.thermofisher.com/investors/news-events/news/news-details/2025/Thermo-Fisher-Scientific-to-Acquire-Solventums-Purification-and-Filtration-Business/default.aspx>.

## Performance: Managing Expectations Alone Does Not Create Long-Term Value

- Prior to joining Solventum ahead of the spin, Solventum's CEO was CEO of Zimmer Biomet. Over his 5+ year tenure as CEO, Zimmer beat consensus EPS estimates almost every quarter, yet shareholders made virtually no return on investment over his tenure
  - Despite consistent “beats”, Zimmer did not grow Earnings per Share over the CEO's tenure
- Ultimately, managing expectation is not a substitute for operational excellence

### Total Shareholder Return: Dec. 2017 – Aug. 2023



### ZBH EPS Beat / Miss vs. Consensus

Quarter	Reported EPS	Beat / Miss
Q3 2023	\$1.65	Beat
Q2 2023	\$1.82	Beat
Q1 2023	\$1.89	Beat
Q4 2022	\$1.88	Beat
Q3 2022	\$1.58	Beat
Q2 2022	\$1.82	Beat
Q1 2022	\$1.61	Beat
Q4 2021	\$1.95	Miss
Q3 2021	\$1.81	Beat
Q2 2021	\$1.90	Beat
Q1 2021	\$1.71	Beat
Q4 2020	\$2.11	Beat
Q3 2020	\$1.81	Beat
Q2 2020	\$0.05	Beat
Q1 2020	\$1.70	Beat
Q4 2019	\$2.30	Beat
Q3 2019	\$1.77	Beat
Q2 2019	\$1.93	Beat
Q1 2019	\$1.87	Beat
Q4 2018	\$2.18	Beat
Q3 2018	\$1.63	Beat
Q2 2018	\$1.92	Beat
Q1 2018	\$1.91	Beat
Q4 2017	\$2.10	Beat

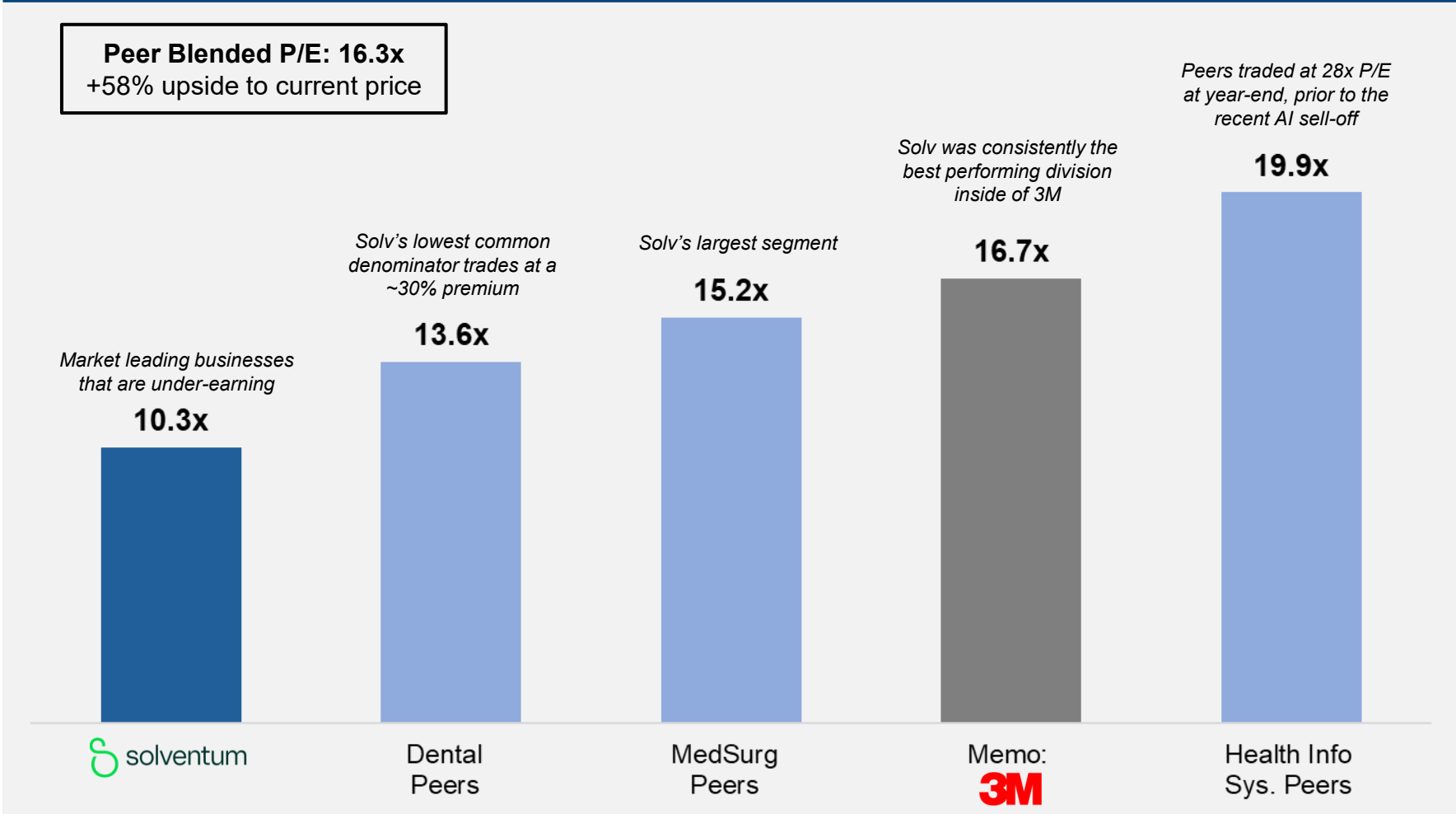
## Portfolio: Simplifying the Portfolio is the Right Strategy for Each Business

- Solventum owns three primary businesses today, each of which is strategically and operationally distinct:
  - These businesses do not belong together – they have different products, customers, competitors, channels, sales teams, manufacturing sites and investment priorities
- We believe Solventum’s MedSurg segment, which accounts for ~60% of sales, is the Company’s “core” business. Conversely, its HIS (software) and Dental businesses, which collectively account for ~40% of sales, are non-core and should be separated
- We believe simplifying the portfolio would better position each business for long-term success:
  - Focused businesses are easier to manage, often leading to improved execution
  - Alleviates the conflict in allocating resources across businesses with different priorities
  - Enables dedicated management teams and boards, with a better alignment of incentives
- Solventum should work towards separating HIS in a value-maximizing transaction immediately. As we have communicated to management and the board, changes in the software landscape have increased the urgency to place this business in the hands of an owner and management team better positioned to maximize the businesses’ potential
  - We believe few Med Tech investors appreciate just how uniquely advantaged Solventum HIS is. For over 30 years, HIS has operated as the foundational infrastructure of U.S. inpatient reimbursement by developing and maintaining the coding and classification architectures on which hospitals, payers and government agencies depend – making it one of the most strategic (and under-monetized) assets in all of Health Care IT. We believe HIS could be both spun or sold at a valuation multiples well in excess of Solventum’s own valuation multiple today

# Separating the Non-Core Businesses Would Also Unlock Immediate Value

- We believe each business inside of Solvntum is worth a substantially higher valuation multiple than the whole company's valuation multiple today

## NTM Price / Earnings Per Share Multiple



Source: Company filings, FactSet, equity research, Triam analysis.

Note: "NTM" stands for "next twelve months". Dental peers include Dentsply-Sirona and Envista. MedSurg peers include Baxter, Becton Dickinson, Convatec, Fortive, ICU Medical, Smith & Nephew, Steris and Teleflex. Health Info System peers reflect a vertical software peer group, including Autodesk, Bentley Systems, Doximity, Guidewire, HealthEquity, PTC, SS&C Technologies, Tyler Technologies, Veeva and Waystar.

## After Separating HIS, Solventum's Remaining Businesses Would Have Substantial Margin Upside

- The Company's margin reset has been concentrated in the MedSurg and Dental divisions, meaning margin upside would be retained at RemainCo following a divestiture of HIS
  - When Dental is spun or sold, the margin upside should be reflected in the valuation multiple

### Segment Level EBIT Margins for Solventum's Businesses

	Historical Margins		Current (2025)		Difference
MedSurg	25%	→	17%	→	(770bps)
Dental	34%	→	26%	→	(790bps)
HIS	31%	→	37%	→	+560bps
<b>Total</b>	<b>27%</b>	<b>→</b>	<b>21%</b>	<b>→</b>	<b>(600bps)</b>

Source: Company filings, FactSet, equity research, Triun analysis.  
 Note: Historical segment EBIT margins reflect 3-year pre-spin average.

## Capital Should Be Allocated to the Highest Return Opportunities

- With the Company's shares consistently trading at a significant discount to peers since the spin (~10x P/E today vs. MedSurg peers at ~15x P/E), and a low absolute multiple relative to the earnings power and free cash flow generation of these businesses – there is likely no higher return on capital than buying back stock at these levels
  - If the Company believes it can meet or exceed its own public plan (which is not a high bar), its shares offer >10% cash-on-cash returns within 3 years and likely >30% IRR going forward
  - Acquiring shares here would be an opportunistic way to turn the negatives of Solventum's situation into a positive for shareholders
- It is in this context that we struggle to see how the Company's acquisition of Acera offers superior returns
  - Solventum paid \$725m (excluding a potential \$125m earnout) amounting to 8x sales / est. 40x EBITDA – which compares to Solventum's own valuation of just 2x sales / 8x EBITDA today
  - To reach 10% cash-on-cash returns, we estimate Solventum would need to nearly 7x Acera's revenue – unlikely for a business that is suggested to have a growth rate in the low-double digits<sup>(1)</sup>
- While Solventum announced a \$1 billion buyback authorization in November, the Company has apparently not executed any material share repurchases to-date
- Importantly, if the Company separates HIS by way of a sale – the allocation of that capital would become a critical determinant of the value created from the separation
  - In an HIS-sale scenario, the Company will likely receive substantially more cash than can be prudently allocated to deleveraging, buybacks and bolt-on M&A, creating a rare situation where a meaningful percentage of the sale proceeds should be allocated to a special dividend
  - Given potential tax leakage in a sale, a spin of the business may be preferred

## Compensation Should Better Reflect Performance and Align With Key Objectives

- The Company is omitting disclosure of its Long-Term Incentive targets, with the justification that “disclosure of these specific performance goals would represent competitive harm to us;” we are concerned that these targets, once disclosed, will ultimately reveal a lack of rigor and performance calibration
- The use of constant currency revenue growth over organic growth as a target metric is particularly disturbing as it can incentivize management to make acquisitions in order to hit / exceed compensation targets
  - Other shareholders have reached out to us sharing that sentiment and expressing frustration that their feedback on compensation has not been incorporated

Incentive Metric	Historical Performance	2025 Target	2025 Actual	% Payout on Target
Constant Currency Revenue	3% to 4% organic	\$8,261m / 0% growth	\$8,384m / 3.3% organic	119%
Adjusted Operating Income	26% to 27% margins	\$1,693m / 20.5%	\$1,773m / 21.1% margin	131%
Free Cash Flow	95%+ FCF conversion	\$505m / 52% conversion	(\$10m) / 0% conversion	120%

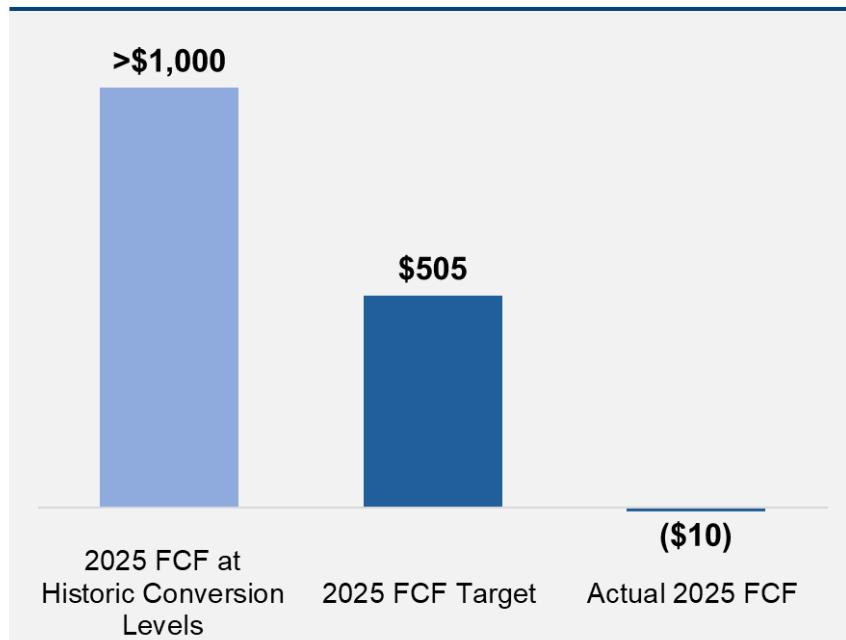
Source: Company filings, FactSet, equity research, Triun analysis.

Note: Free cash flow reflects actual free cash flow. Other metrics shown reflect actuals that have been adjusted for compensation committee purposes. (1) Cumulative compensation realized during 2023-2025, and calculated from Summary Compensation Tables as disclosed in annual proxy filings (includes one-time signing bonuses, make-whole awards, and inducement PSU awards).

## Management Has Been Paid Generously For Missing Lowered Targets

- Not only are the Company's targets too low relative to where they should be, but management is still being paid generously for missing those lowered targets
  - In 2025, management was paid 120% on its Free Cash Flow target of \$505 million, yet the Company generated no free cash flow; management also received a business performance multiplier and a personal performance multiplier on their payouts
- Consistent with other governance and oversight shortcomings at Solvntum, we believe this is emblematic of a board that is overly deferential to management

### Solvntum FCF Performance (\$mm)



### Solvntum Proxy Adjustments to FCF

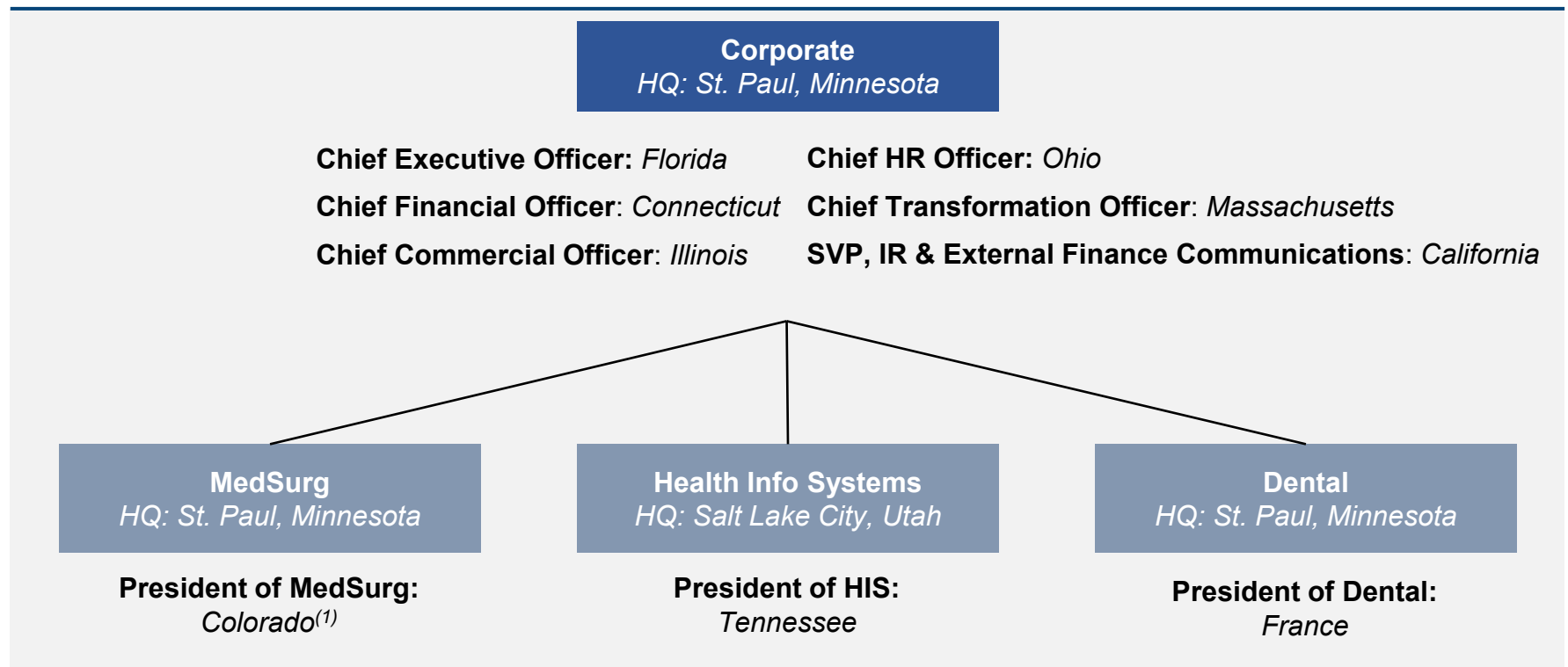
(\$ in millions)	Fiscal year 2025
<b>Major GAAP Cash Flow Categories</b>	
Net cash provided by operating activities	\$ 369
Net cash provided by (used in) investing activities	2,797
Net cash used in financing activities	(3,057)
<b>Free cash flow (non-GAAP)</b>	
Net cash provided by operating activities	369
Purchases of property, plant and equipment	(379)
Free cash flow (non-GAAP)	(10)
<b>Adjustments for compensation purposes<sup>1</sup></b>	<b>540</b>
Free cash flow (non-GAAP)	530

<sup>(1)</sup> Adjustments made by the Talent Committee for compensation purposes include impacts from the sale of the Company's Purification and Filtration business, the Company's separation from 3M, tariff-related impacts, and the Company's acquisition of Acera Surgical.

## Virtually None of Solventum's Senior Execs. Work Out of the Corporate Headquarters

- This was a St. Paul based company up until the moment it was spun. With the new CEO and CFO working remotely, the company seemingly chose to fill out the rest of the C-suite primarily with other executives who work remotely
  - The broader twin cities metro is home to great companies and talent, including Medtronic, UnitedHealth, 3M, Target, Ecolab, Fastenal, U.S. Bancorp and others
- We have never seen a situation like this where an entire C-suite is effectively remote – in our view, this is not how strong organizations are built and is indicative of an indifference and lack of urgency in maximizing the potential of Solventum

### Headquarters Location vs. Home Location for Solventum Executives



## Appendix: Definitions

Acronym	Definition
Bps	Basis points
EBIT	Earnings before interest, taxes and amortization of acquisition-related intangible assets
EBITDA	Earnings before interest, taxes, depreciation and amortization
EPS	Earnings per share
FCF	Free cash flow
HIS	Health Information Systems business segment
LRP	Long range plan
M&A	Mergers and acquisitions
NTM	Next twelve months
P&F	Purification and Filtration business segment
R&D	Research and development
SEC	U.S. Securities and Exchange Commission
SG&A	Selling, general and administrative costs
YE	Year-end