



# Neogen to Combine with 3M's Food Safety Business

*December 14, 2021*

# Disclaimer

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## Cautionary Notes on Forward Looking Statements

This communication includes “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements regarding the proposed transaction between Neogen (“Neogen”), 3M (“3M”) and SpinCo (“SpinCo”). These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “forecast,” “outlook,” “target,” “endeavor,” “seek,” “predict,” “intend,” “strategy,” “plan,” “may,” “could,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” or the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. All statements, other than historical facts, including, but not limited to, statements regarding the expected timing and structure of the proposed transaction, the ability of the parties to complete the proposed transaction, the expected benefits of the proposed transaction, including future financial and operating results and strategic benefits, the tax consequences of the proposed transaction, and the combined Neogen-SpinCo company’s plans, objectives, expectations and intentions, legal, economic and regulatory conditions, and any assumptions underlying any of the foregoing, are forward looking statements.

These forward-looking statements are based on Neogen and 3M current expectations and are subject to risks and uncertainties, which may cause actual results to differ materially from Neogen and 3M’s current expectations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, (1) that one or more closing conditions to the transaction, including certain regulatory approvals, may not be satisfied or waived, on a timely basis or otherwise, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the proposed transaction, may require conditions, limitations or restrictions in connection with such approvals or that the required approval by the stockholders of Neogen may not be obtained; (2) the risk that the proposed transaction may not be completed on the terms or in the time frame expected by Neogen, 3M and SpinCo, or at all; (3) unexpected costs, charges or expenses resulting from the proposed transaction; (4) uncertainty of the expected financial performance of the combined Neogen – SpinCo company following completion of the proposed transaction; (5) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the proposed transaction or integrating the businesses of Neogen and SpinCo, on the expected timeframe or at all; (6) the ability of the combined Neogen-SpinCo company to implement its business strategy; (7) difficulties and delays in the combined Neogen-SpinCo company achieving revenue and cost synergies; (8) inability of the combined company to retain and hire key personnel; (9) the occurrence of any event that could give rise to termination of the proposed transaction; (10) the risk that stockholder litigation in connection with the proposed transaction or other litigation, settlements or investigations may affect the timing or occurrence of the proposed transaction or result in significant costs of defense, indemnification and liability; (11) evolving legal, regulatory and tax regimes; (12) changes in general economic and/or industry specific conditions; (13) actions by third parties, including government agencies; (14) the risks that the anticipated tax treatment of the proposed transaction is not obtained; (15) the risk of greater than expected difficulty in separating the business of SpinCo from the other businesses of 3M; (16) risks related to the disruption of management time from ongoing business operations due to the pendency of the proposed transaction, or other effects of the pendency of the proposed transaction on the relationship of any of the parties to the transaction with their employees, customers, suppliers, or other counterparties; and (17) other risk factors detailed from time to time in Neogen and 3M’s reports filed with the SEC, including Neogen and 3M’s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC, including documents that will be filed with the SEC in connection with the proposed transaction. The foregoing list of important factors is not exclusive.

Any forward-looking statements speak only as of the date of this communication. None of Neogen, 3M or SpinCo undertakes, and each party expressly disclaims, any obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

## Important Information About the Transaction and Where to Find It

In connection with the proposed transaction, Neogen and SpinCo intend to file relevant materials with the SEC, including a registration statement on Form S-4 that will include a proxy statement/prospectus relating to the proposed transaction. In addition, SpinCo expects to file a registration statement in connection with its separation from 3M. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENTS, PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT Neogen, 3M, SPINCO AND THE PROPOSED TRANSACTION. The proxy statement, prospectus and/or information statement and other documents relating to the proposed transaction (when they become available) can also be obtained free of charge from the SEC’s website at [www.sec.gov](http://www.sec.gov). These documents, once available, and each of the companies’ other filings with the SEC, also will be available free of charge on Neogen’s website at <http://www.Neogen.com/investor-relations> or on 3M’s website at <https://investors.3m.com/ir-home/default.aspx>.

## Participants in the Solicitation

This communication is not a solicitation of a proxy from any investor or security holder. However, Neogen, 3M and certain of their respective directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from shareholders of Neogen in connection with the proposed transaction under the rules of the SEC. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of Neogen in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement/prospectus when it is filed with the SEC. Information about the directors and executive officers of Neogen may be found in its Annual Report on Form 10-K filed with the SEC on July 30, 2021, and its definitive proxy statement relating to its 2021 Annual Meeting of Shareholders filed with the SEC on August 31, 2021. Information about the directors and executive officers of 3M may be found in its Annual Report on Form 10-K filed with the SEC on February 4, 2021, and its definitive proxy statement relating to its 2021 Annual Meeting of Stockholders filed with the SEC on March 24, 2021. These documents can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the registration statements, prospectuses and proxy statement and other relevant materials to be filed with the SEC when they become available.

## No Offer or Solicitation

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# Today's Presenters



**John Adent**  
*Chief Executive Officer*

- CEO of Neogen Since 2017
- Previously CEO of Patterson Animal Health and CEO of Animal Health International



**Steve Quinlan**  
*Chief Financial Officer*

- CFO of Neogen Since 2011
- Previously CFO of Detrex Corporation



**Mojdeh Poul**  
*Group President, Health Care*

- Group President of 3M Health Care Since 2019
- Previously President of 3M Canada

# Neogen and 3M Food Safety – A Compelling Combination

## Creating a Global Leader in Food Security

### Neogen

A leading pure play food security company, spanning food safety, animal safety and genomics

Comprehensive product offerings and deep customer relationships

Double-digit long-term revenue growth track record through strong organic growth and M&A

Established genomics, analytics and blockchain capabilities

Strong management team with >2,000 talented employees globally

### 3M Food Safety

A leader in food safety solutions

A leading Indicator Testing brand with Petrifilm™ and expanded product offering serving a global customer base

Double-digit long-term revenue growth track record

Premium margin profile with >95% revenue from consumable products

~470 talented employees globally

### Combined Company

**Broader**  
product offerings to enhance customer solutions

**Increased**  
resources to serve global customers

**Shared**  
innovation expertise and customer focus

**~\$1 billion**  
expected revenue trajectory<sup>(1)</sup>

**~10%**  
expected long-term revenue growth rate

**~30%**  
expected EBITDA margin



# Combined Company Well-Positioned to Address Global Food Security Challenges

## Serving Large and Growing Markets...

	Market Size	LT Growth Rate
Food Safety	\$18 – 25 billion	6 – 8%
Animal Safety	\$50 – 60 billion	4 – 6%
Genomics	~\$1 billion	10 – 15%

## ...With Attractive Long-Term Fundamentals...

### Significant Tailwinds

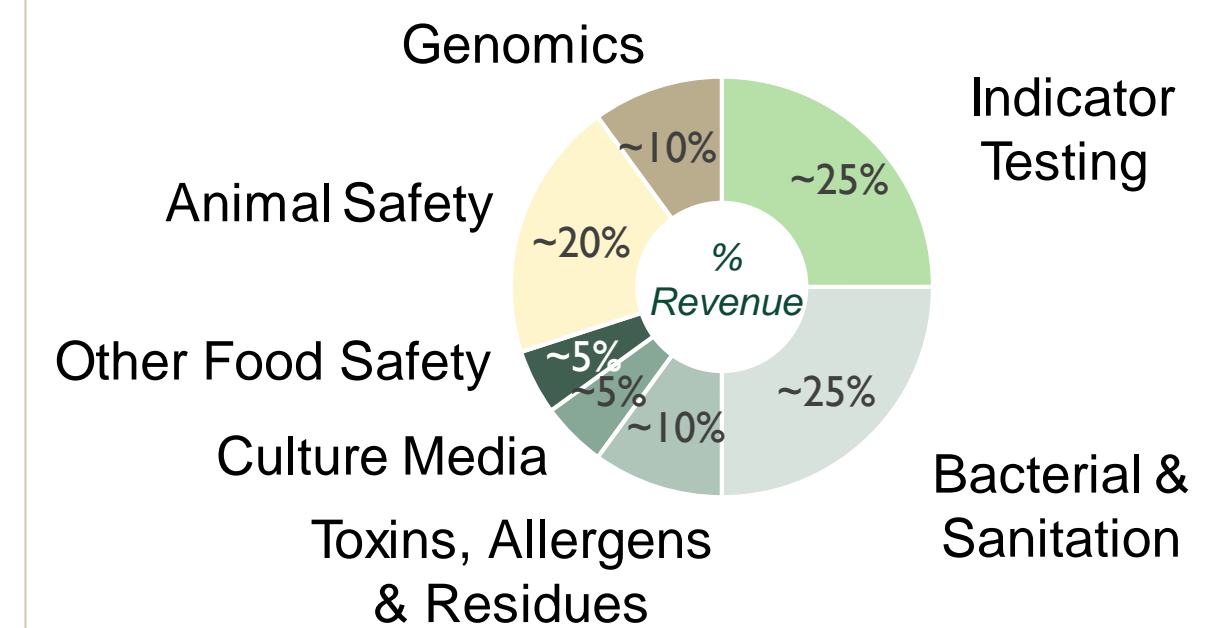
- Increasing health conscious consumers
- Increasing food allergies
- COVID crisis impact on food safety concerns
- Rising incomes in emerging markets
- Technology innovation leading to broader adoption of testing across supply chain
- Increasing incidents with pathogen contamination

### Increasing Supply Chain Complexity

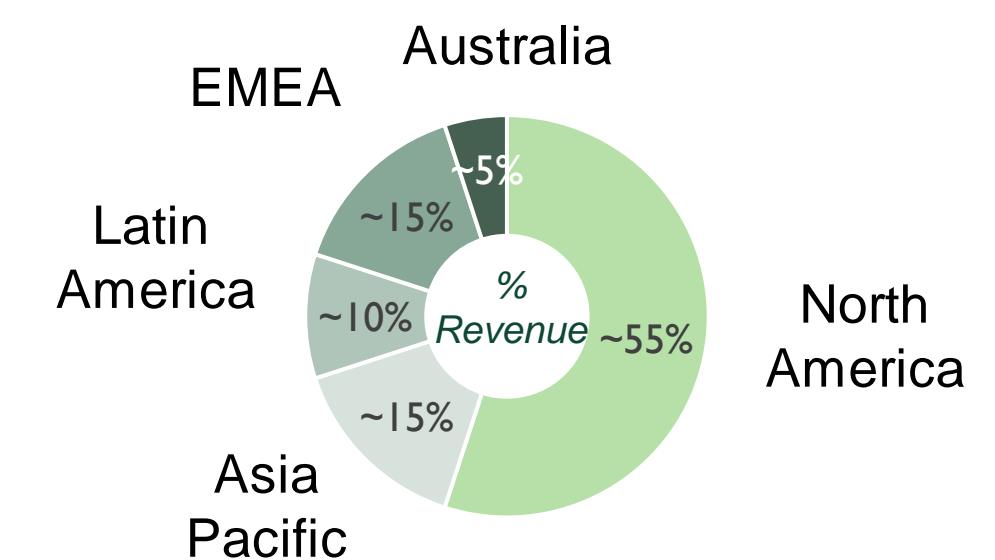


## ...Addressed by a Comprehensive Offering of Global Solutions

### Product Mix



### Geographic Mix



*Significant opportunity to achieve long-term success in this attractive and rapidly growing category*

# Transaction Summary

## Structure & Consideration

- Neogen to combine with 3M's Food Safety business via a Reverse Morris Trust transaction
  - Combined enterprise value of ~\$9.3 billion<sup>(1)</sup>
- Neogen shareholders and existing 3M shareholders to own 49.9% and 50.1% of the combined entity, respectively
- Implied enterprise value for 3M's Food Safety business of ~\$5.3 billion<sup>(1)</sup>, including \$1 billion in new debt to be incurred by 3M's Food Safety business
  - Represents an implied multiple of ~32x and ~27x CY 2022E Adjusted EBITDA pre and post run-rate synergies, respectively
- Estimated pro forma Neogen net leverage at closing of <2.5x

## Operations & Governance

- Global headquarters to remain in Lansing, Michigan with offices in 13 countries serving over 140 countries
- Neogen CEO John Adent to lead the combined company along with executives and personnel from both Neogen and 3M Food Safety
- Jim Borel, current Neogen Board Chair, to continue in role
- New Board to be comprised of eight current Neogen directors and two 3M designated directors

## Timing & Closing Conditions

- Subject to Neogen shareholder approval, regulatory approvals and customary closing conditions
- Transaction anticipated to close by the end of the third calendar quarter of 2022

## Synergy Opportunity

- Total expected run-rate synergies of ~\$30 million of EBITDA, to be achieved within 3 years, comprised of:
  - Run-rate growth synergies of ~\$15 million (~\$40 million revenue)
  - Run-rate cost synergies of ~\$15 million

(1) Based on Neogen's closing share price as of December 13, 2021.

# Combination Aligns With Neogen's Strategic & Financial Priorities

		3M Food Safety
Neogen's Mission	<i>Be a leading company in the development and marketing of solutions for food security</i>	
Neogen's Vision	<i>Continue to play a key role in enhancing the safety, quality and quantity of the global food supply for the rapidly growing world population</i>	
Strategic Criteria	<ul style="list-style-type: none"> <li>▪ Enhance product offering and customer base</li> <li>▪ Advance R&amp;D, manufacturing, technological and commercial capabilities</li> <li>▪ Expand international presence</li> </ul>	
Financial Criteria	<ul style="list-style-type: none"> <li>▪ Enhance revenue growth potential</li> <li>▪ Improve margin profile through product mix and cost savings</li> <li>▪ Shift portfolio towards higher growth, lower volatility markets</li> <li>▪ Accretive to Neogen's shareholders</li> <li>▪ Maintain strong balance sheet</li> </ul>	

*Comprehensive evaluation of strategic opportunities has resulted in today's announcement*

# Transaction Benefits for 3M and 3M Shareholders

## Highly Attractive Combined Company

- Combination creates a leading global innovator in food security to help customers protect manufacturing and delivery across the world's food supply chain
- Enhanced geographic footprint, innovative product offerings and digitization capabilities, with deeper operational focus and agility to meet customer needs
- Tailored capital allocation decisions and flexibility to pursue organic and inorganic growth opportunities
- Strategic partner with proven track record as a public company

## Significant Value Creation for 3M Shareholders

- Unlocks a premium multiple for 3M's Food Safety business in a tax-efficient manner through a "Reverse Morris Trust" transaction structure
- The transaction implies an enterprise value for 3M's Food Safety business of ~\$5.3 billion<sup>(1)</sup>, including \$1 billion in new debt to be incurred by 3M's Food Safety business
  - Implied multiples for EV / Revenue of ~13x and EV / Adjusted EBITDA of ~32x on a CY 2022E basis
- 50.1% ownership provides 3M shareholders with the opportunity to participate in the significant long-term growth potential of a pure play food security innovator

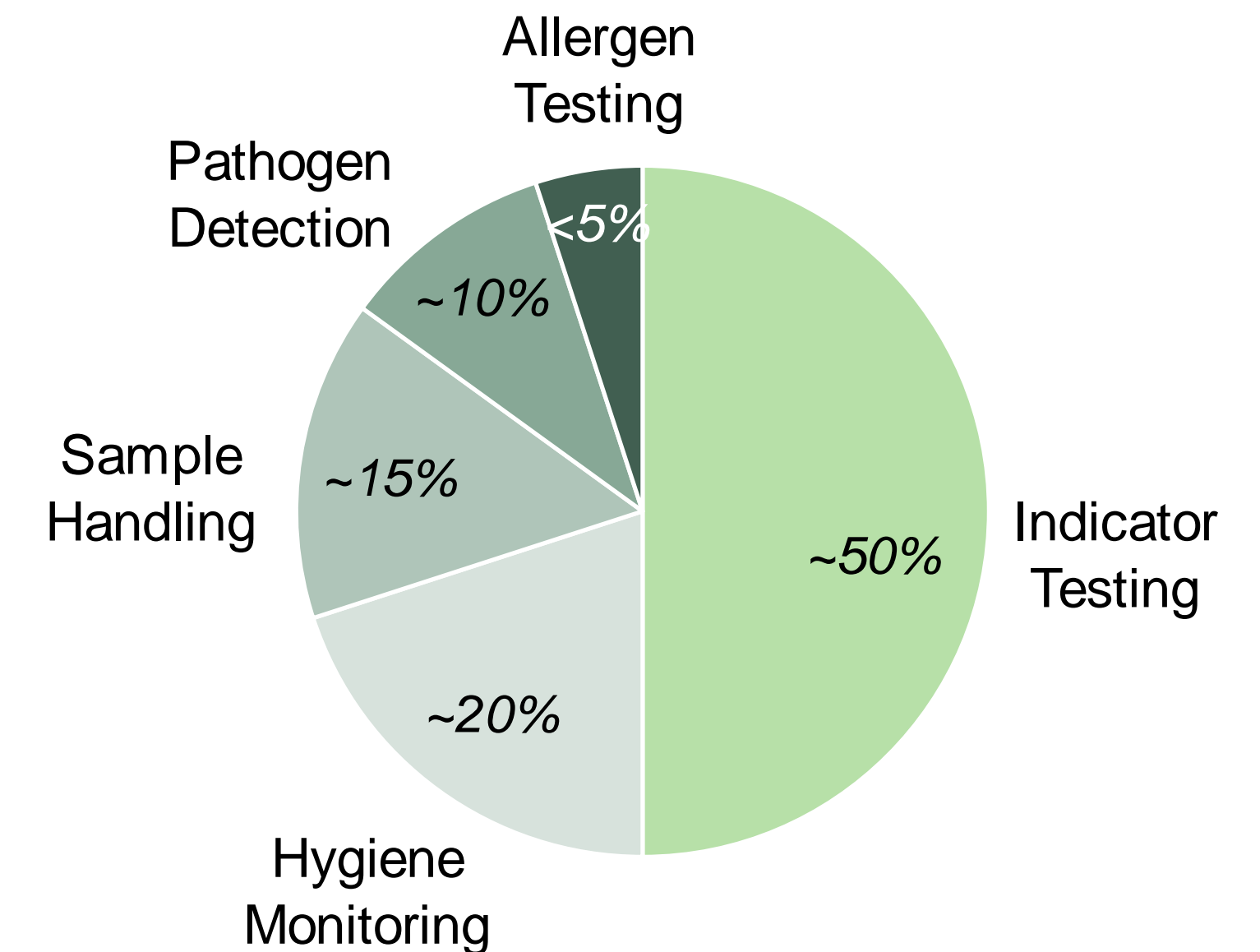


# 3M Food Safety At a Glance









## Business Highlights

- A leading manufacturer of food safety solutions including Petrifilm™, a globally recognized indicator testing product
- Diversified revenue base with 100,000+ end customers served through distribution (60%) and direct (40%)
- Highly attractive financial profile with revenue CAGR of ~10% since 2000
- Headquartered in the United States; ~470 employees worldwide

## Revenue Breakdown by Product



# 3M Food Safety Product Offerings

	Indicator Testing	Hygiene Monitoring	Sample Handling	Pathogen Detection	Allergen Testing	
<b>Revenue Contribution</b>	~50%	~20%	~15%	~10%	<5%	Recurring revenue driven by >95% of revenues attributed to consumable products
<b>Consumables</b>						Hygiene monitoring and pathogen detection categories benefit from corresponding consumables
<b>Hardware &amp; Software</b>			N/A		N/A	Assisting with matrix validation for new solutions / applications facilitates long-term relationships
<b>Revenue From Consumables</b>	~99%	~90%	100%	~95%	100%	
<p><i>Deep technical engagement and local support facilitates long-term customer relationships in which hardware placements drive recurring revenue from consumable product revenue</i></p>						

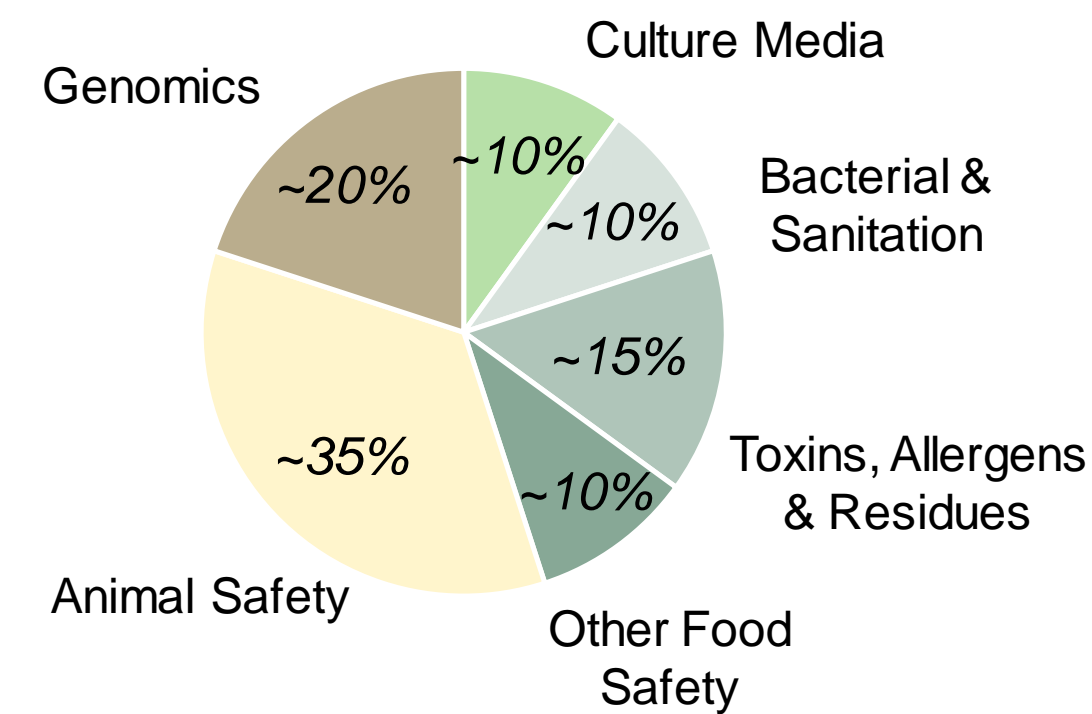
# Neogen At a Glance

## Business Highlights

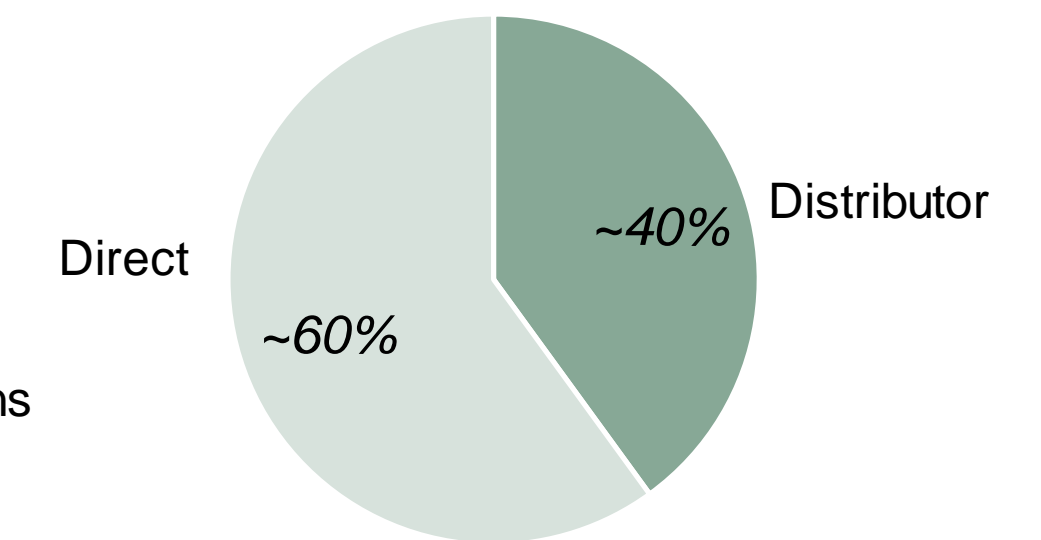
- A leading pure play food security company with comprehensive product offerings spanning food safety, animal safety and genomics and deep customer relationships across the globe
- Highly attractive financial profile
  - 22-year revenue CAGR of ~15%
  - Historical track record of high single-digit organic growth, including ~9% in FY 2021
  - Strong international exposure of ~35% of revenue
- Focus on innovation and new product development
  - ~60 successful products developed over last 2 years
- Headquartered in the United States; >2,000 employees worldwide

## Revenue Breakdown

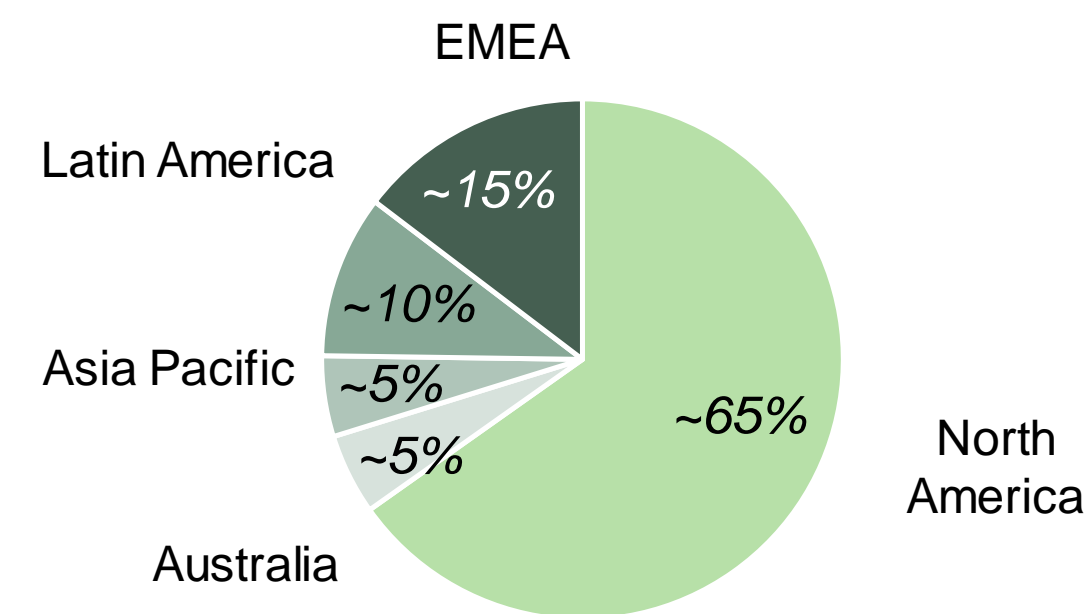
### By Product



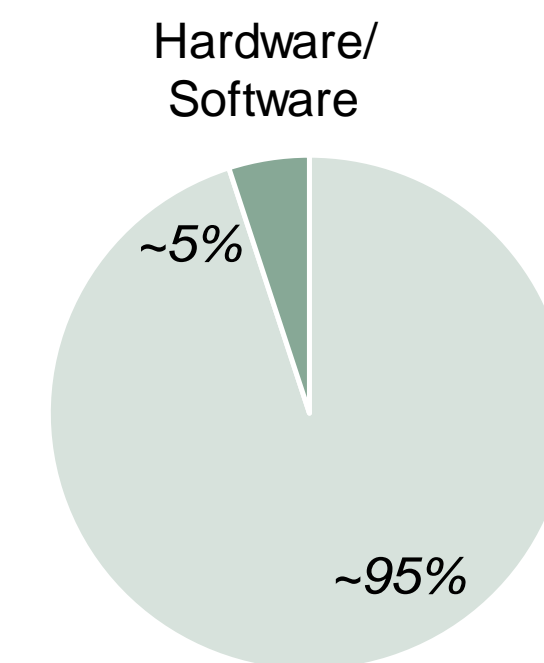
### By Go-to-Market Strategy



### By Region



### Consumables vs. Hardware



# Neogen's Product Offerings

## Food Safety *Protecting the Food Supply*

- Food safety products that reach all segments of the food, beverage and feed industries
- Solutions include: rapid diagnostics for the detection of unintended substances, sanitation verification tools and innovative pathogen tests



**Corporate and Food Safety Headquarters:**  
Lansing, Michigan

## Animal Safety *Ensuring Wellbeing of Livestock & Pets*

- Develop solutions for animal protein, animal performance and companion animal segments
- Offer veterinary instruments and supplies, cleaners and disinfectants for farm and veterinary settings, insecticides and rodenticides to limit the spread of disease



**Headquarters:**  
Lexington, Kentucky

## Genomics *Improving Food Security*

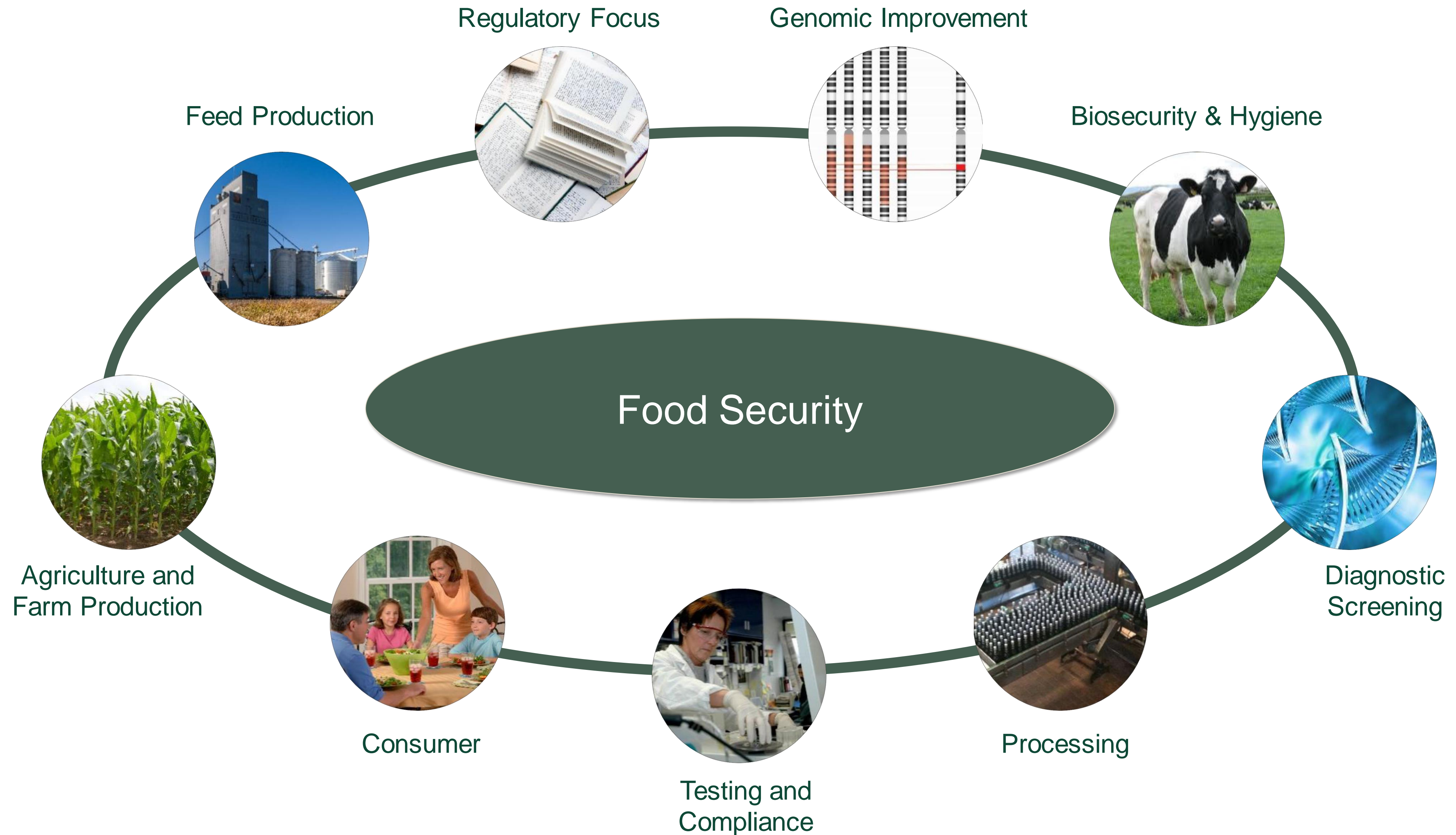
- Develop solutions that allow protein producers to make educated breeding decisions
- Solutions improve efficiency of herds, help breed associations verify parentage, and enable food safety professionals to identify bacterial strains associated with disease outbreaks



**Headquarters:**  
Lincoln, Nebraska

*Product offerings across Neogen's food safety, animal safety and genomics platforms help solve our customers' global food security challenges*

# Neogen's Integrated Offering Covering the Food Security Chain



# Key Attributes for the Combination



(1) Estimated revenue for the pro forma company in first 12 months post-close.

# 1 Combined Company Well-Positioned to Address Global Food Security Challenges

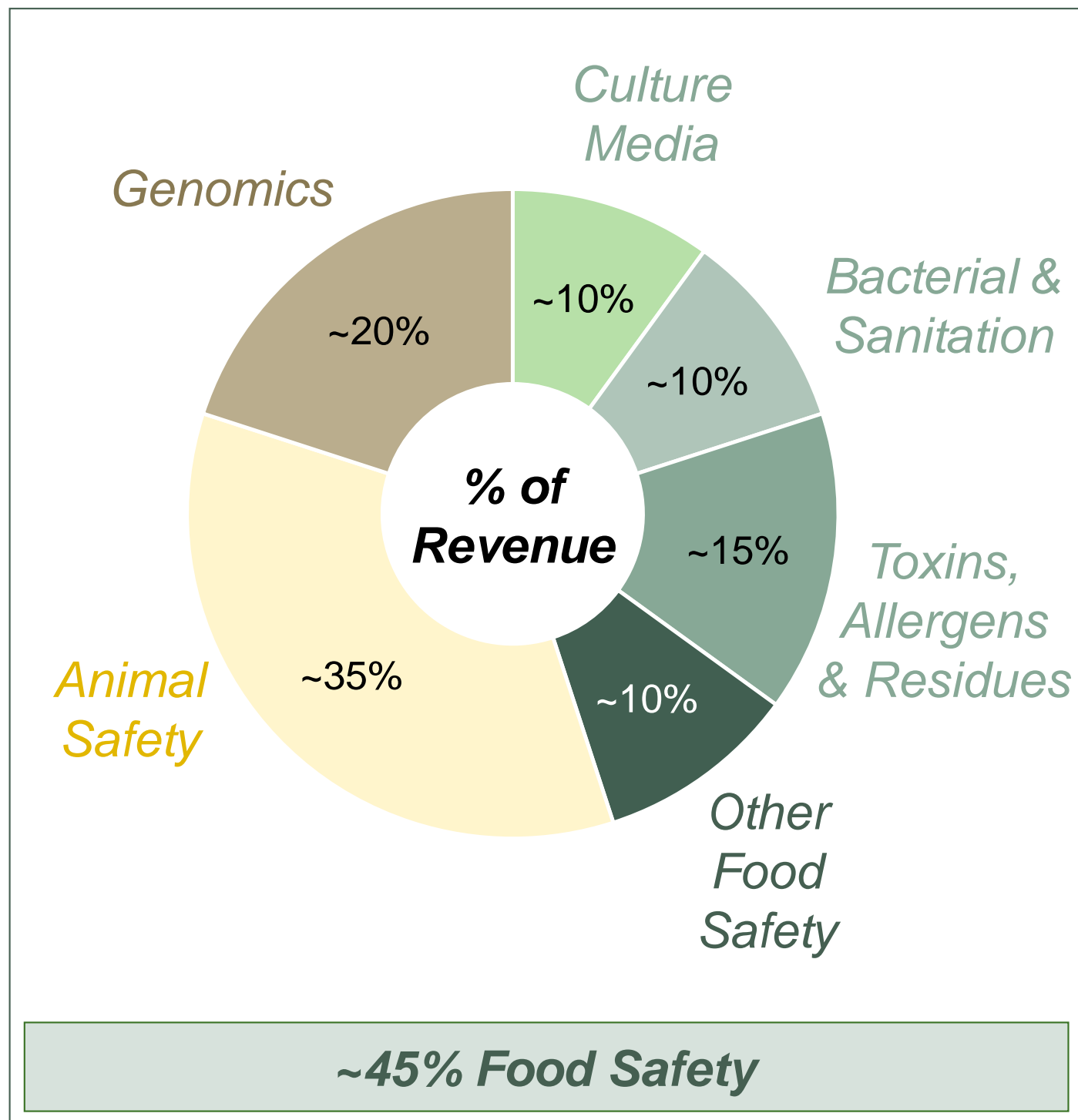
Neogen + 3M Food Safety

 Focus	✓ <i>~\$1 billion<sup>(1)</sup> revenue pure play platform</i>
 Product Offerings	✓ <i>Strength across product offerings</i>
 Global Presence	✓ <i>Presence in &gt;140 countries</i>
 Customer Base	✓ <i>Serves customers around the world and across the full food security value chain</i>
 Innovation	✓ <i>Deep bench of R&amp;D experts spanning food security spectrum</i>

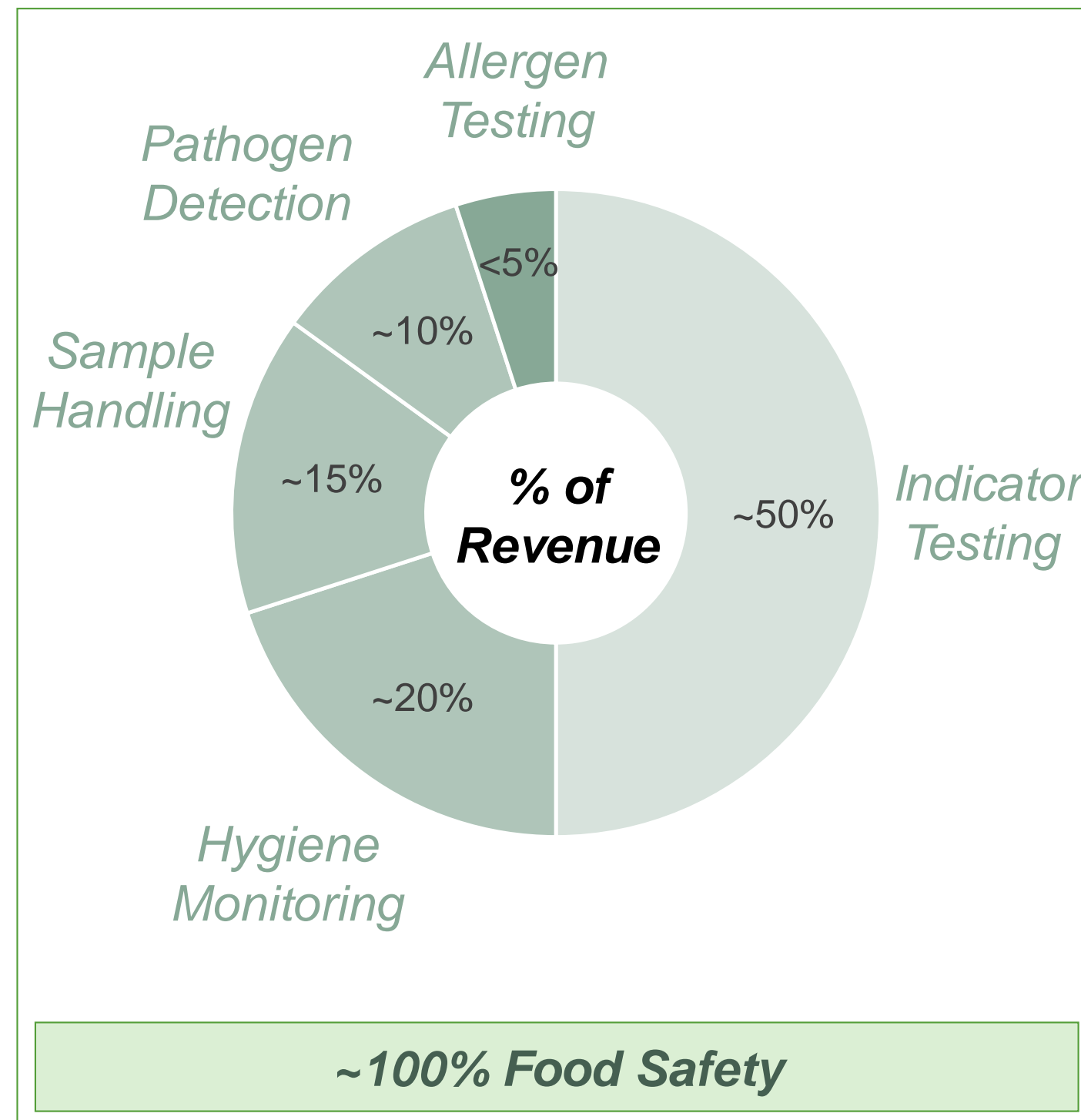
(1) Estimated revenue for the pro forma company in first 12 months post-close.

## 2 Expansive Product Offering

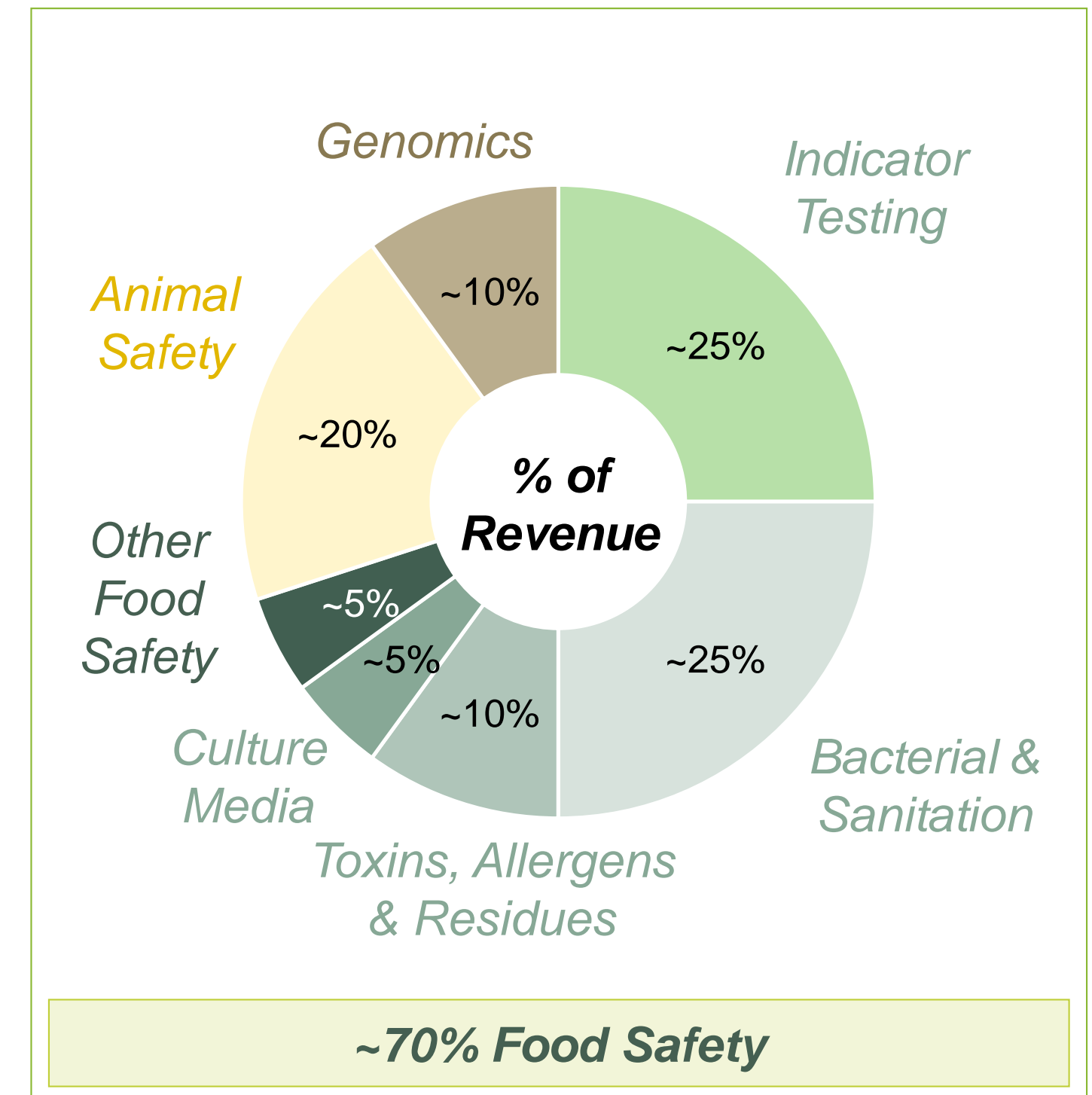
### Neogen



### 3M Food Safety



### Combined Company



*Combination improves weighting towards stable growth food safety business with strong positions in attractive product categories*

Note: Reflects approximate revenue mix. Bacterial & Sanitation includes Hygiene Monitoring, Sample Handling and Pathogen Detection. Toxins, Allergens & Drug Residues includes Allergen Testing.





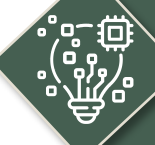


### 3 Complementary, Diverse, Blue Chip Customer Base

Food & Beverage	Contract Labs	Other
		

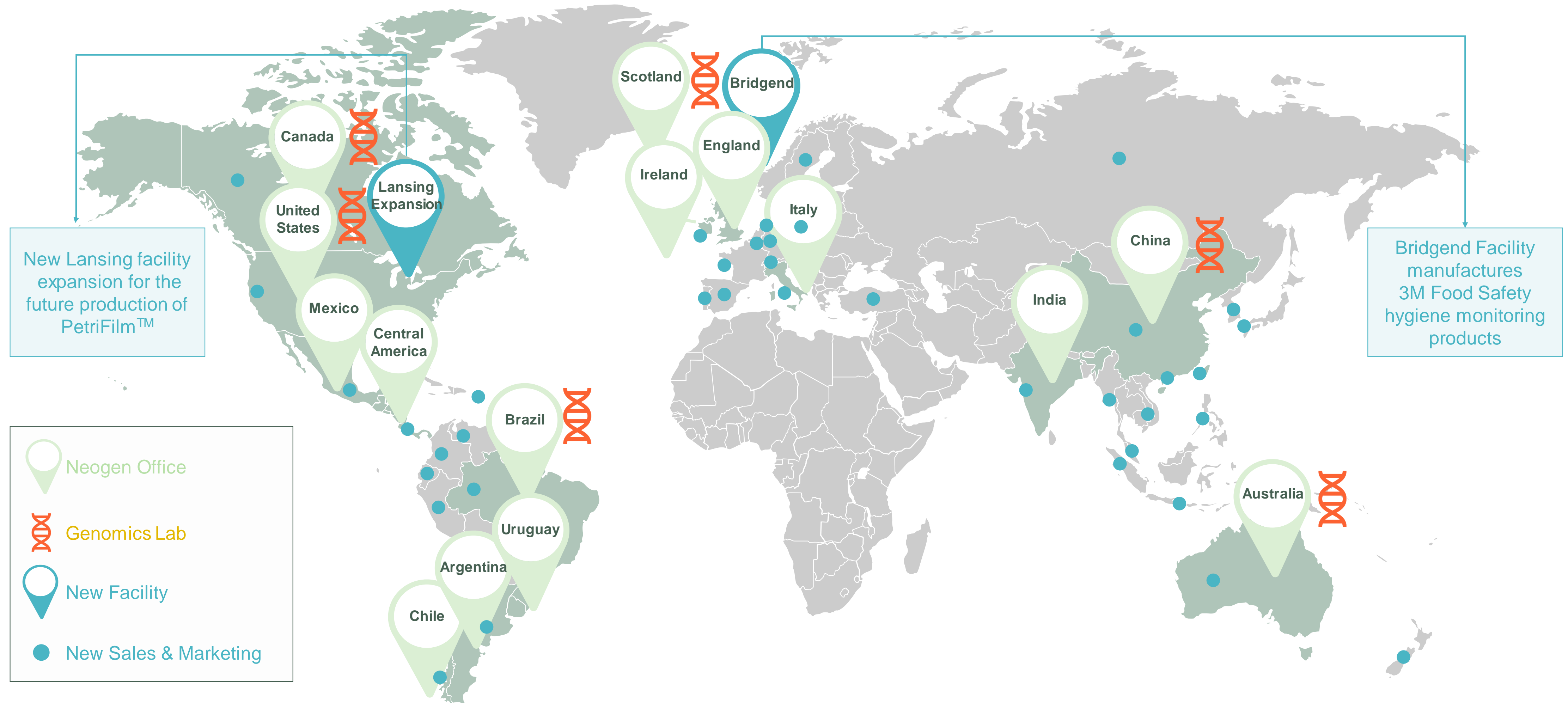
*Deep relationships with a diverse group of customers across the world better served by the combined company*

# 4 Robust Innovation Engine

	Neogen	3M Food Safety	Combined Company	
 Long-Standing History of Innovation	35+ Years	+	35+ Years	Combined 70+ Years of Industry-Defining Innovation
 Deeply Experienced Team	~110 Scientists & Engineers	+	~90 Scientists & Engineers	~200 Scientists & Engineers
 Expanded Patent Portfolio	~100 Granted Patents + ~25 Pending Patents	+	~360 Granted Patents + ~125 Pending Patent Applications	An Expanded Patent Portfolio with ~460 Granted Patents
 Recent Successful New Product Innovations	~60 Successful Products Developed Over Last 2 Years	+	Category Defining Innovation (e.g., Petrifilm™)	New Product Innovations Contributing to Enhanced Growth Potential
 Fulsome Pipeline of New Product Innovations	~50 New Products in Development and Slated for Launch Over Next 2 Years	+	~5 New Products in Development and Slated for Launch Over Next 2 Years	~55 New Products in Development

*Combined company will have extensive R&D capabilities with deep knowledge in microbiology, genomics, biochemistry, immunodiagnostics and instruments*

# 5 Global Infrastructure to Capture the Growth Opportunity



*Combined company will cover the globe  
designing, manufacturing and delivering food security products and services*

# 5 Detailed Integration Plan in Place

Pre-Signing	Signing (Today)	Expected Closing (Calendar Q3 2022)
<p>35+ Years of Industry Experience and Comprehensive Due Diligence on 3M Food Safety</p>	<p>Phase I Drive "Day 1" Readiness <i>Pre-Signing to Close</i></p>	<p>Phase II Implement and Execute <i>Post Close</i></p>
<p>Extensive understanding of market dynamics</p>	<p>Refine detailed integration plan to combine Neogen's industry and diligence experience with 3M's industry and integration experience</p>	<p>Implement integration plan, leveraging expertise and experience across Neogen and 3M</p>
<p>Deep product expertise</p>	<p>Define targets and deploy teams</p>	<p>Leverage manufacturing and distribution transition support from 3M</p>
<p>In-touch with customer demands and preferences</p>	<p>Design new centralized org</p>	<p>Construct Lansing expansion and roll-out new IT/ERP system</p>
<p>Proven track record in food safety</p>	<p>Refine scope for IT/ERP buildout</p>	<p>Transition 3M distribution and manufacturing capabilities to Neogen</p>
<p>Established capabilities and know-how</p>	<p>Prepare for Bridgend "Day 1" operations on Neogen footprint</p>	<p>Execute on growth and cost synergy opportunities</p>

*Combined company to create a world-class manufacturing and IT footprint through expected net capital investments of ~\$150-\$175 million over a 3 year period*

## 6 Strong Pro Forma Financial Profile

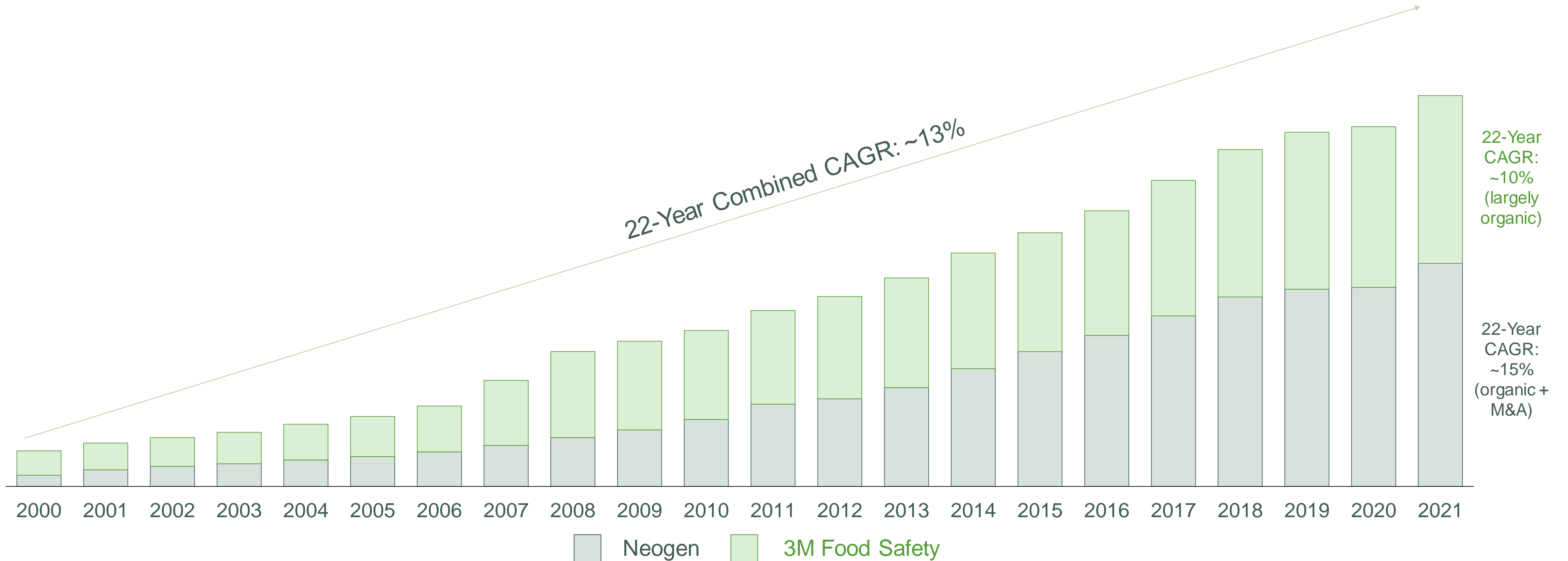
*Expected financial profile in the first full year post closing*

	Neogen	3M Food Safety	Combined Company
Revenue	Mid \$500 million	Mid \$400 million	~\$1 billion
Adjusted Gross Margin %	High 40%	Low 60%	Low 50%
Adjusted EBITDA	~\$125 million	~\$175 million	~\$300 million
Adjusted EBITDA Margin	>20%	~40%	~30%
Net Leverage (at closing)			<2.5x

*Combination is expected to enhance Neogen's financial profile, with expected double-digit revenue growth and ~30% EBITDA margins*

# 6 Well-Positioned to Extend Strong Track Record of Growth

*Neogen and 3M Food Safety Revenue Growth (FY2000 – FY2021)*



*Both Neogen and 3M Food Safety have a long track record of double-digit revenue growth*

# 7 Compelling Value Creation Expected Via Synergies



*Targeting EBITDA contribution from growth and cost synergies of ~\$30 million by Year 3*

# Concluding Perspectives

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*Combination of complementary food safety leaders creating a pure play food security company with ~\$1 billion revenue trajectory*

*Compelling product offering and footprint to address food security challenges globally and serve a diverse customer base*

*Combined company expected to deliver ~10% revenue growth with ~30% EBITDA margins*

*Compelling value creation opportunity for shareholders through synergies and enhanced financial metrics*