

The background features a light gray gradient with decorative elements. On the left and right sides, there are complex network graphs consisting of numerous small circles (nodes) connected by thin lines. In the bottom right corner, there is a stylized bar chart with several vertical bars of varying heights.

Quid[®]

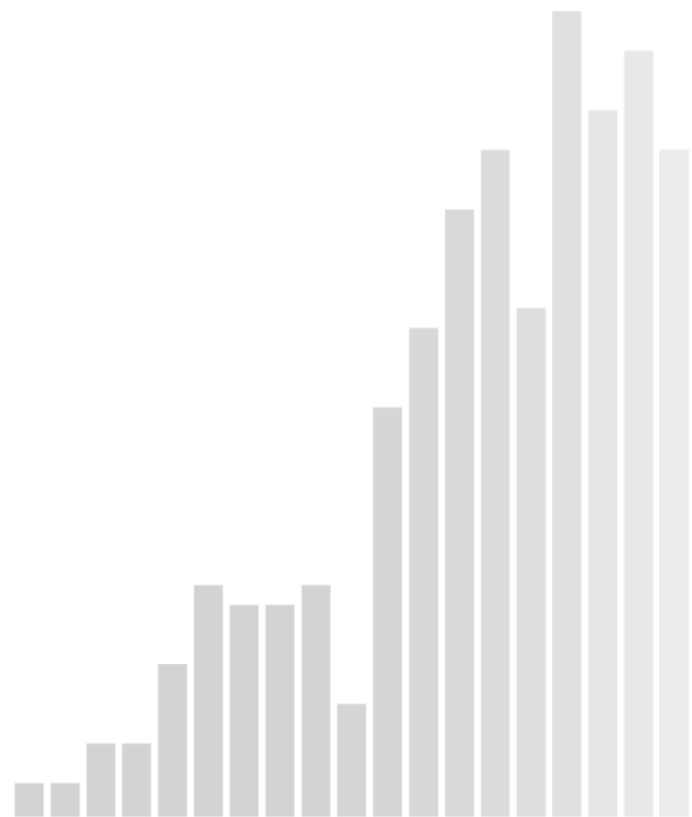
Strategic Risk Analysis:
3M

A top consulting firm wanted to better understand the investment focus areas, growth trends, and possible reputational hazards for 3M, a competitor of our client.

They used Quid to analyze **2,827 news articles** about 3M, **169 investments or acquisitions** made by the company, **1,974 patents** filed, **2,128 earnings transcripts**, and **960 job postings** to get the full picture.



NEWS



When people write about 3M, they primarily focus on the company's **industrial** products, with **patents and innovation** as a central theme.

Patents & Innovation (23%)

- Patent Applications/Lawsuits
- Innovation Center
- Awards/Recognition

Healthcare & Medical (19%)

- Surgery skin prep solution
- Drug delivery systems
- Oral healthcare

Safety (7.1%)

- Personal Safety Division
- Safety & Health Awards

Water & Environment (14%)

- Minnesota Water Pollution Lawsuit
- Toxic PFAS Chemicals
- West Morgan Water Chemicals Lawsuit

Industrial (23%)

- USB cables
- Window films
- Electrical rubber tape

Automotive & Aerospace (10%)

- Automotive Aftermarket Division
- Road Safety Summit
- Aerospace arm

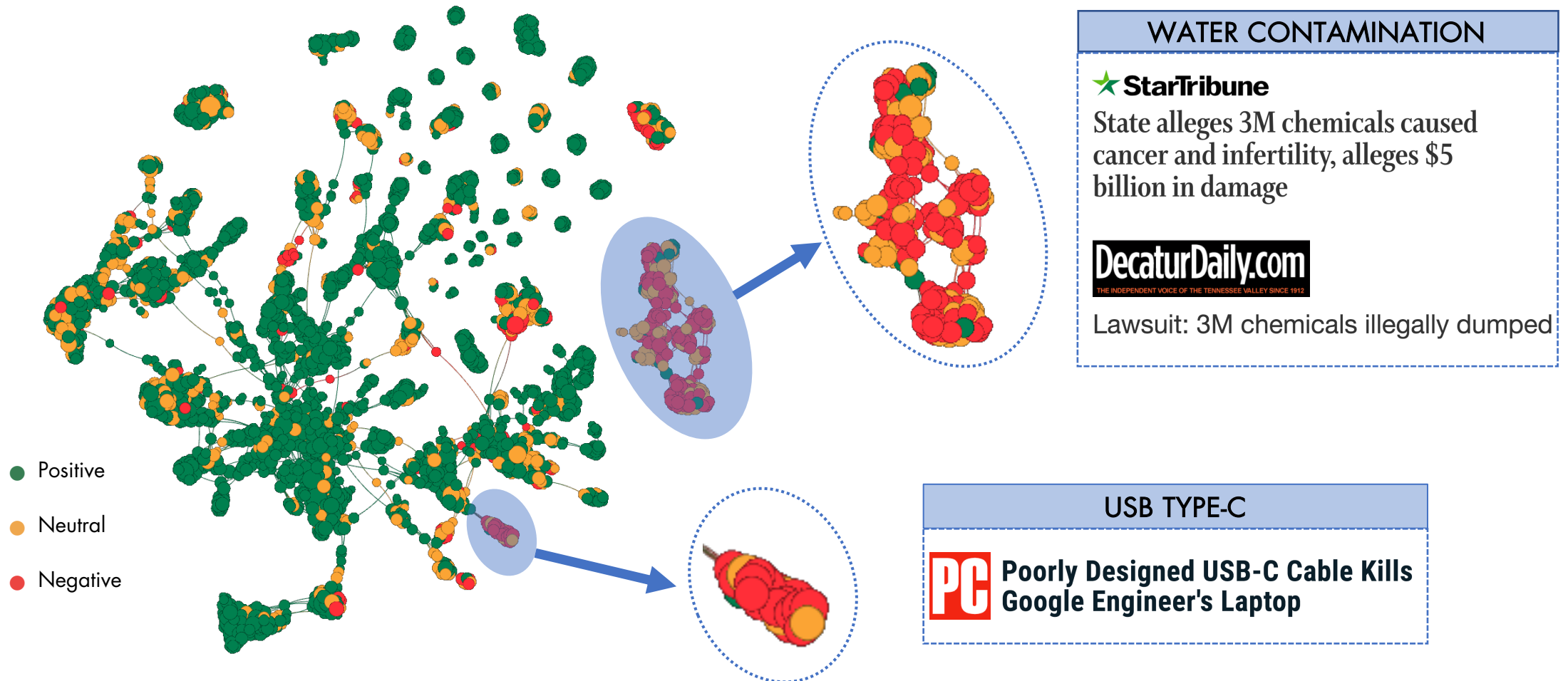
Consumer Products (2.1%)

- Post-It Notes
- Overhead projectors



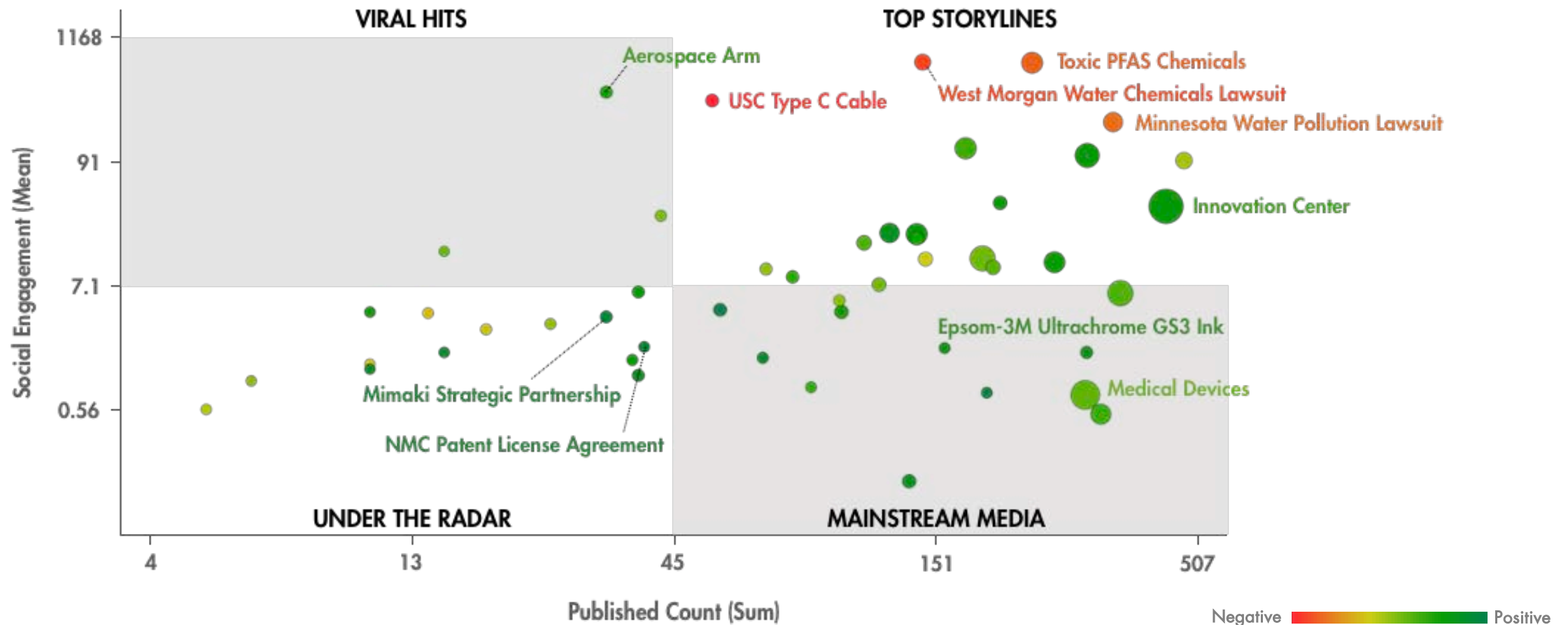
3M's legal troubles with water contamination in several US states is driving **negative coverage** about the company.

A smaller cluster around faulty USB Type-C cables is also highly negative.



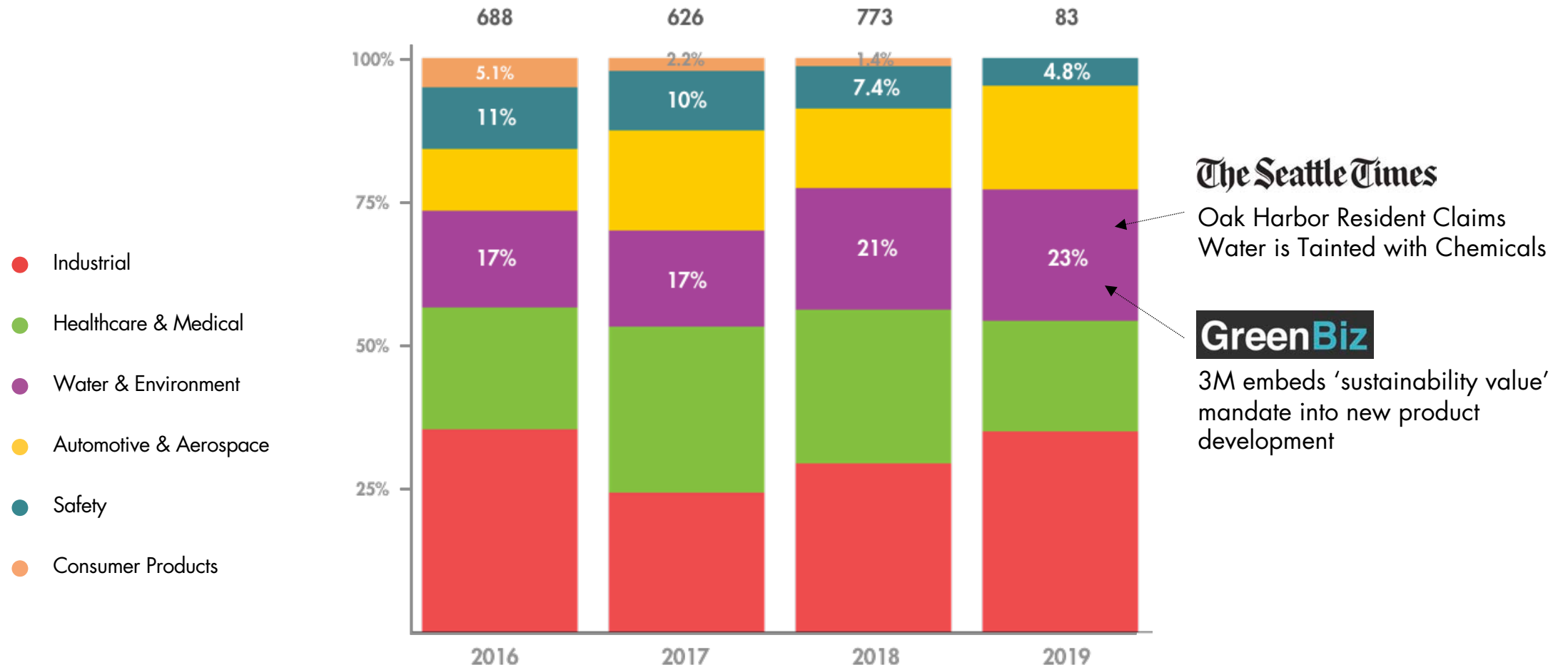
These **negative** stories are 3M's top storylines, while positive stories about strategic partnerships with Mimaki and Epson are getting less coverage and interest.

Fewer stories cover 3M's Aerospace Arm, but they are highly engaging online.



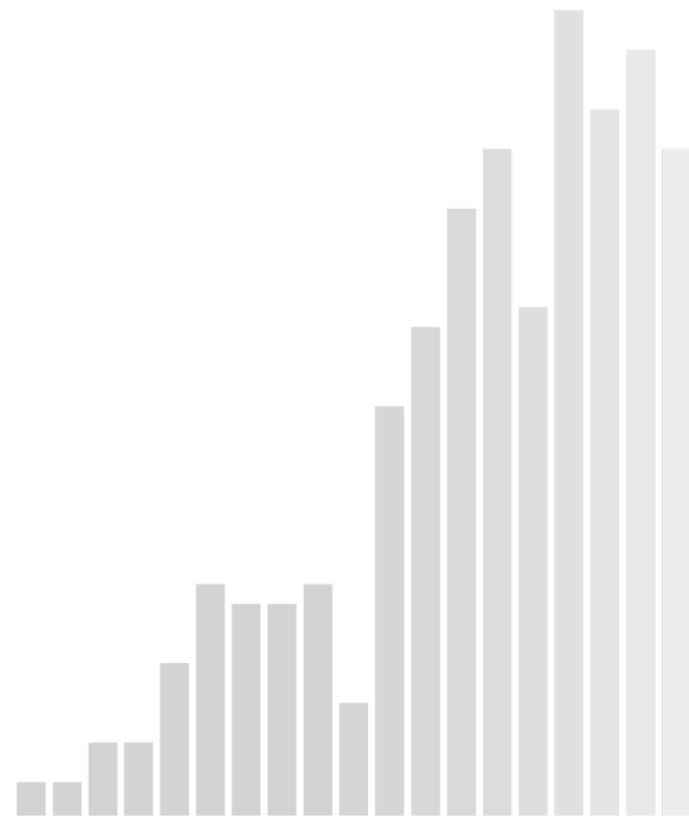
News about **safety** and **consumer products** has fallen over the last four years, while **water and environment** pollution have captured a larger share of coverage.

More than a third of all news in 2019 is general coverage about industrial products.



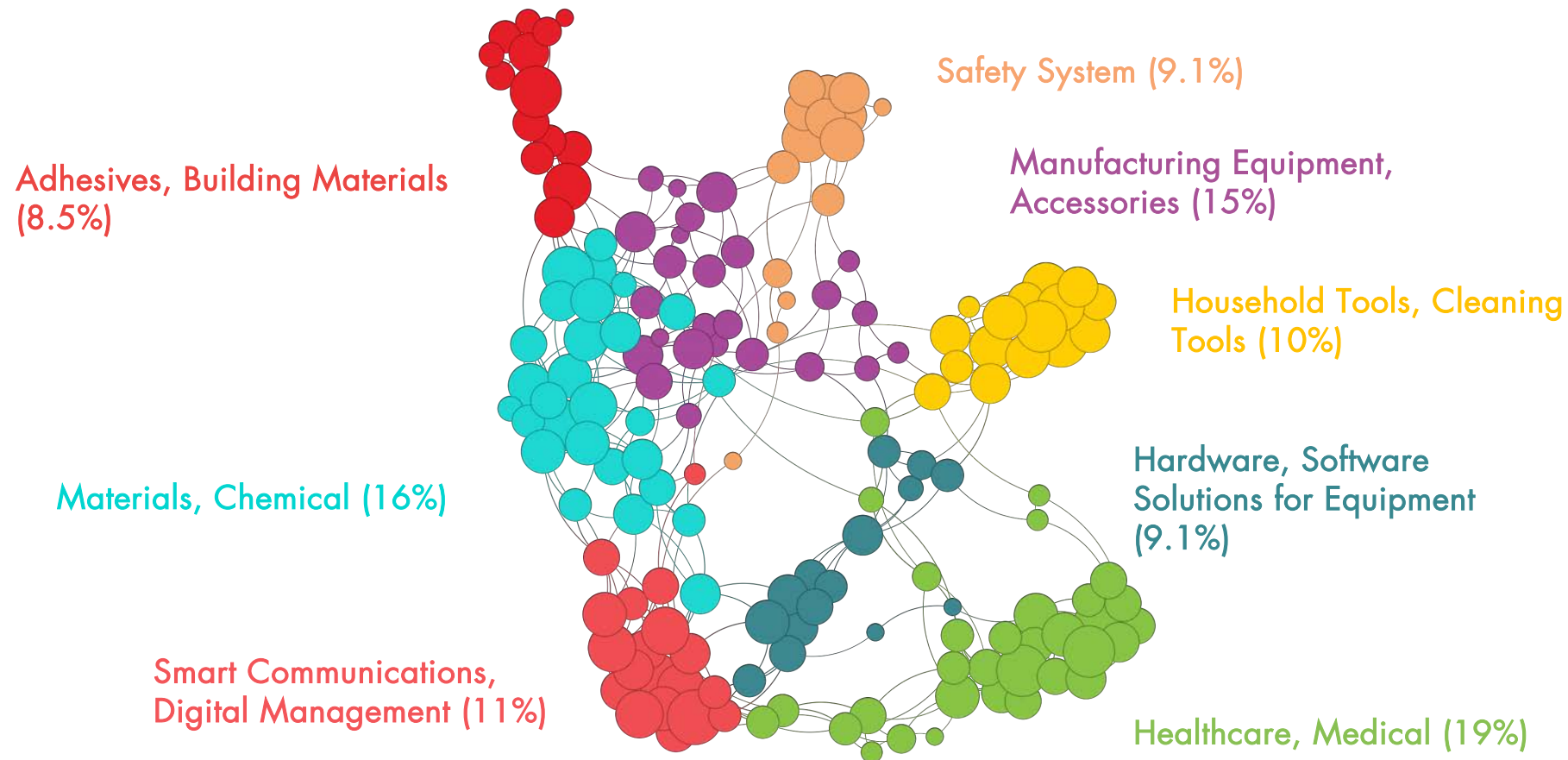


COMPANIES



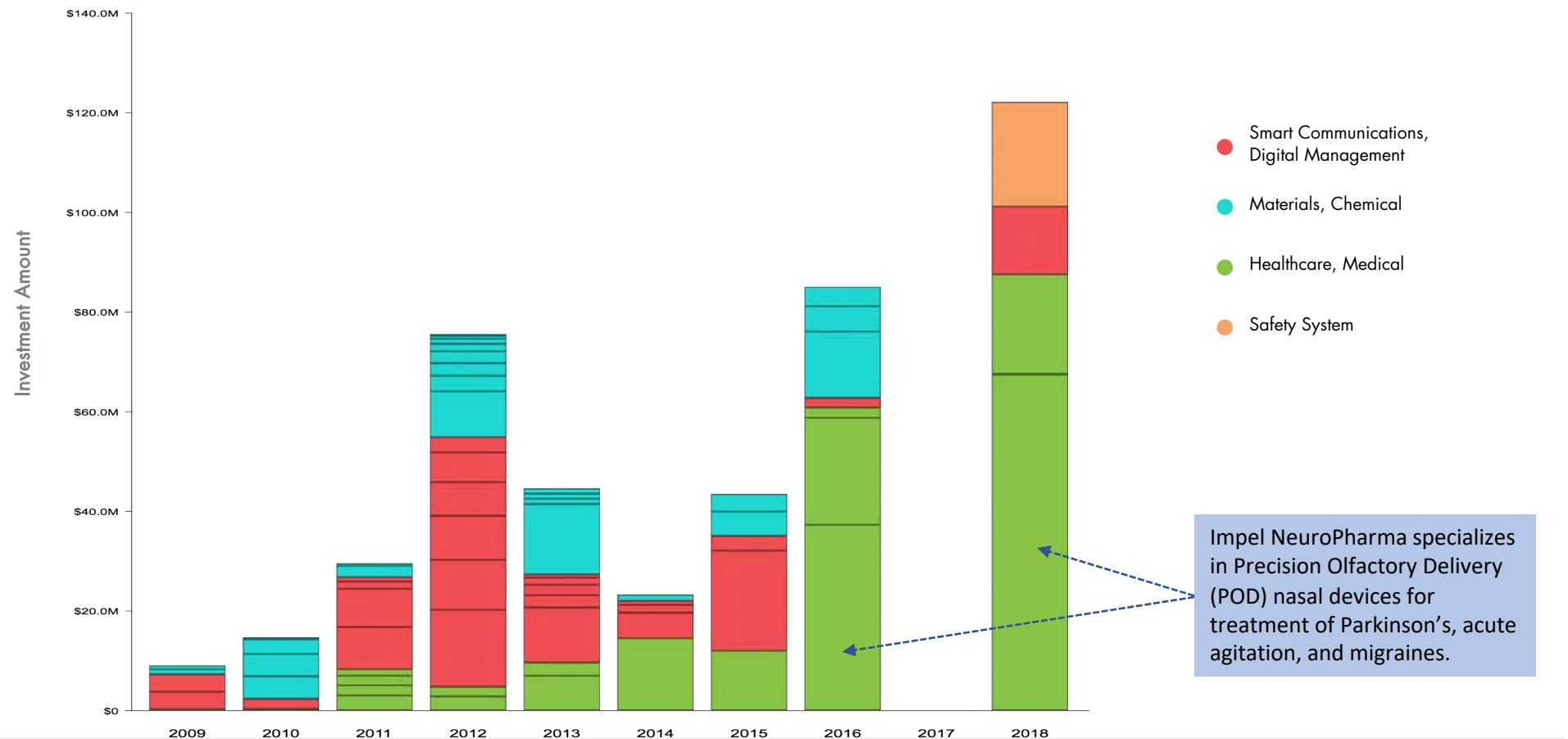
3M's expansion strategy centers around investment and acquisition of **materials and chemicals** and **manufacturing equipment and accessories** firms. On the periphery, the company is also interested in **safety systems**, **household tools**, and **building materials**.

Overall, **healthcare and medical** is the largest investment/acquisition target.

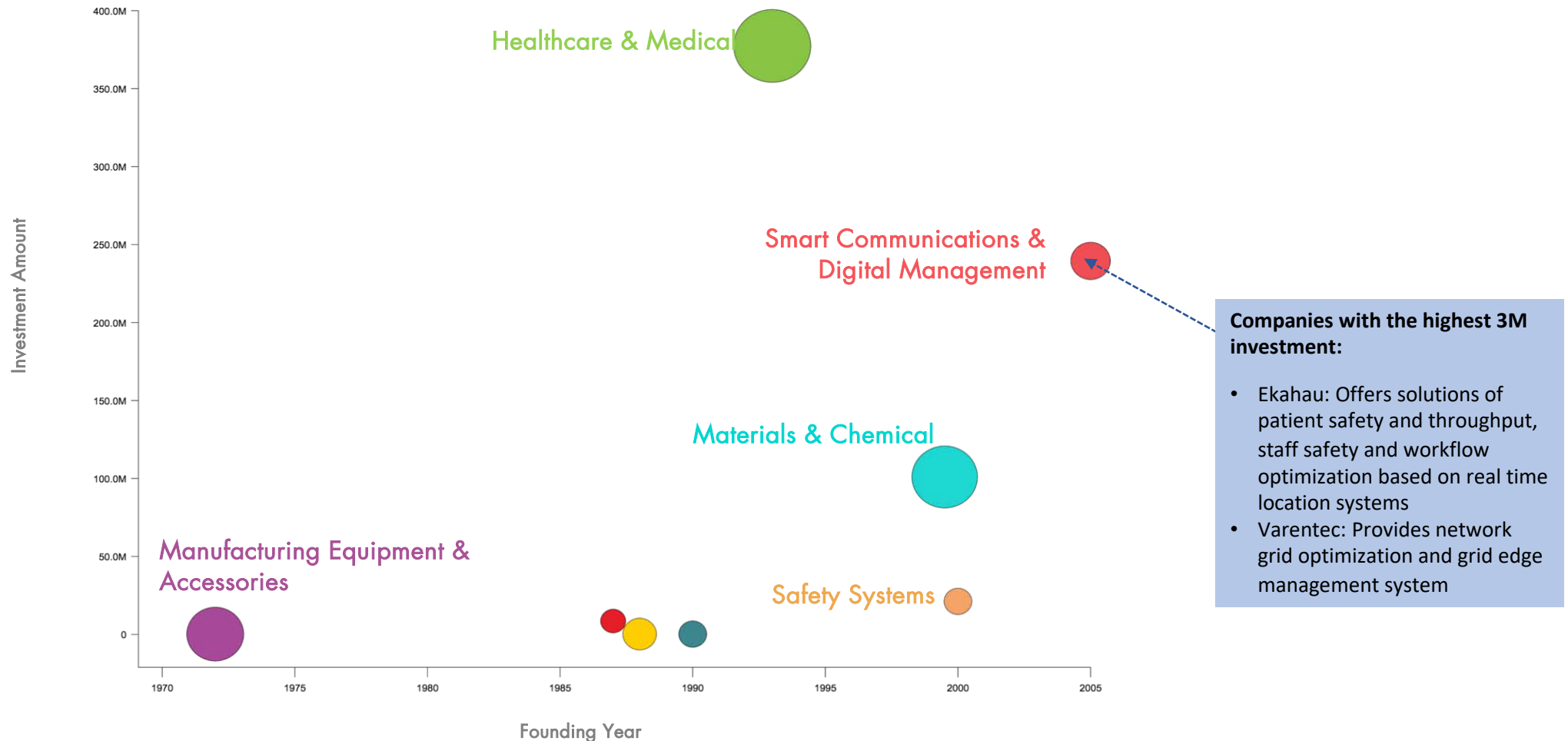


Among companies that 3M has invested in, those working in the **healthcare and medical** sector have raised the most funding over the last decade.

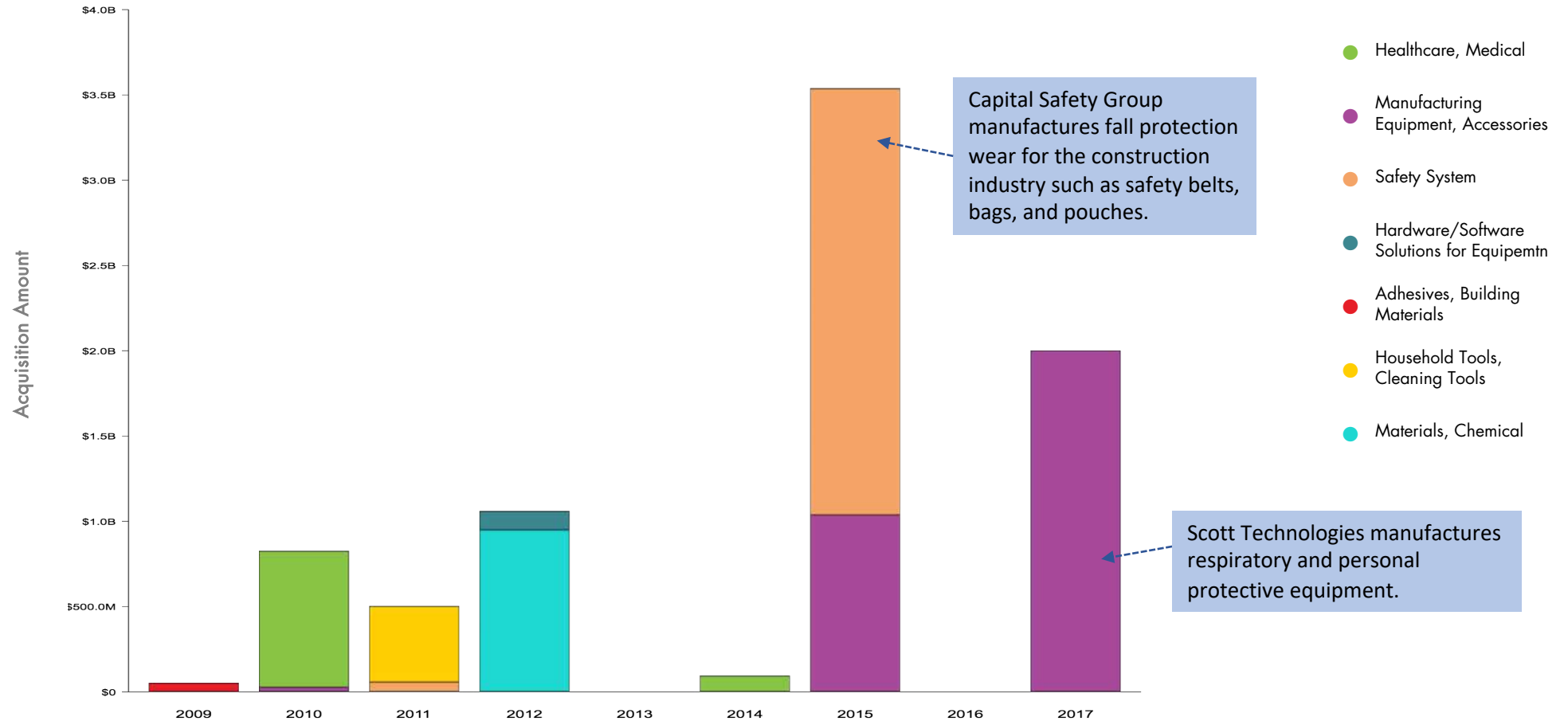
Impel NeuroPharma, which received Series B funding from 3M in 2015, has since closed large Series C (\$37.3M) and Series D (\$67.5M) financing rounds.



The **healthcare and medical** firms that 3M has invested in tend to be older, more established companies, while those in **smart communications and digital management** were founded more recently.

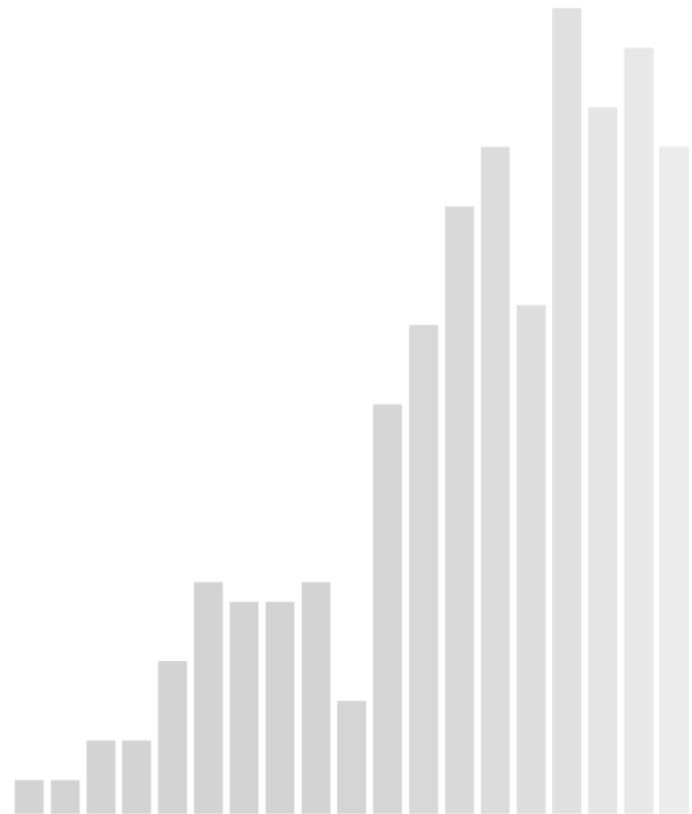


3M recently acquired Scott Technologies, a **manufacturing equipment and accessories** firm. However, the company's largest acquisition over the last decade was Capital Safety Group in 2015.

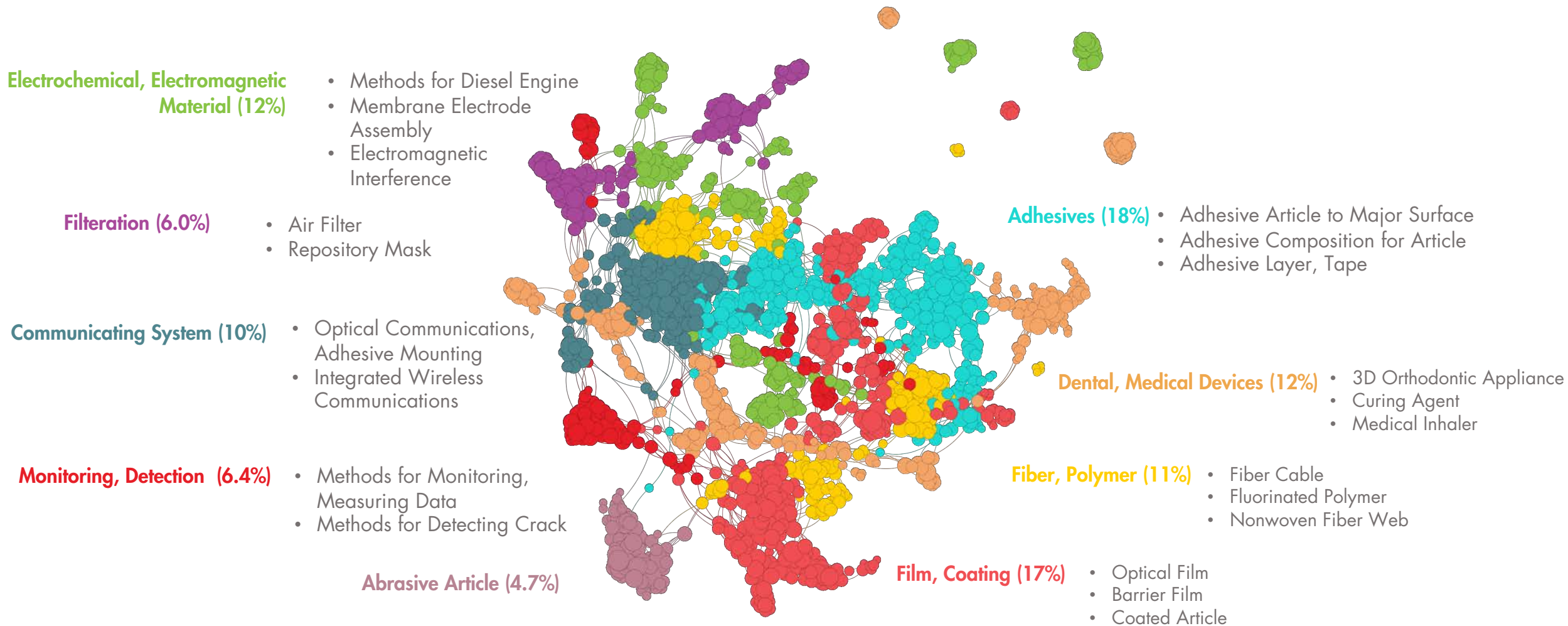




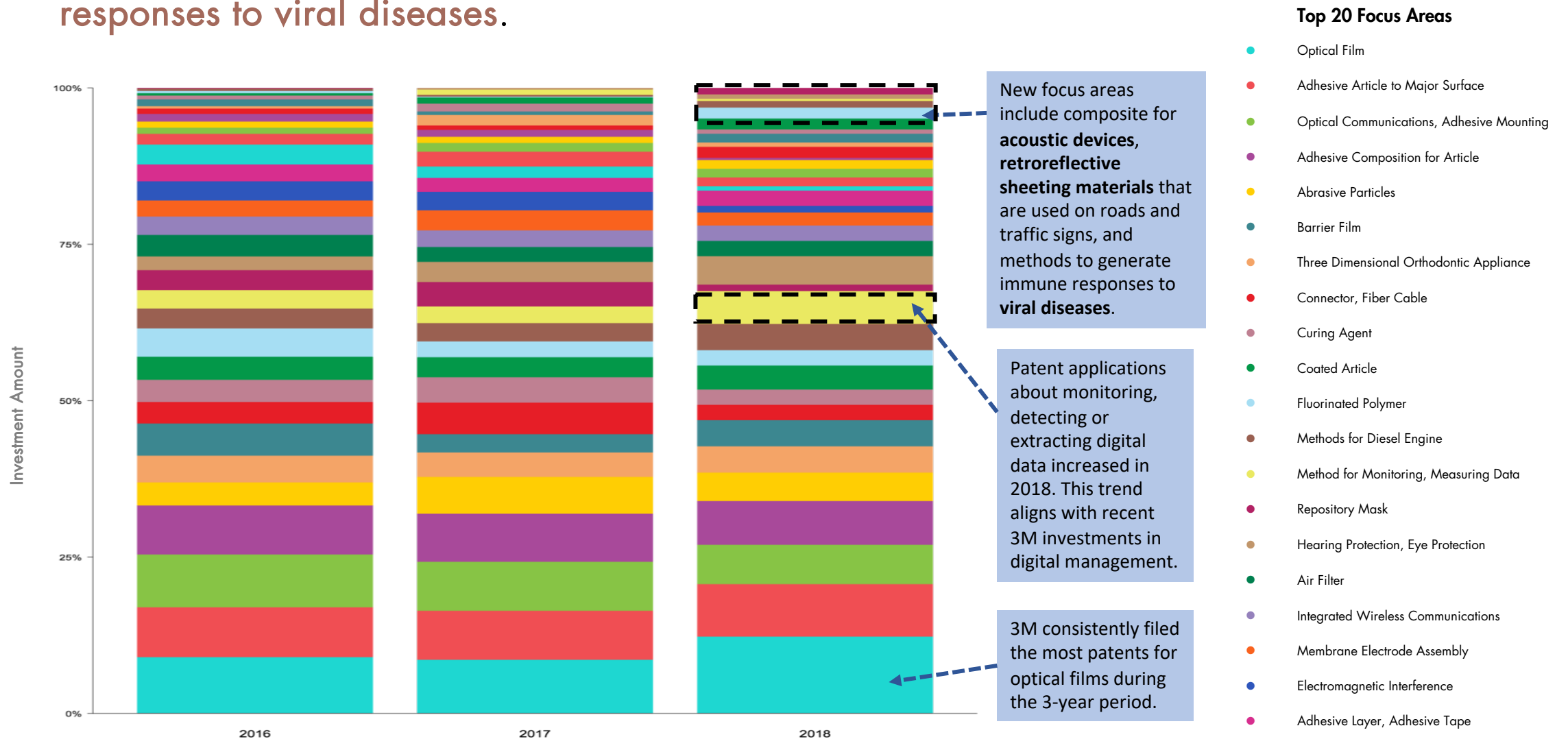
PATENT



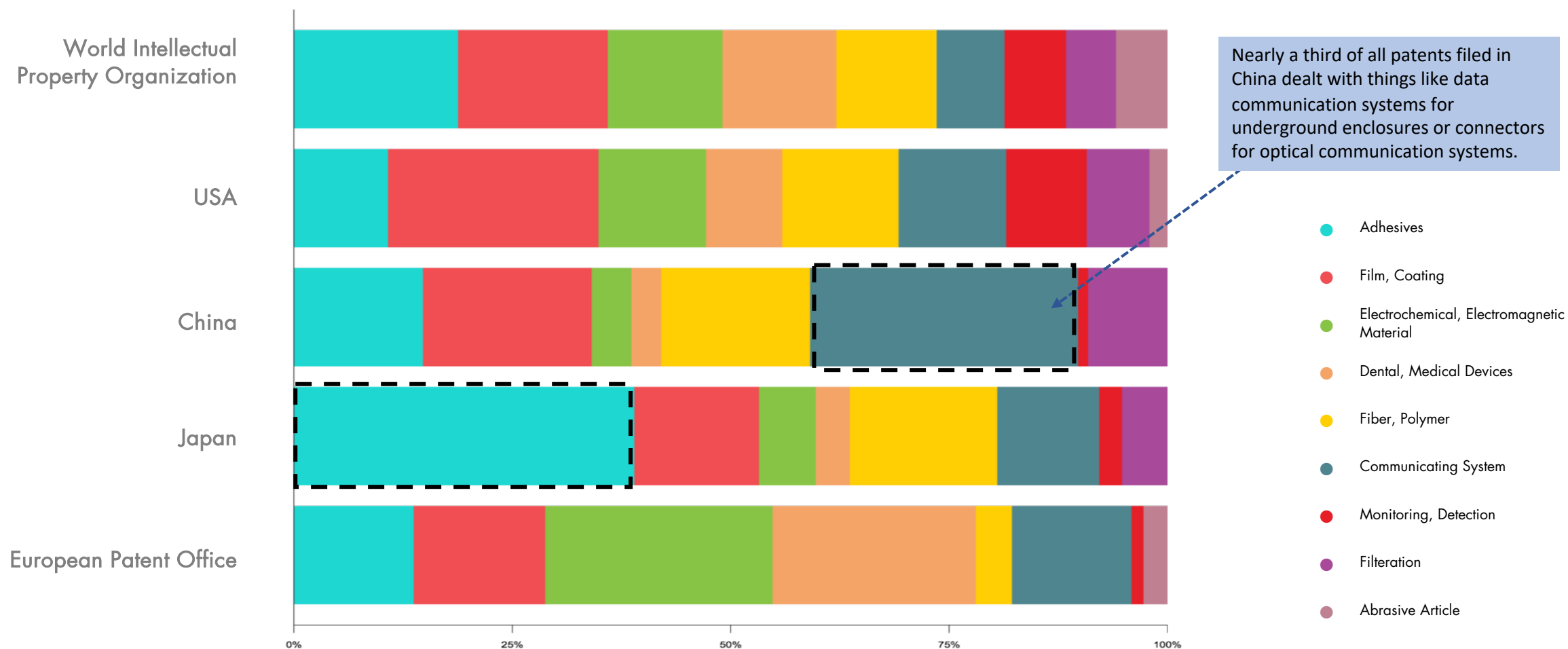
3M and its subsidiaries filed the most patents on **adhesives**, followed by **firms and coating**.



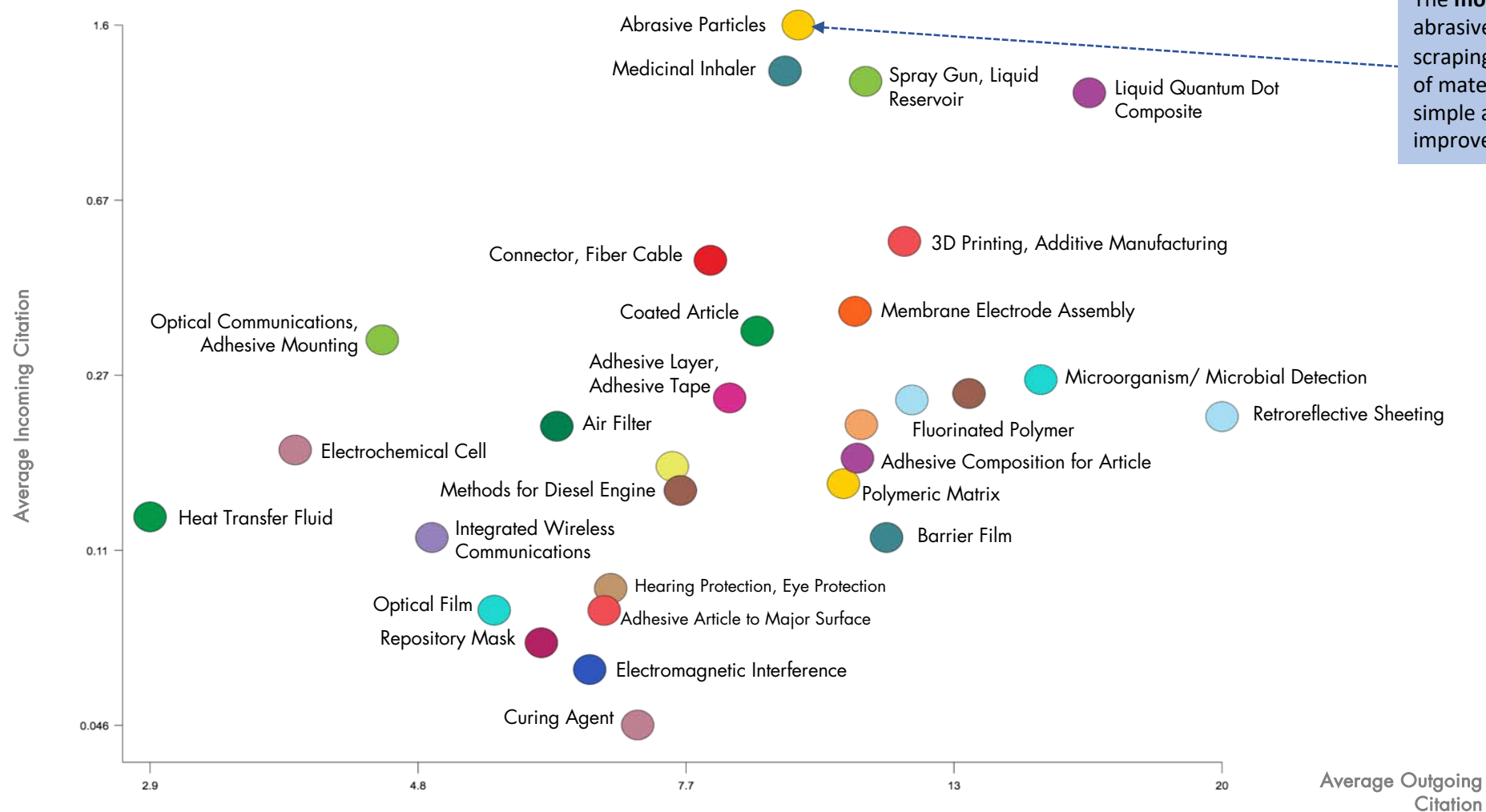
New focus areas for patent applications by 3M and its subsidiaries in 2018 include **acoustic devices**, **retroreflective sheeting**, and methods to **generate immune responses to viral diseases**.



The locations filed by 3M and its subsidiaries reveal that there is a focus on developing **communication systems** in China, and **adhesives** in Japan.



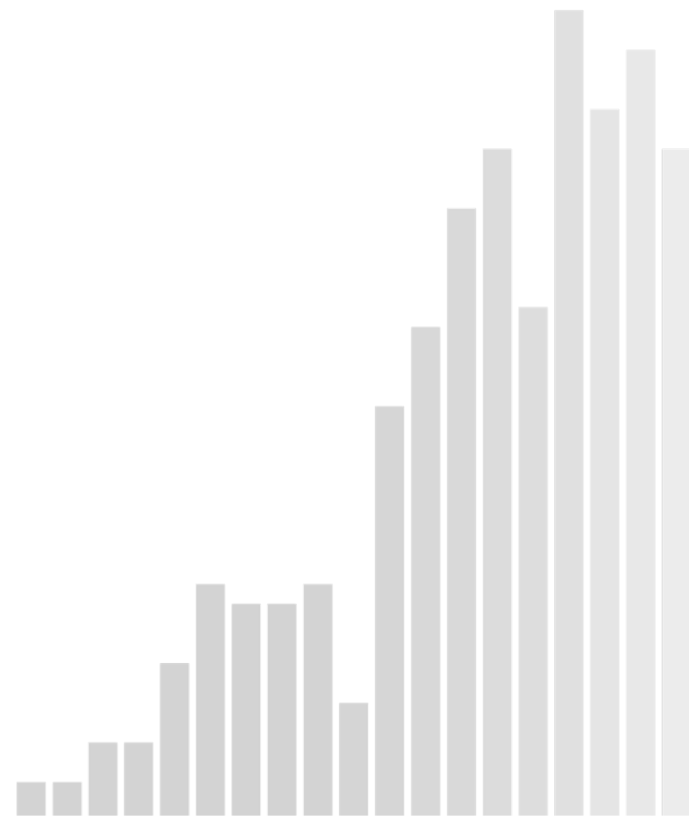
3M's patents on **abrasive particles**, **medicinal inhalers**, and **spray gun and liquid reservoirs** are the most commonly cited in other patent applications, which means they are influential innovations.



The **most cited patent** is a coated abrasive article that is used for scraping or eroding a wide variety of materials. This apparatus is simple and cost-effective, and improves the life of the device.



EARNINGS TRANSCRIPT



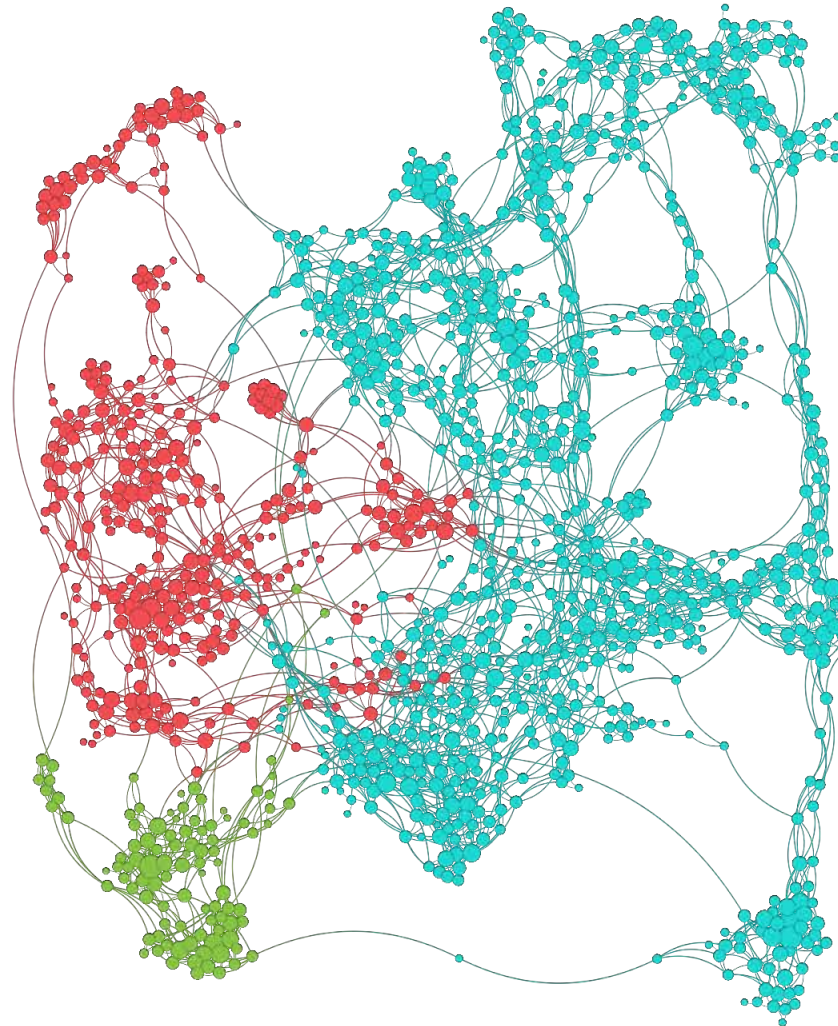
During 3M's earnings calls, two-thirds of discussion addressed **regional performance**, while other main topics included **investment strategies** and **expectations**.

Investment Strategies (25%)

Gains, GAAP, Operating Income
Cash Flow, Share Repurchases
Strategic Investment, Tech Platforms
Core Underlying Business, Price

Expectations (9%)

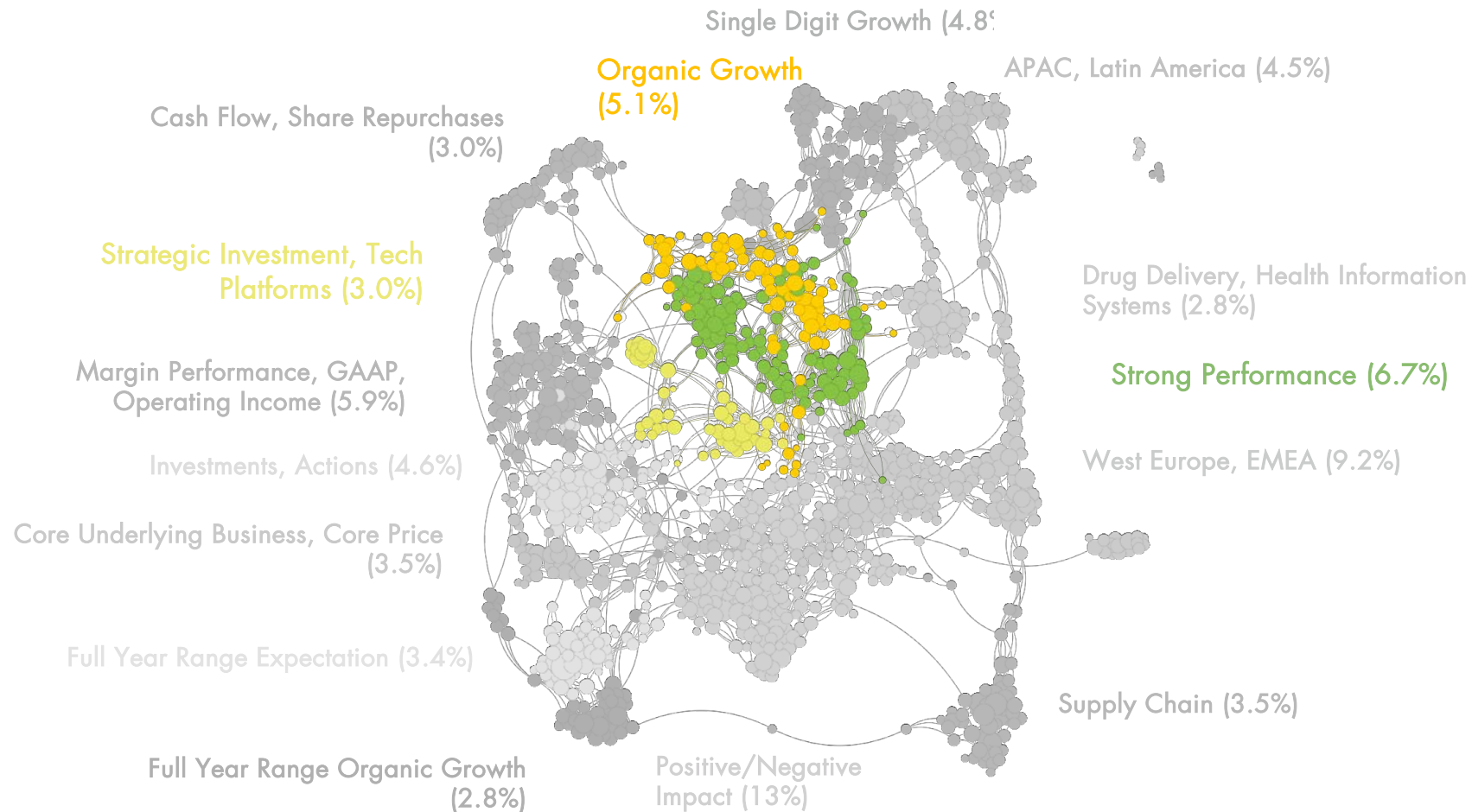
Full Year Range Expectation
Full Year Range Organic Growth



Regional Performance (66%)

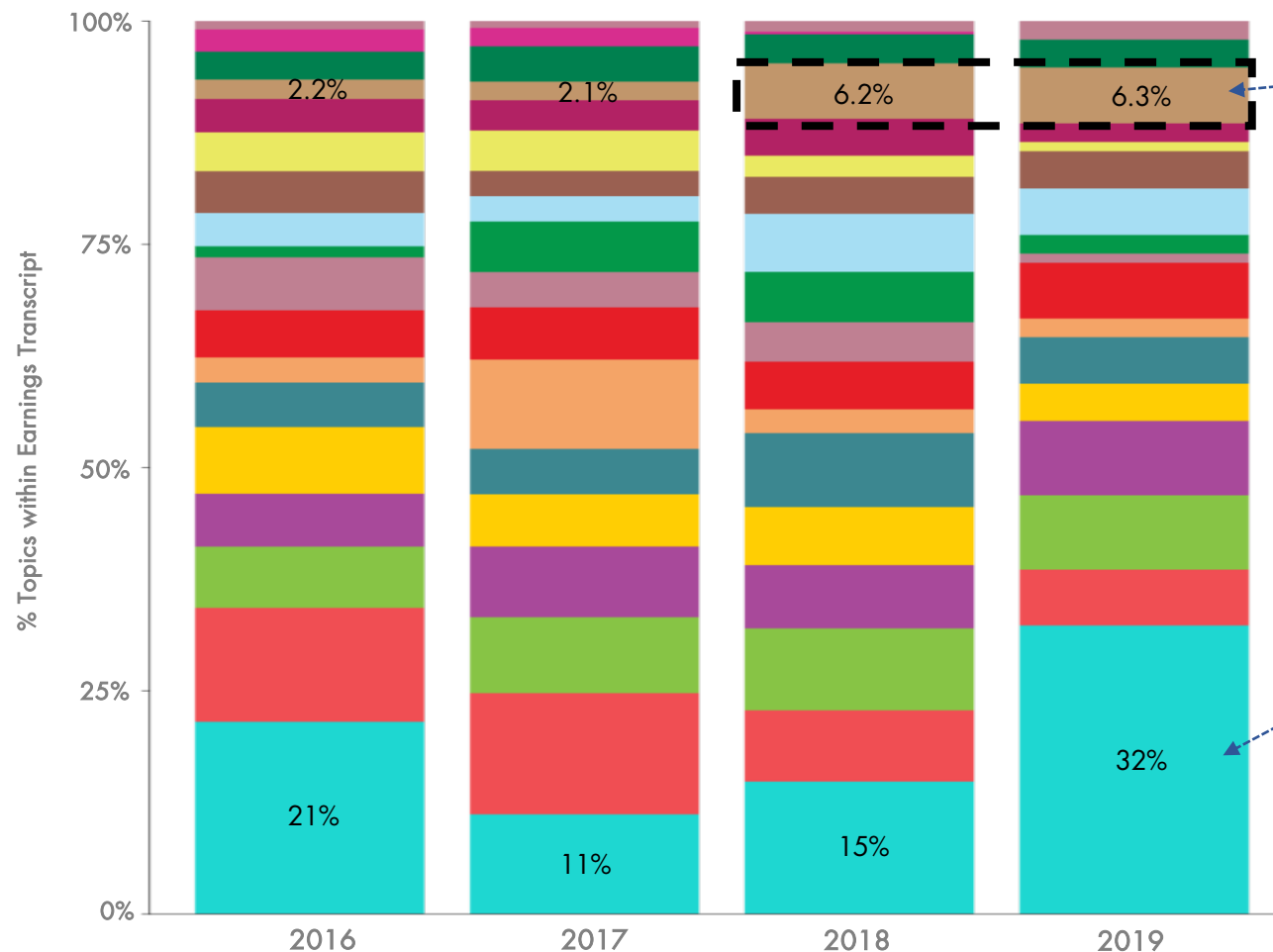
Impact on Margins
APAC, Latin America
West Europe, EMEA
Supply Chain
Strong Performance
Single Digit Growth

Broken out by specific subjects, central themes for 3M earning calls included **organic growth**, the company's **strong performance** across a number of indicators, and **strategic investments in tech platforms**.



Earnings calls since 2016 spent more time discussing **the impact of certain factors on company margins**, than any other subject. Meanwhile, conversation around **drug delivery and healthcare** tripled in the recent two years from 2016 and 2017.

- Impact on Margins
- West Europe, EMEA
- Strong Performance
- Gains, GAAP, Operating Income
- Organic Growth
- Single Digit Growth
- Investments, Actions
- APAC, Latin America
- Core Underlying Business, Core Price
- Supply Chain
- Full Year Range Expectation
- Cash Flow, Share Repurchases
- Strategic Investment, Tech Platforms
- Investor Events
- Drug Delivery, Healthcare
- Full Year Range Organic Growth
- Organic Local Currency Sales
- Future Performance Assumptions and Expectations



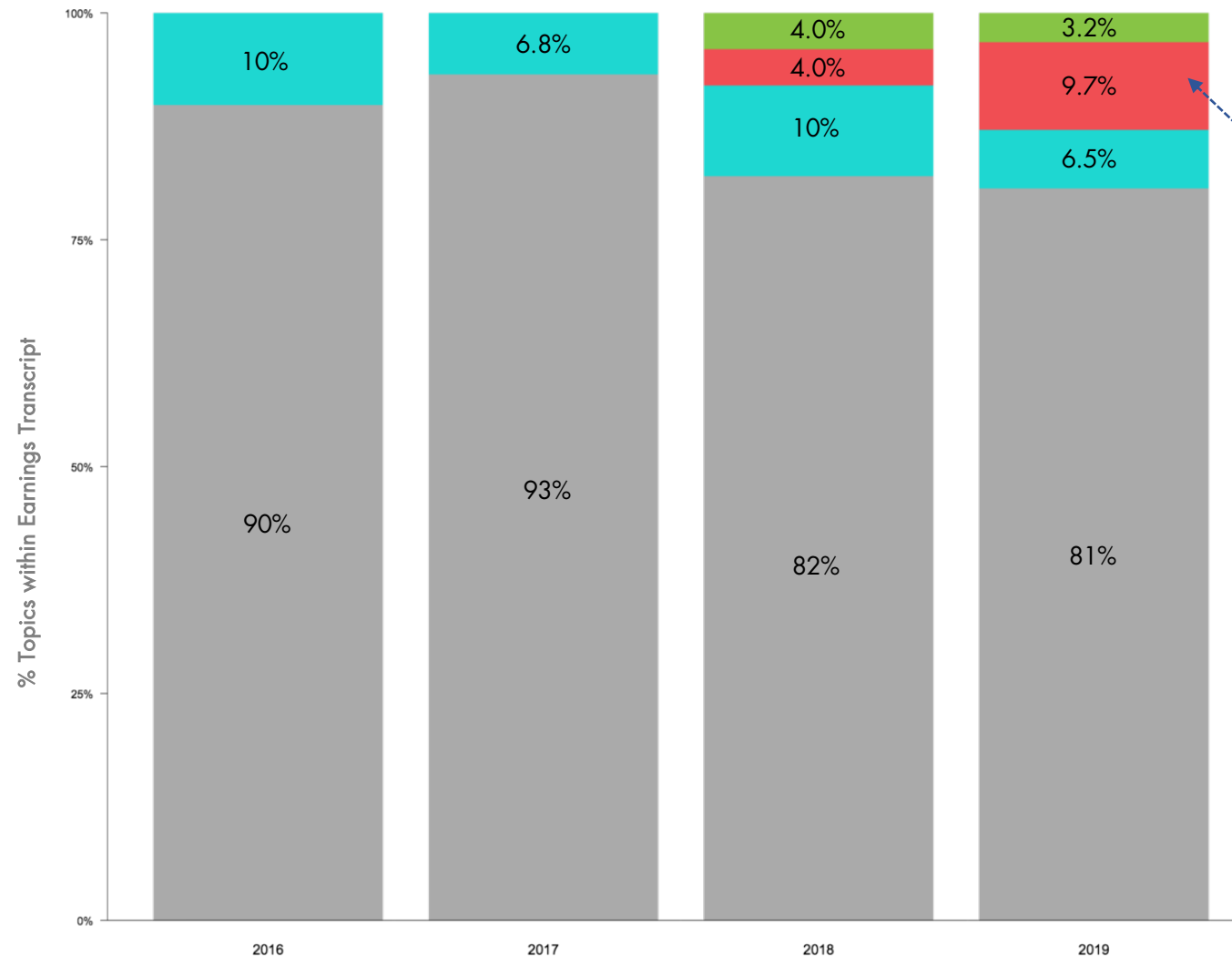
An earnings call on January 28, 2019 mentioned that **drug delivery services** will have a noticeable impact on growth for 3M's healthcare sector.

Discussion has been raised on the impact of **raw material and tariff headwinds** on margin profit in 2019.



Mentions of raw materials and tariffs went up in recent earnings calls

The percentage of discussion on raw materials and tariffs **more than doubled** in 2019 compared to 2018.

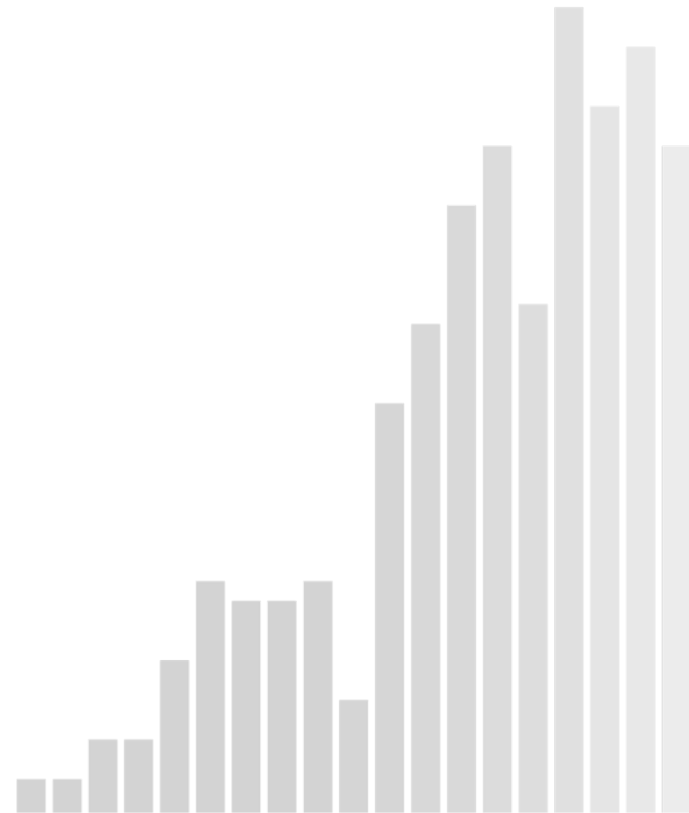


Headwinds from raw materials and tariffs are expected to continue in 2019, but not at the same level as 2018. However, the company is optimistic that selling prices will more than offset the tariff changes.

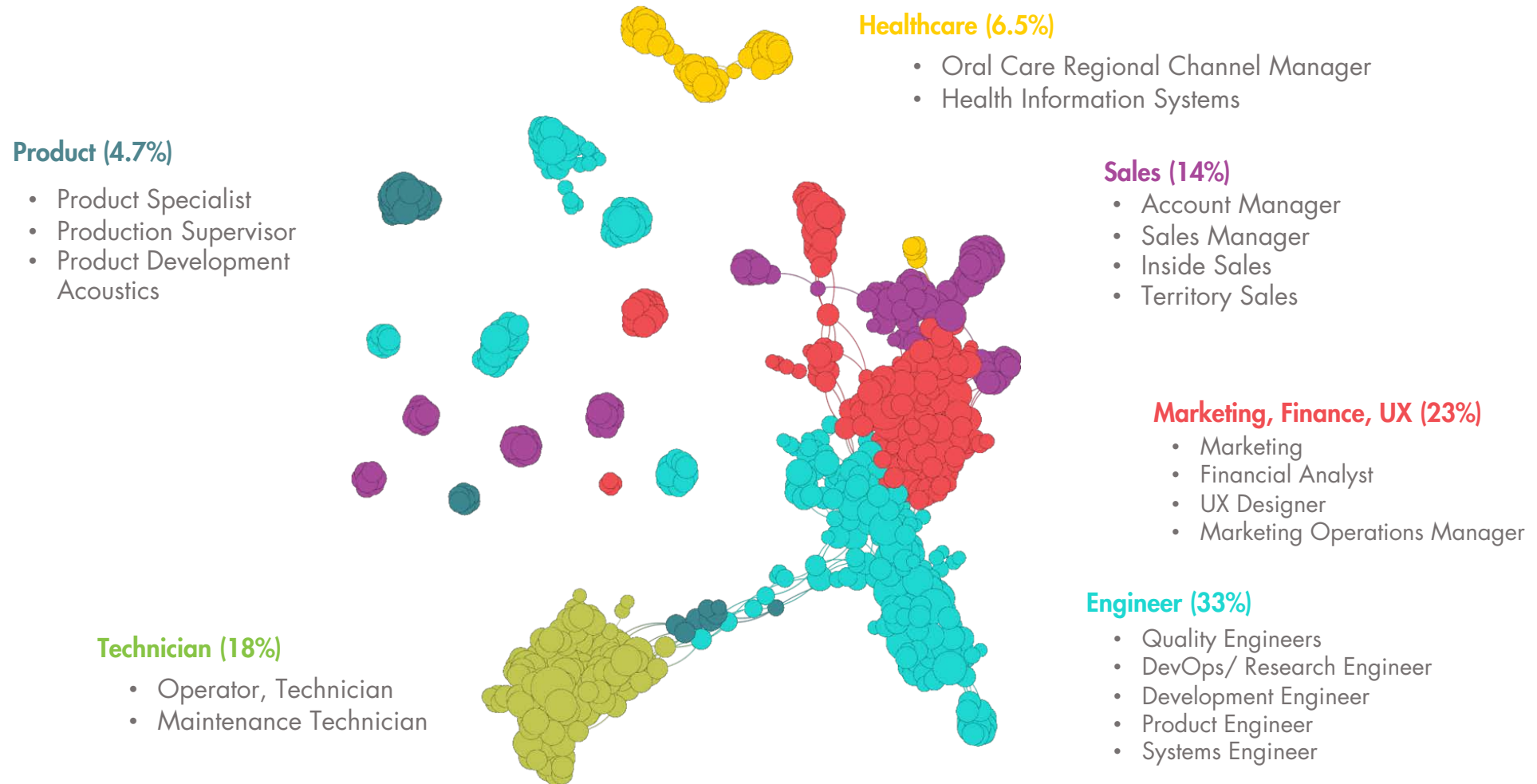
- Raw Materials
- Raw Materials & Tariff
- Tariff

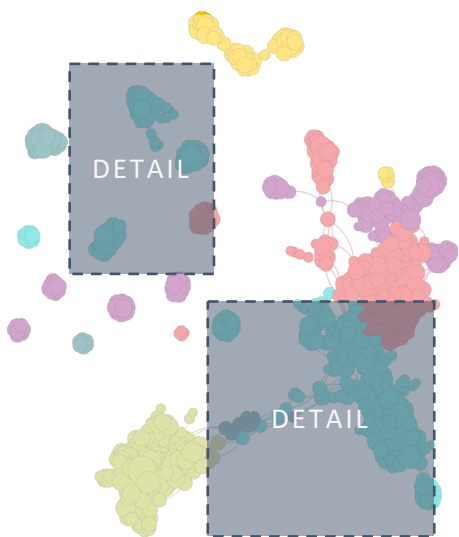


JOB POST



3M has been expanding its engineering team; a third of all recent job postings by 3M seek **engineers**. **Marketing, finance, and UX designers** are also in high demand.

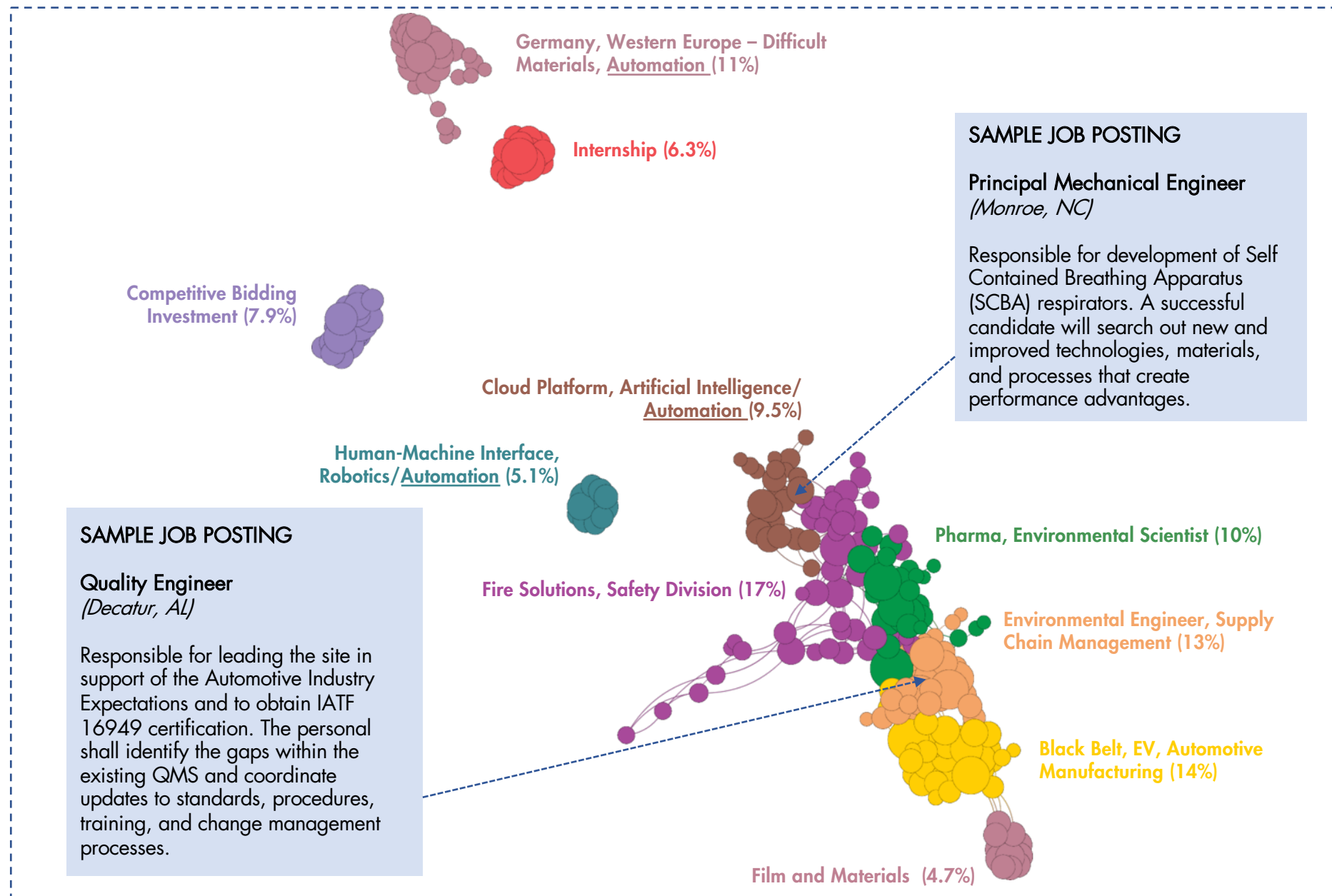




Deep Dive: Engineering Hires

Across posts for engineering positions, the keyword “automation” showed up in multiple sectors.

Many of the jobs posted on **safety divisions** focus on boosting the efficiency and reliability of testing and product, while several engineering positions under the **automotive division** look for EV solutions.



The majority of posted engineering positions are based in 3M's Maplewood headquarters. Internationally, half of all positions in Shanghai were for **human machine interference**, and **robots and automation** roles, while 38% of job postings in Singapore were **cloud and AI-related**.





APPENDIX



HOW TO READ A NETWORK

Similar nodes **cluster together**, and clusters are grouped by color. Connections represent similar language across nodes.

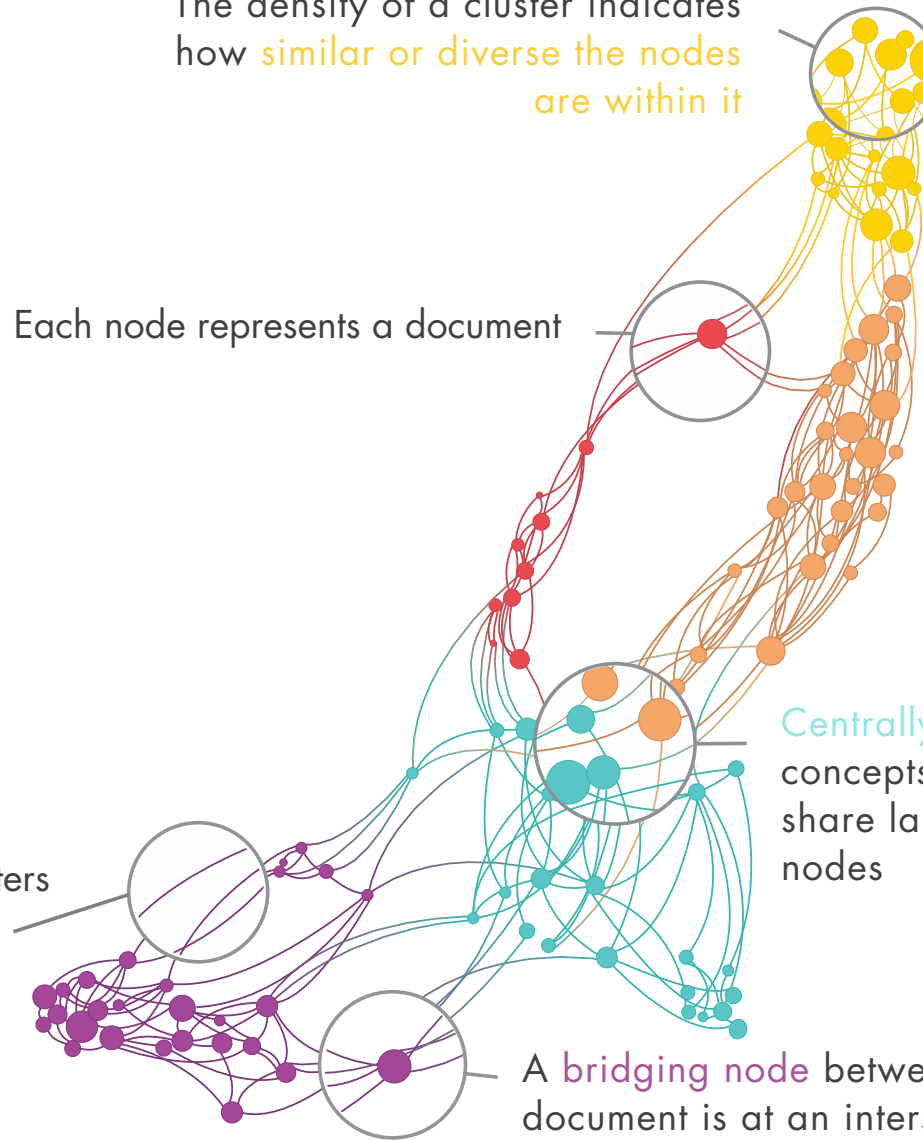
Greater distance between clusters indicates a **lower number of interrelated documents**

The density of a cluster indicates how **similar or diverse the nodes are within it**

Each node represents a document

Centrally located nodes are core concepts in the network and share language with many other nodes

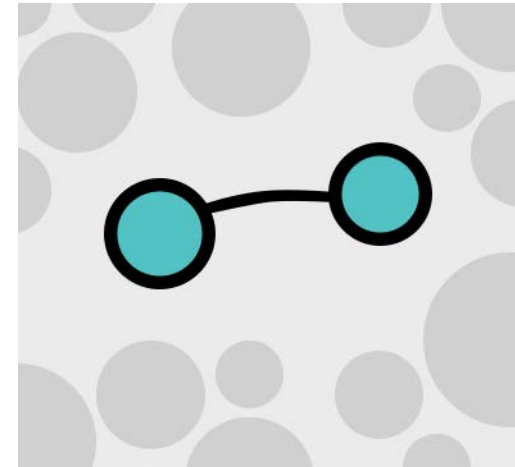
A **bridging node** between two clusters indicates the document is at an intersection between two concepts.



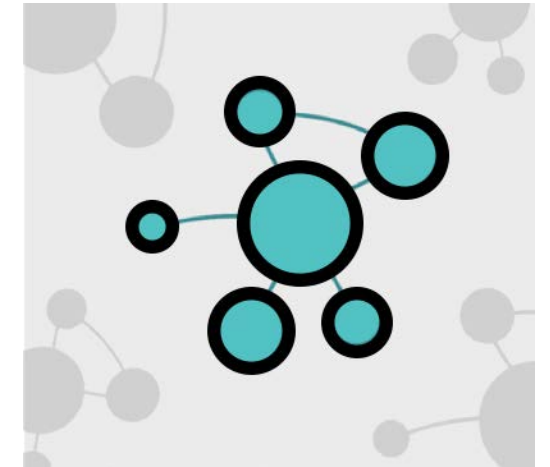
TEXT ANALYTICS BACKGROUND



Quid reads any text to identify key words, phrases, people, companies and institutions.



Then Quid compares words from each document to create links between them based on similar language.



Quid repeats the process at immense scale, producing a network that shows how similar all the documents are to one another.