FOR IMMEDIATE RELEASE

MEDTRONIC REPORTS FOURTH QUARTER AND FISCAL YEAR 2020 FINANCIAL RESULTS; ANNOUNCES DIVIDEND INCREASE

- Q4 Revenue of $6.0 Billion Decreased 26% Reported and 25% Organic
- Q4 GAAP Diluted EPS of $0.48; Q4 Non-GAAP Diluted EPS of $0.58
- Financial Results In-Line with Update Provided on April 21 and Consistent with Impact Felt Across MedTech Industry
- FY20 Cash Flow from Operations of $7.2 Billion; FY20 Free Cash Flow of $6.0 Billion; Conversion of 97%
- Quarterly Dividend Increased to $0.58, Annual $2.32 from Prior $2.16; 43rd Consecutive Year of Dividend Increases

DUBLIN – May 21, 2020 – Medtronic plc (NYSE:MDT) today announced financial results for its fourth quarter and fiscal year 2020, which ended April 24, 2020. The results were in-line with the update the company provided on April 21, 2020, which detailed the impact of the COVID-19 pandemic on its operations and financials. Medtronic’s results were also consistent with the impact felt across the MedTech industry from deferred procedures as a result of the pandemic. Medtronic is in a strong financial position, as represented by the increase in its cash dividend announced today, and the company continues to drive its long-term strategies.

The company reported fourth quarter worldwide revenue of $5.998 billion, a decrease of 26 percent as reported and 25 percent on an organic basis, which adjusts for a $129 million negative impact from foreign currency and a $15 million contribution from the company’s acquisition of Titan Spine, which is reported in the Spine division in the Restorative
Therapies Group. As reported, fourth quarter GAAP net income and diluted earnings per share (EPS) were $646 million and $0.48, respectively. As detailed in the financial schedules included through the link at the end of this release, fourth quarter non-GAAP net income and non-GAAP diluted EPS were $777 million and $0.58, respectively, decreases of 63 percent and 62 percent, respectively.

Fourth quarter U.S. revenue of $2.852 billion represented 48 percent of company revenue and decreased 33 percent as reported. Non-U.S. developed market revenue of $2.218 billion represented 37 percent of company revenue and decreased 14 percent as reported and 11 percent constant currency. Emerging Markets revenue of $929 million represented 15 percent of company revenue and decreased 28 percent as reported and 24 percent constant currency.

Medtronic’s fiscal year 2020 revenue of $28.913 billion decreased 5.4 percent, or 4.2 percent on an organic basis, adjusting for the $418 million negative impact from foreign currency. As reported, fiscal year 2020 net earnings were $4.789 billion or $3.54 per diluted share. As detailed in the link at the end of this release, fiscal year 2020 non-GAAP earnings and diluted earnings per share (EPS) were $6.206 billion and $4.59, respectively, decreases of 12.5 percent and 12.1 percent, respectively. Adjusting for the negative 4 cent impact from foreign currency, fiscal year 2020 non-GAAP diluted EPS decreased 11.3 percent.

Fiscal year 2020 cash flow from operations was $7.234 billion. Fiscal year 2020 free cash flow was $6.021 billion, an increase of 3 percent versus the prior year and a free cash flow conversion from non-GAAP net earnings of 97 percent. Medtronic is in a strong financial position with ample liquidity. As of the end of its fourth fiscal quarter, the company had $10.9 billion of cash and investments and an undrawn $3.5 billion facility. The company has no public debt maturing until March 2021.

“It is important to acknowledge the incredible heroism, resolve and sacrifice of the frontline healthcare workers fighting the COVID-19 pandemic, as well as our employees
who are supporting them,” said Geoff Martha, Medtronic chief executive officer. “This pandemic presented the world with an unprecedented challenge, which required an unprecedented response, including by our team at Medtronic. I’m extremely proud of the way our employees have risen to the occasion to help healthcare systems and workers, governments and NGOs, and for the way that they’ve continued to support their communities and families through this time.”

**Cardiac and Vascular Group**
The Cardiac and Vascular Group (CVG) includes the Cardiac Rhythm & Heart Failure (CRHF), Coronary & Structural Heart (CSH), and Aortic, Peripheral & Venous (APV) divisions. CVG fiscal year 2020 revenue of $10.468 billion decreased 9.0 percent as reported and 7.6 percent on a constant currency basis. CVG fourth quarter revenue of $2.004 billion decreased 34 percent as reported and 33 percent constant currency. CVG’s revenue decline this quarter reflected the impact of the COVID-19 pandemic and specifically, a decline in deferrable procedure volumes and a reduction in quarter-end customer bulk purchases. CVG’s performance was impacted by high-thirties declines in CRHF, high-twenties declines in CSH, and mid-twenties declines in APV, all on a constant currency basis.

- **Cardiac Rhythm & Heart Failure** fourth quarter revenue of $940 million decreased 40 percent as reported and 38 percent constant currency. Arrhythmia Management revenue, including implantable defibrillators (ICDs), Pacemakers, Implantable Diagnostics, and AF Solutions declined in the high-thirties. This included high-single digit growth in Leadless Pacemakers, and specifically low-twenties growth in the United States, on the continued adoption of the company’s Micra™ transcatheter pacing system. Heart Failure declined in the high-thirties on a constant currency basis, reflecting declines in cardiac resynchronization therapy defibrillators (CRT-Ds), cardiac resynchronization therapy pacemakers (CRT-Ps), and left ventricular assist devices (LVADs).
- **Coronary & Structural Heart** fourth quarter revenue of $697 million decreased 30 percent as reported and 28 percent constant currency, reflecting low-thirties declines in drug-eluting stents and transcatheater aortic valves (TAVR).

- **Aortic, Peripheral & Venous** fourth quarter revenue of $367 million decreased 27 percent as reported and 26 percent constant currency. Aortic and Peripheral declined in the low-twenties and Venous declined in the low-thirties.

**Minimally Invasive Therapies Group**
The Minimally Invasive Therapies Group (MITG) includes the Surgical Innovations (SI) and the Respiratory, Gastrointestinal & Renal (RGR) divisions. MITG fiscal year 2020 revenue of $8.352 billion decreased 1.5 percent as reported and increased 0.2 percent on a constant currency basis. MITG fourth quarter revenue of $1.934 billion decreased 14 percent as reported and 12 percent constant currency. MITG’s revenue decline this quarter reflected a decline in procedure volumes as a result of the COVID-19 pandemic. SI’s low-twenties decline was partially offset by high-single digit growth in RGR, both on a constant currency basis.

- **Surgical Innovations** fourth quarter revenue of $1.168 billion decreased 24 percent as reported and 22 percent constant currency. The decline of worldwide surgical procedures resulted in lower demand for Advanced Stapling and Advanced Energy products, which both declined in the low-twenties, and General Surgery products, which also declined in the low-twenties.

- **Respiratory, Gastrointestinal & Renal** fourth quarter revenue of $766 million increased 6 percent as reported and 8 percent constant currency, reflecting the increased demand for Respiratory and Patient Monitoring products. Respiratory & Patient Monitoring grew in the mid-teens, including high-eighties growth in ventilators as production increased to address global needs.
Restorative Therapies Group

The Restorative Therapies Group (RTG) includes the Brain Therapies, Spine, Specialty Therapies, and Pain Therapies divisions. RTG fiscal year 2020 revenue of $7.725 billion decreased 5.6 percent as reported and 5.4 percent on an organic basis. RTG fourth quarter revenue of $1.490 billion decreased 33 percent as reported and on an organic basis, which adjusts for the negative impact from foreign currency and the positive contribution from the company’s acquisition of Titan Spine. RTG’s revenue decline this quarter reflected the impact of the COVID-19 pandemic and specifically, a decline in deferrable procedures and some impact from the reduction in customer bulk purchases and capital equipment purchases. RTG’s performance this quarter was impacted by low-forties declines in Specialty Therapies and Pain Therapies, low-thirties declines in Spine, and mid-twenties declines in Brain Therapies, all on an organic basis.

- **Brain Therapies** fourth quarter revenue of $615 million decreased 26 percent as reported and 25 percent constant currency, reflecting high-twenties declines in Neurosurgery and high-thirties declines in DBS and high-single digit declines in Neurovascular, which included high-single digit growth in Ischemic Stroke.

- **Spine** fourth quarter revenue of $480 million decreased 31 percent as reported and 32 percent on an organic basis. Core Spine declined in the high-twenties, both in the U.S. and globally. Sales of bone morphogenetic protein (BMP) declined in the high-thirties.

- **Specialty Therapies** fourth quarter revenue of $197 million decreased 44 percent as reported and 43 percent constant currency. ENT declined in the high-twenties and Pelvic Health declined in the high-fifties, all on a constant currency basis.

- **Pain Therapies** fourth quarter revenue of $198 million decreased 42 percent as reported and 42 percent constant currency.
**Diabetes Group**

Diabetes Group fiscal year 2020 revenue of $2.368 billion decreased 1.0 percent as reported and increased 0.8 percent on a constant currency basis. Diabetes Group fourth quarter revenue of $570 million decreased 9 percent as reported and 7 percent constant currency. Diabetes Group revenue performance was impacted by a delay in new patient starts on insulin pumps due to the closing of physician offices as a result of COVID-19. This was offset by an increase in demand for diabetes supplies, including continuous glucose sensors and infusion sets, particularly in international markets.

**Guidance**

Given the uncertainty on near-term financial results caused by the COVID-19 pandemic, the company is not providing formal annual or quarterly financial guidance at this time.

**Dividend Increase**

The company today announced that on May 20, 2020, the Medtronic board of directors approved an increase in Medtronic’s cash dividend for the first quarter of fiscal year 2021, raising the quarterly amount to $0.58 per ordinary share. This would translate into an annual amount of $2.32 per ordinary share, an increase from the prior $2.16. Today’s announcement marks the 43rd consecutive year of an increase in the dividend payment for Medtronic, a constituent of the S&P 500 Dividend Aristocrats index. Including today’s increase, Medtronic’s dividend per share has grown over 50 percent over the past 5 years and has grown at a 17 percent compounded annual growth rate over the past 43 years.

Medtronic has a strong track record of returning capital to its shareholders, including returning $3.6 billion in fiscal year 2020. The company remains committed to returning a minimum of 50 percent of its free cash flow to shareholders through dividends and share repurchases. The dividend is payable on July 17, 2020, to shareholders of record at the close of business on June 26, 2020.
“Our financial position remains strong, and we’re differentially using our balance sheet during the pandemic. Today, we announced a significant increase in our dividend, and we are purposely investing to drive not only a strong recovery, but also consistent, long-term growth,” said Martha. “As we emerge, the investments that we’ve made will be evident in our attraction and retention of top talent, and in the new, innovative products and solutions that we’ll offer physicians, patients, and healthcare systems.”

**Webcast Information**

Medtronic will host a webcast today, May 21, at 8:00 a.m. EDT (7:00 a.m. CDT) to provide information about its businesses for the public, investors, analysts, and news media. This quarterly webcast can be accessed by clicking on the Investor Events link at investorrelations.medtronic.com and this earnings release will be archived at newsroom.medtronic.com. Medtronic will be live tweeting during the webcast on its Newsroom Twitter account, @Medtronic. Within 24 hours of the webcast, a replay of the webcast and transcript of the company’s prepared remarks will be available by clicking on the Investor Events link at investorrelations.medtronic.com.

Medtronic plans to report its fiscal year 2021 first, second, third, and fourth quarter results on Tuesday, August 25, 2020, Tuesday, November 24, 2020, Tuesday, February 23, 2021, and Thursday, May 27, 2021, respectively. As a result of the COVID-19 pandemic, Medtronic has postponed its biennial Institutional Investor & Analyst Day, which originally was scheduled for Tuesday, June 2, 2020, to a date that is to be determined. For all of these events, confirmation and additional details will be provided closer to the specific event.

**Financial Schedules**

To view the fourth quarter and FY20 financial schedules and non-GAAP reconciliations, [click here](#). To view the fourth quarter and FY20 earnings presentation, [click here](#). Both documents can also be accessed by visiting newsroom.medtronic.com.
About Medtronic

Medtronic plc (www.medtronic.com), headquartered in Dublin, Ireland, is among the world’s largest medical technology, services and solutions companies – alleviating pain, restoring health and extending life for millions of people around the world. Medtronic employs more than 90,000 people worldwide, serving physicians, hospitals and patients in more than 150 countries. The company is focused on collaborating with stakeholders around the world to take healthcare Further, Together.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties, including risks related to the impact COVID-19 has had and is expected to continue to have on our business, operations and production, as well as demand for our offerings, and on our employees, medical professional and healthcare system, communities in which we operate, and our financial results and condition, competitive factors, difficulties and delays inherent in the development, manufacturing, marketing and sale of medical products, government regulation and general economic conditions and other risks and uncertainties described in the company’s periodic reports on file with the U.S. Securities and Exchange Commission including the most recent Annual Report on Form 10-K of the company, as filed with the U.S. Securities and Exchange Commission. In some cases, you can identify these statements by forward-looking words, such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “looking ahead,” “may,” “plan,” “possible,” “potential,” “project,” “should,” “will,” and similar words or expressions, the negative or plural of such words or expressions and other comparable terminology. Actual results may differ materially from anticipated results. Medtronic does not undertake to update its forward-looking statements or any of the information contained in this press release, including to reflect future events or circumstances.

NON-GAAP FINANCIAL MEASURES

This press release contains financial measures, including adjusted net income and adjusted diluted EPS, which are considered “non-GAAP” financial measures under applicable SEC rules and regulations. References to quarterly and annual figures increasing, decreasing or remaining flat are in comparison to fiscal year 2019.

Medtronic management believes that non-GAAP financial measures provide information useful to investors in understanding the company’s underlying operational performance and trends and to
facilitate comparisons with the performance of other companies in the med tech industry. Non-GAAP net income and diluted EPS exclude the effect of certain charges or gains that contribute to or reduce earnings but that result from transactions or events that management believes may or may not recur with similar materiality or impact to operations in future periods (Non-GAAP Adjustments). Medtronic generally uses non-GAAP financial measures to facilitate management’s review of the operational performance of the company and as a basis for strategic planning. Non-GAAP financial measures should be considered supplemental to and not a substitute for financial information prepared in accordance with U.S. generally accepted accounting principles (GAAP), and investors are cautioned that Medtronic may calculate non-GAAP financial measures in a way that is different from other companies. Management strongly encourages investors to review the company’s consolidated financial statements and publicly filed reports in their entirety. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the financial schedules accompanying this press release.

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View Fourth Quarter and FY20 Financial Schedules & Non-GAAP Reconciliations
View Fourth Quarter and FY20 Earnings Presentation