Medtronic

Engineering the extraordinary

Investor Handout

June 2022

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Forward-looking statements, non-GAAP financial measures, and comparisons

Forward-looking statements

This presentation 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 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. 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 presentation, including to reflect future events or circumstances.

Non-GAAP financial measures

Certain information in this presentation includes calculations or figures that have been prepared internally and have not been reviewed or audited by our independent registered public accounting firm. Use of different methods for preparing, calculating or presenting information may lead to differences and such differences may be material. This presentation contains financial measures and guidance which are considered "non-GAAP" financial measures under applicable SEC rules and regulations. 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 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. Starting with the quarter ended April 29, 2022, the Company will no longer adjust non-GAAP financial measures for certain license payments for, or acquisitions of, technology not approved by regulators due to recent guidance from the U.S. Securities and Exchange Commission. Historical non-GAAP financial measures have been recast for comparability. All GAAP to non-GAAP reconciliations are provided on our website.

Medtronic calculates forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. For instance, forward-looking organic revenue growth guidance excludes the impact of foreign currency fluctuations, as well as significant acquisitions or divestitures. Forward-looking diluted non-GAAP EPS guidance also excludes other potential charges or gains that would be recorded as Non-GAAP Adjustments to earnings during the fiscal year. Medtronic does not attempt to provide reconciliations of forward-looking non-GAAP EPS guidance to projected GAAP EPS guidance because the combined impact and timing of recognition of these potential charges or gains is inherently uncertain and difficult to predict and is unavailable without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.

Financial comparisons

References to results increasing, decreasing, or remaining flat are in comparison to the same period in the prior fiscal year. References to organic revenue growth exclude the impact of significant acquisitions or divestitures and currency. Unless stated otherwise, quarterly and annual rates and ranges are given on an organic basis. Unless stated otherwise, all references to share gains or losses are as of the most recently completed calendar quarter, on a revenue basis, and in comparison to the same period in the prior year.

Unapproved devices

The following presentation includes discussion of devices that are not cleared or approved in the United States. The safety and effectiveness of these devices have not been established and features and performance of future technologies may vary. Information provided during this presentation may also include products that may not be available or distributed in regions or countries outside the U.S. Access to these products are contingent upon regulatory approval or clearance. Approval or clearance timelines are subject to the regulatory process of individual countries and regions and are not guaranteed.

Committed to accelerating and sustaining higher growth over the long term

Significant changes made and further changes underway; industry-leading technology pipeline coming to fruition

Significant changes over last 18 months position Medtronic for improved innovation-driven growth
Despite challenging environment and pipeline delays, significant changes implemented, with new operating model of 19 focused and accountable businesses – combined with culture & incentive enhancements – to accelerate decision making and improve execution; majority of businesses now growing at or above market

Key learnings from new operating model and new top talent hires helping to drive additional change
External talent with fresh perspectives and new operating model driving more opportunities for leveraging scale with operational efficiencies, supply chain, and quality

Leading pipeline in fast-growing medtech markets
Over 200 product approvals in last 12 months are significant near-term catalysts; continued investments in mid-term programs and recent M&A with significant growth potential

Committed to environmental, social, and governance
Comprehensive approach delivering results; recently published Global Inclusion, Diversity & Equity 2021 Annual Report

Changes to portfolio management and capital allocation processes expected to drive higher growth and create shareholder value
Increased focus on capital allocation and an active examination of Medtronic's portfolio

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FY22 Highlights and Financial Summary

Key Messages

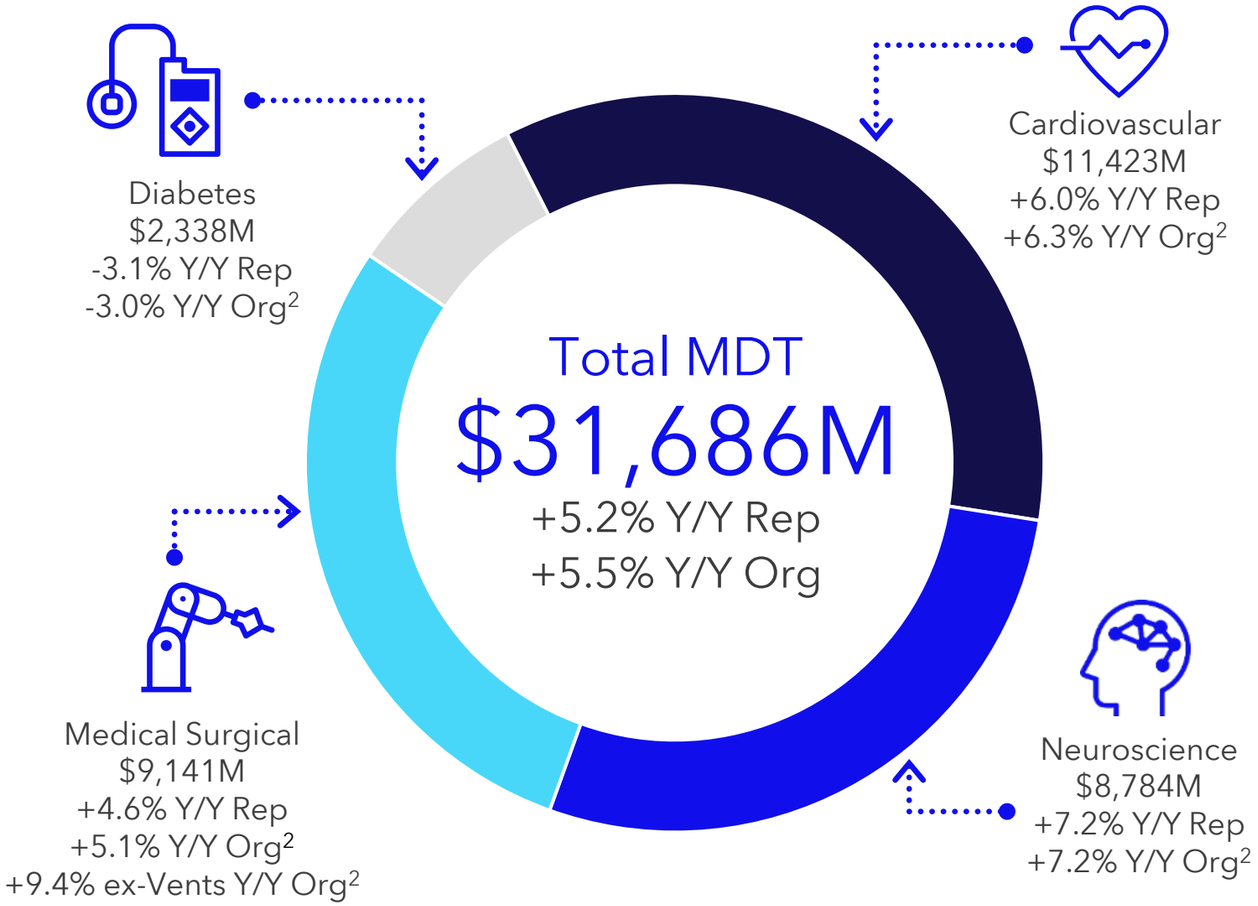
- **Medtronic transformation continued:** First full year working under new operating model and enhanced "Medtronic Mindset" culture; consolidated operations and supply chain functions to leverage scale
- **Advanced scientific evidence and product pipeline:** Conducted over ~300 clinical trials and received over 200 regulatory approvals in key markets; all time high organic R&D spend of $2.7B to fuel innovative product pipeline
- **Environmental, social, and governance:** Joined DJSI's World Index as one of the world's leading companies for sustainability; ranked #10 on Diversity Inc's Top 50 US Companies for Diversity
- **Expanded healthcare in underserved communities around the world:** Medtronic LABS has screened 1M+ people with 40K lives improved and 2,500 health workers trained. Partnership with Amazon Web Services to deliver better colon screening using our GI Genius
- **Thoughtful capital allocation to drive growth and create shareholder value:** Announced four acquisitions with total combined consideration of >$2.1B; returned $5.5B to shareholders through share repurchases and dividends, or 92% of free cash flow

	GAAP	Non-GAAP
Diluted EPS	**$3.73**	**$5.55**
Y/Y %	**40%**	**26%**
CC Y/Y %	**N/A**	**23%**

Cash flow from operations YTD
$7.3B

Free cash flow[3] YTD
$6.0B

Revenue[1] by segment



[1]Data has been intentionally rounded to the nearest million and, therefore, may not sum.
[2]Figures represent comparison to FY21 on an organic basis.
[3]Operating cash flows less property, plant, and equipment additions.

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Outlook for Q1 and full year FY23, as provided on May 26

Expectations reflect unique combination of timebound headwinds while investing in quality and pipeline

Q1 FY23 guidance[1]

Outlook assumes underlying fundamentals similar to Q4 FY22 with continued supply chain headwinds

Organic revenue decline

-4.5 to -5.5% FX: approximately $350M to $400M headwind

Non-GAAP diluted EPS

$1.10-$1.14 FX: approximately $0.05 headwind

FY23 Guidance[1]

FY22 Revenue base	Organic revenue growth guidance	FX[1]	Implied revenue range
$31,686M	**+4 to +5%**	-$1.0B to -$1.1B	~$31.9B - $32.3B

FY22 Non-GAAP EPS base	Implied constant currency growth	FX[1]	EPS guidance
$5.55	+3% to +6%	-$0.20 to -$0.25	**$5.53 - $5.65**

EPS guidance does not include any charges or gains that would be reported as non-GAAP adjustments to earnings during the fiscal year.
[1]While FX rates are fluid, assumptions above are based on recent rates near the specific earnings call.

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Revenue outlook calls for acceleration through FY23

Combination of easing headwinds, pipeline launches, and strong underlying fundamentals

Q4 FY22 Actual

+1.4% organic growth

+0.3% COVID comp adjusted*

Revenue shortfall driven by:

- Supply chain (~75% shortfall), primarily in Surgical Innovations
  - Packaging, resin and semiconductor shortages impacted Surgical Innovations
- China/COVID (~15% shortfall)
  - Lower Spine sales into distributors in anticipation of national VBP tender
  - Impact of lockdown on procedures
- Foreign Exchange (~10% shortfall)
  - Dollar strengthened during the quarter following FX assumptions given on Q3 earnings call

Q1 FY23 Guidance

-4.5% to -5.5% organic growth

-0.4% to +0.1% COVID comp adjusted*

Underlying fundamentals similar to Q4, with continued supply chain headwinds:

- Surgical Innovations supply chain issues continue
- Potential incremental headwinds for a few businesses from Shanghai-based supplier disruptions due to lockdown
- Potential incremental pressure in Spine in China ahead of potential national VBP tender

FY23 Guidance

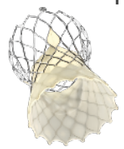
+4% to +5% organic growth

vs FY22 +5.5% organic

Expect growth to improve each quarter, with H2 much stronger than H1

- Acute supply chain headwinds expected to resolve
- Easier comparisons each quarter:
  - Q2'22 2.2%; Q3'22 1.6%; Q4'22 1.4% organic
- Certain headwinds (~200 bps impact to FY22 growth) expected to mostly subside
  - Ventilator sales, Navion recall, LVAD exit, and China DES tender
- Multiple important product launches and clinical updates

Micra™ AV and VR Transcatheter Pacing System



Evolut™ FX TAVR System

Symplicity™ Renal Denervation

Aurora Extravascular ICD (EV-ICD)

Inceptiv SCS using Closed-Loop (ECAPS)

* Note: COVID comp adjusted growth rate represents 2-year average of 1) current year vs prior year organic growth and 2) prior year vs FY19 (pre-COVID) organic growth

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Significant changes underway to accelerate growth and win market share

Initial changes implemented; key learnings and new top talent helping to drive continued improvements

Ongoing Transformation

What we've done ✓

- New operating model established Operating Units
- Enhanced culture
- Further aligned incentives with meaningful changes
- Established technology development centers
- Strategic customer relationships

Key Learnings

Accelerating…

- Operations and supply chain improvements
- Accountability and consistency in patient safety & quality processes
- Portfolio management

Medtronic Engineering the extraordinary ◄·····► DaVita Kidney Care

Attracting top talent

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Significant changes to accelerate growth and improve competitiveness

New operating model, culture enhancements, and incentives in place

New operating model

Eliminated group infrastructure and moved to 19 focused and accountable operating units

- ✓ Operating units have full control of P&L, product development, and sales forces in larger geographies
- ✓ More decentralized and delayered
- ✓ Increased transparency and accountability
- ✓ Eliminated bureaucracy, with businesses moving much faster

Enhancing culture

Injected new traits into our Mission-driven culture

- Act boldly
- Compete to win
- Move with speed and decisiveness
- Foster belonging
- Deliver results, the right way

✓ Employees quickly embracing change with high engagement scores

Further aligned incentives

Meaningful changes to our compensation plans to enhance competitiveness and reward performance

- ✓ Added market share as an annual metric, in addition to revenue growth, profit, and free cash flow
- ✓ Greater differentiation in payout based on individual and business/region/function performance
- ✓ Increased emphasis on equity instead of cash

Significant changes to accelerate growth and improve competitiveness

Leveraging scale with tech development centers and strategic customer relationships

Tech development centers

Adding new centralized technology centers to existing battery and microelectronics centers to leverage across multiple operating units:

- Cardiac implantables
- Enabling technologies
- Neuromodulation implantables
- Surgical technologies

✓ Example: CRM team helped accelerate trajectory of Neuromod development

Strategic customer relationships

Becoming a true partner to our customers and driving strong strategic relationships

✓ Single point of contact for large customers such as governments, large healthcare systems, and GPOs to buy across the Medtronic portfolio

Enterprise synergies increase revenue and drive more efficient R&D spend

Attracting top external talent to drive change

Attracting top external talent

Bringing outside-in thinking, new skills and capabilities, and diverse perspectives to our already talented leadership team

Que Dallara
EVP, President of Diabetes Previous: CEO of Honeywell Connected Enterprise

Torod Neptune
SVP, Chief Communications Officer
Previous: Lenovo & Verizon

Mei Jiang
Head of Global Digital Innovation
Previous: Iron Mountain, HP, Cisco

Greg Smith
EVP, Global Operations & Supply Chain
Previous: Walmart & Goodyear

Ivan Fong
EVP, General Counsel and Corporate Secretary
Previous: 3M, US DHS, Cardinal Health

Harry "Skip" Kiil
President, Cranial and Spinal Technologies
Previous: Smith & Nephew, Nuvasive

Mira Sahney
President, Pelvic Health
Previous: Hyalex Orthopaedics, Smith & Nephew

Yarmela Pavlovic
VP, Regulatory Strategy
Previous: Manatt, Phelps & Phillips, LLP, Hogan Lovells

Bob Hopkins
Head of Global Strategy
Previous: Bank of America Merrill Lynch

Austin L. Chiang, M.D., M.P.H.
Chief Medical Officer, Gastrointestinal
Previous: Sidney Kimmel Medical College, Jefferson Health

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Now growing at or above market in majority of businesses

Recent temporary supply chain impacts affecting share off CY2021 progress

More Operating Units holding or winning share

*Mechanical Circulatory Support business is not included

Leadership positions in key medtech markets

Cardiac Rhythm Management #1	Cardiovascular Diagnostics #1	Coronary #1	TAVR #2
Aortic Stent Grafts #2	Cardiac Surgery #2	Peripheral Vascular #1	
Advanced Energy #1	Advanced Stapling #1	Surgical Robotics #2	Patient Monitoring #1
Gastrointestinal #1	Hernia & Wound Mgmt #2		
Spine & Bio #1	Enabling Tech #1	Pain Stim #3	Deep Brain Stim #1
Neurovascular #2	Sacral Neuromod. #1	ENT #1	
Insulin Pumps #1	Smart Pens #1		

Competing well in most but not all core markets; pipeline and capital allocation key to drive further improvement

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Accelerating changes to create value and further leverage enterprise scale

Adding value to our operating units, enabling stronger performance vs smaller competitors

Operations and supply chain

- Consolidating global operations to realize economies of scale, drive lower costs through reduced inventory and obsolete products & materials, and improve quality with Strategic Supplier base
- Investing in automation, digitalization, and Industry 4.0
- Supply management team negotiates contracts across OUs to secure attractive terms and manage through supply chain issues

Patient safety and quality

- Aggressively accelerating plans to enhance patient safety and quality performance
- Reshaping processes and operating mechanisms, driving consistency and increasing management accountability

Portfolio management

- Newly created Capital Allocation Committee driving more decisive capital allocation; includes CEO, CFO, Portfolio Presidents and Head of Strategy
- Announced 4 acquisitions in FY22 with total combined consideration of >$2.1B; Announced NewCo with DaVita®
- Deeply committed to driving shareholder value

Medtronic Engineering the extraordinary ↔ DaVita Kidney Care

intersect ENT | AFFERA | ACUTUS MEDICAL Left Heart Access Portfolio | RIST NEUROVASCULAR

Allocating capital to generate strong growth and shareholder return

Investments for growth

Organic R&D investments

Increasing our R&D spend broadly across the company to fuel our robust pipeline

$2.7B
organic R&D spend in FY22

FY22:
R&D Growth
outpacing revenue growth

Tuck-in M&A

Increasing our WAMGR, differentiating our portfolio, and accelerating our time to market

9
Acquisitions announced since beginning of FY21

>$3.3B
in total consideration

Minority investments & strategic partnerships

Minority investments portfolio to develop and facilitate potential future tuck-in acquisitions

Third-party funding to leverage our own R&D investment and accelerate growth

75+
Companies

$850M+
Invested as of Q4 FY22

Return to shareholders

Dividend growth

45 Years
of dividend increases

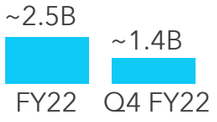
Target increases roughly inline with earnings growth

Member of S&P 500 Dividend Aristocrats

Share repurchases

Target offsetting stock-based compensation dilution at a minimum, with opportunistic repurchases during share price dislocation periods

$2.5B FY22
Shares repurchased



Total return

Target
Minimum of 50% of Free Cash Flow
returned to shareholders annually

$5.5B
In net share repurchases and dividends in FY22

92%
of Free Cash Flow

*Note: YTD values are as of Q4 FY22.

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Broad, robust pipeline to accelerate growth

Visibility into multiple catalysts in fast-growth medical device end-markets

	Launched (200+ approvals last 12 months)	Just launching / expect in next few quarters	Investing heavily in mid- to long-range pipeline
Cardiovascular	Arctic Front Advance™ Cryoballoon; DiamondTemp™ RF Ablation System; Micra™ AV and VR Transcatheter Pacing System; Harmony Transcatheter PV; VenaSeal™ Closure System	Evolut™ FX TAVR System; DCB AV Access Indication; Abre™ Self-Expanding Stent; LINQ™ II	Aurora Extravascular ICD (EV-ICD) US Pivotal; Symplicity™ Renal Denervation; Pulsed Field Ablation; Intrepid® Mitral and Tricuspid Valve Replacement; Half Moon Mitral Repair
Medical Surgical	Illumisite Platform; Signia™ Powered Stapler; LigaSure™ Vessel Sealing; GI Genius; ProdiGI™	Nellcor™ OxySoft Pulse Ox Sensor; TriStaple EEA™ Circular Stapler; Touch Surgery™ Enterprise; Hugo ™ RAS System	Signia ™ Circular; Sonicision ™ 7; PillCam™ Genius Colon; Vital Sync™
Neuroscience	Vanta™ Recharge Free SCS; DTM™ SCS on the Intellis™ platform; Solitaire™ X; SenSight™ Directional Leads; Percept™ PC Deep Brain Stimulator	InterStim™ X primary cell device; SCS treatment for DPN; NuVent™ balloon; Next-gen NIM® Nerve Monitoring System; Pipeline™ Vantage with Shield Technology™ Flow Diverter	Inceptiv SCS using Closed-Loop (ECAPS); Hemorrhagic Stroke Intrasaccular Device; Closed-Loop Deep Brain Stimulator; Next-Gen Spine Enabling Technologies
Diabetes	Guardian Connect™ Standalone Sensor (US & OUS); InPen Smart Diabetes Pen; MiniMed™ 770G Bluetooth Enabled	Extended Infusion Set; MiniMed™ 780G Advanced Hybrid Closed-Loop System*; Guardian™ 4 Sensor (Zeus) CGM Sensor	Exclusives: Personalization & Meal Handling; Simplera™ CGM Sensor (Synergy)

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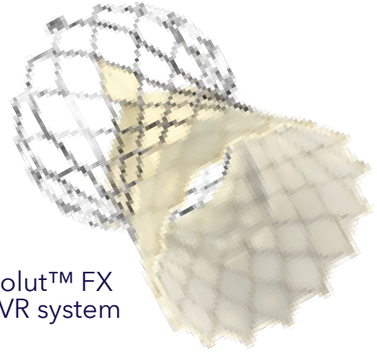
*Timing of MiniMed™ 780G US approval now uncertain given recent FDA warning letter

Cardiovascular Portfolio growth drivers

Over the next 12 – 18 months

Transcatheter valves (TAVR)

Continued global market growth and share capture opportunities with the rollout of our new Evolut™ FX system in the US and entry into China



Evolut™ FX TAVR system

Micra™ transcatheter pacing system

Micra leadless pacing

Continued global growth as the only company with devices addressing half the pacing market; global expansion into Japan and China

Aurora™ Extravascular ICD (EV-ICD)

Extravascular ICD

Expect to disrupt ICD market with Aurora™ EV-ICD, a single device that can pace and shock without any leads in the heart; CE Mark expected in CY22

Cardiac Diagnostics

Planned broad US commercialization of LINQ II later in FY23 following manufacturing ramp; meaningful reduction/ elimination of AF and Pause false positives

LINQ™ II

Cardiac Ablation Solutions

Launching disruptive DiamondTemp™ ablation system; ramping awareness and adoption of our Arctic Front Advance Pro™ cryoablation as a first line treatment for paroxysmal AF

DiamondTemp™ Ablation System

Arctic Front Advance Pro™ Cryoballoon

Clinical catalysts

- Full cohort data for ON MED trial in H2 CY22
- US pivotal study data for EV-ICD in H2 CY22

Symplicity™ Renal Denervation

Aurora™ Extravascular ICD (EV-ICD)

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Medical Surgical Portfolio growth drivers

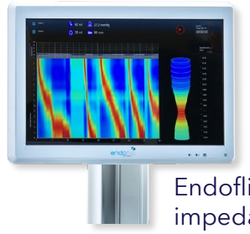
Over the next 12 – 18 months

Surgical Innovations

Global growth at- or above-market for our SI business; benefitting from continued trend of surgical procedures moving from open to minimally invasive, and our innovation advancements in advanced energy and advanced stapling

GI & Patient Monitoring

Continued global growth at- or above-market in these high-growth markets



Endoflip™ impedance planimetry system

GI Genius™

Nellcor™ OxySoft Pulse Ox Sensor

Hugo ™ RAS System

Surgical Robotics

Entering surgical robotics market as second meaningful player; market highly underpenetrated due to cost and utilization barriers

Limited market release of our Hugo™ RAS system continues, combined with our Touch Surgery™ Enterprise AI and image capturing platform; leverages our MIS instrument expertise; customer demand is high

Received CE Mark (Uro/Gyn) in October 2021; previous regulatory approvals in Canada, Australia, and Israel; recent approvals in Brazil and Saudi Arabia

Expanding types of procedures across urology, gynecology, and general surgery including the first bariatric case

Progress toward the start of our Expand URO clinical trial in the U.S., including system installation at first clinical site

Touch Surgery™ Enterprise

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Neuroscience Portfolio growth drivers

Over the next 12 – 18 months

Pain stim

Above-market growth expected on continued adoption of Intellis™ with DTM™ SCS therapy and recent launch of Vanta™ recharge-free system; FDA approval of Intellis™ and Vanta™ for the treatment of diabetic peripheral neuropathy (DPN)

Vanta™ Recharge Free SCS

DTM™ SCS on the Intellis™ platform

Cranial & Spinal Technologies

Continued above-market growth expected of this ~$4.5B business on the rollout of new spine hardware, adoption of market leading O-arm™ imaging, StealthStation™ navigation, and Mazor™ robotics enabling technology, and surgeon adoption of the UNiD software platform and the Medicrea implant portfolio

Catalyft™ Expandable Interbody System

Mazor X Stealth Edition™

UNiD™ Rods

Pelvic Health

Market leader and launching new technology into fast-growing sacral neuromodulation market; U.S. FDA approval of InterStim™ X recharge-free device granted

InterStim™ X primary cell device

Neurovascular & ENT

Continued global growth at- or above-market in these two high-growth markets

Pipeline™ Shield Embolization Device with Shield Technology™

StealthStation™ ENT

Deep brain stimulation

Continued above-market growth expected on continued adoption of recently launched products

Percept™ PC DBS

SenSight™ Directional Leads

Clinical catalysts

- Submitted Inceptiv™ SCS using closed-loop (ECAPS) technology to US FDA
- ADAPT-PD US pivotal trial for closed-loop DBS remains on track with enrollment nearing completion

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Investing heavily in mid- to long-range pipeline

Continued advancements and disruptions to fuel long-term and share gain/recapture across our Portfolios

Cardiovascular

Symplicity™ procedure for hypertension

Pulsed Field Ablation for Afib

Intrepid® Mitral and Tricuspid Valve Replacement

Medical Surgical

Hugo™ RAS System & Touch Surgery™ Enterprise advancements

PillCam™ Genius Colon

Vital Sync™ patient monitoring enhancements

Neuroscience

Next-gen spine enabling technologies

Spinal cord stim indication expansion

Closed-loop deep brain stimulator

Intrasaccular device for hemorrhagic stroke

Diabetes

Simplera™ CGM Sensor

nutrino

KLUE

Exclusives: Personalization & Meal Handling

Multiple undisclosed development programs to deliver competitive CGM/patch pump technology

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Long range plan: committed to delivering double digit total shareholder return

Continuing to convert earnings into strong free cash flow generation

5%+	Margin expansion	8%+	80%+	Growing Dividend	10%+
Organic revenue growth	Investing heavily in R&D Opportunities in COGS and SG&A	Adjusted EPS Growth	Free cash flow conversion	Roughly in line with earnings	Total shareholder return

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Leading ESG practices grounded in our Mission

Focused sustainability areas and targets

Top Priorities

- Innovation & access
- Patient safety & product quality
- Inclusion, diversity & equity

Emerging Priorities

- Climate risk & resilience
- Responsible supply mgmt
- Product stewardship
- Transparency

Additional Priorities

- Integrated Care
- Technology & Device Security
- Data privacy & security
- Ethics in sales & marketing
- Corruption & bribery
- Affordability & fair pricing
- Talent
- Good citizenship

ESG targets

Patient Safety & Product Quality

10%
Reduction in aggregate product complaint rate for identified product families by FY25 vs. FY20

Access & Innovation

20%
MDT revenue from products and therapies released in the prior 36 months by FY25

85M
Patients served annually by FY25

Inclusion, Diversity & Equity

45%
Global management positions held by women by FY26

30%
U.S. management positions held by ethnically diverse talent by FY26

Climate Stewardship

50%
Reduction in greenhouse gas omission intensity by FY25

50%
Sourced energy from renewable and alternative sources by FY25

Carbon Neutral
In our operations by FY30

Net Zero Emissions
By 2045

Product Stewardship

25%
Reduction in packaging waste for targeted high-volume products by FY25 vs. FY21

35%
Paper Reduction by FY25 vs. FY21

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Q4FY22 GAAP to non-GAAP reconciliation

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS[2]
(Unaudited)

	Three months ended April 29, 2022								
(in millions, except per share data)	**Net Sales**	**Cost of Products Sold**	**Gross Margin Percent**	**Operating Profit**	**Operating Profit Percent**	**Income Before Income Taxes**	**Net Income attributable to Medtronic**	**Diluted EPS**	**Effective Tax Rate**
GAAP	$ 8,089	$ 2,591	68.0 %	$ 1,670	20.6 %	$ 1,602	$ 1,485	$ 1.10	6.9 %
Non-GAAP Adjustments:									
Restructuring and associated costs (3)	—	(27)	0.3	98	1.2	98	91	0.07	8.2
Acquisition-related items (4)	—	(5)	0.1	12	0.1	12	10	0.01	16.7
(Gain)/loss on minority investments (5)	—	—	—	—	—	11	11	0.01	—
Medical device regulations (6)	—	(16)	0.2	32	0.4	32	29	0.02	6.3
Amortization of intangible assets	—	—	—	435	5.4	435	374	0.28	13.8
MCS costs (7)	—	—	—	155	1.9	155	97	0.07	37.4
Certain tax adjustments, net (8)	—	—	—	—	—	—	(60)	(0.04)	—
Non-GAAP (1)	$ 8,089	$ 2,544	68.5 %	$ 2,402	29.7 %	$ 2,345	$ 2,038	$ 1.52	12.8 %
Currency impact	215	71	—	(9)	(0.9)			—	
Currency Adjusted	$ 8,304	$ 2,615	68.5 %	$ 2,393	28.8 %			$ 1.52	

See description of non-GAAP financial measures contained in the press release dated May 26, 2022.

(1) Starting with the quarter ended April 29, 2022, the Company will no longer adjust non-GAAP financial measures for certain license payments for, or acquisitions of, technology not approved by regulators due to recent industry guidance from the U.S. Securities and Exchange Commission. Historical non-GAAP financial measures presented in our earnings release have been recast for comparability. The impact of this change is a decrease in non-GAAP net income and diluted EPS of $9 million and $0.01, respectively, for the three months ended April 30, 2021. There was no impact to the three months ended April 29, 2022.

(2) The data in this schedule has been intentionally rounded to the nearest million or $0.01 for EPS figures, and, therefore, may not sum.

(3) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.

(4) The charges primarily include business combination costs, and specifically for the three months ended April 29, 2022, changes in fair value of contingent consideration.

(5) We exclude unrealized and realized gains and losses on our minority investments as we do not believe that these components of income or expense have a direct correlation to our ongoing or future business operations.

(6) The charges represent incremental costs of complying with the new European Union (E.U.) medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses, which are expected to be substantially complete by the end of fiscal year 2023.

(7) The charges relate to incremental commitments and obligations, including patient support obligations and other remediation costs, associated with the Company's June 2021 decision to stop the distribution and sale of the Medtronic HVAD System within the Mechanical Circulatory Support Operating Unit (MCS).

(8) The certain adjustments, net relate to amortization on previously established deferred tax assets from intercompany intellectual property transactions and impacts from tax rate changes and tax basis adjustments.

(9) These charges relate to the abandonment of certain intangible assets in our Neuroscience segment.

Medtronic

FY22 GAAP to non-GAAP reconciliation

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS[2]
(Unaudited)

	Fiscal year ended April 29, 2022								
(in millions, except per share data)	**Net Sales**	**Cost of Products Sold**	**Gross Margin Percent**	**Operating Profit**	**Operating Profit Percent**	**Income Before Income Taxes**	**Net Income attributable to Medtronic**	**Diluted EPS**	**Effective Tax Rate**
GAAP	$31,686	$ 10,145	68.0 %	$ 5,752	18.2 %	$ 5,517	$ 5,039	$ 3.73	8.3 %
Non-GAAP Adjustments:									
Restructuring and associated costs (3)	—	(117)	0.4	335	1.1	335	281	0.21	16.1
Acquisition-related items (1) (4)	—	(19)	0.1	58	0.2	58	30	0.02	48.3
Certain litigation charges	—	—	—	95	0.3	95	78	0.06	17.9
(Gain)/loss on minority investments (5)	—	—	—	—	—	(12)	(9)	(0.01)	—
Medical device regulations (6)	—	(55)	0.2	102	0.3	102	86	0.06	15.7
Amortization of intangible assets	—	—	—	1,733	5.5	1,733	1,467	1.09	15.3
MCS impairment / costs (7)	—	(58)	0.2	881	2.8	881	661	0.49	25.0
Certain tax adjustments, net (8)	—	—	—	—	—	—	(50)	(0.04)	—
Prior to recasting IPR&D charges	$31,686	$ 9,897	68.8 %	$ 8,957	28.3 %	$ 8,710	$ 7,583	$ 5.61	12.7 %
Impact of recast IPR&D charges (1)	—	—	—	(101)	(0.3)	(101)	(78)	(0.06)	22.8
Non-GAAP (1)	$31,686	$ 9,897	68.8 %	$ 8,856	27.9 %	$ 8,609	$ 7,505	$ 5.55	12.6 %
Currency impact	75	131	(0.4)	(157)	(0.5)			(0.10)	
Currency Adjusted	$31,761	$ 10,028	68.4 %	$ 8,699	27.4 %			$ 5.45	

See description of non-GAAP financial measures contained in the press release dated May 26, 2022.

(1) Starting with the quarter ended April 29, 2022, the Company will no longer adjust non-GAAP financial measures for certain license payments for, or acquisitions of, technology not approved by regulators due to recent industry guidance from the U.S. Securities and Exchange Commission. Historical non-GAAP financial measures presented in our earnings release have been recast for comparability. The impact of this change for the fiscal year ended April 29, 2022 is a decrease in non-GAAP net income and diluted EPS of $78 million and $0.06, respectively, including (a) $70 million and $0.05, respectively, for the first quarter of fiscal year 2022, and (b) $8 million and $0.01, respectively, for the third quarter of fiscal year 2022. The impact of this change for the fiscal year ended April 30, 2021 is a decrease in non-GAAP net income and diluted EPS of $25 million and $0.02, respectively, including (a) $8 million and $0.01, respectively, for both the first and second quarter of fiscal year 2021, and (b) $9 million and $0.01, respectively, for the fourth quarter of fiscal year 2021. There was no currency impact to the recast in-process research and development (IPR&D) charges.

(2) The data in this schedule has been intentionally rounded to the nearest million or $0.01 for EPS figures, and, therefore, may not sum.

(3) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.

(4) The charges primarily include business combination costs, changes in fair value of contingent consideration, and specifically for the fiscal year ended April 30, 2021 changes in amounts accrued for certain contingent liabilities for recent acquisitions.

(5) We exclude unrealized and realized gains and losses on our minority investments as we do not believe that these components of income or expense have a direct correlation to our ongoing or future business operations.

(6) The charges represent estimated incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses, which are expected to be substantially complete by the end of fiscal year 2023.

(7) The charges relate to the Company's June 2021 decision to stop the distribution and sale of the Medtronic HVAD System within the Mechanical Circulatory Support Operating Unit (MCS). The charges included $515 million of non-cash impairments, primarily related to $409 million of intangible asset impairments, as well as $366 million for commitments and obligations in connection with the decision, including patient support obligations, restructuring, and other associated costs. Medtronic is committed to serving the needs of the approximately 3,500 patients currently implanted with the HVAD System.

(8) The net benefit primarily relates to the deferred tax impact associated with a step up in tax basis for Swiss Cantonal purposes and a change in tax rates on deferred taxes associated with intellectual property, which are partially offset by the amortization on previously established deferred tax assets from intercompany intellectual property transactions and a charge related to a change in the Company's permanent reinvestment assertion on certain historical earnings.

(9) The charges relate to the abandonment of certain intangible assets in our Neuroscience segment.

(10) The charges relate to the early redemption of approximately $6.0 billion of debt.

(11) The net benefit primarily relates to the finalization of an audit at the IRS Appellate level for fiscal years 2012 through 2014 and the capitalization of certain research and development costs for U.S. income tax purposes, which are partially offset by the impact of an intercompany sale of assets, and a tax basis adjustment and amortization of previously established deferred tax assets from intercompany intellectual property transactions.

Medtronic

GAAP to non-GAAP reconciliation

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS[2]
(Unaudited)

(in millions)	Three months ended April 29, 2022							
	Net Sales	SG&A Expense	SG&A Expense as a % of Net Sales	R&D Expense	R&D Expense as a % of Net Sales	Other Operating (Income) Expense, net	Other Operating (Inc.)/Exp., net as a % of Net Sales	Other Non-Operating Income, net
GAAP	$ 8,089	$ 2,569	31.8 %	$ 652	8.1 %	$ 143	1.8 %	$ (74)
Non-GAAP Adjustments:								
Restructuring and associated costs (3)	—	(44)	(0.5)	—	—	—	—	—
Acquisition-related items (4)	—	—	—	—	—	(7)	(0.1)	—
Medical device regulations (5)	—	—	—	(15)	(0.2)	—	—	—
MCS costs (6)	—	—	—	—	—	(155)	(1.9)	—
(Gain)/loss on minority investments (7)	—	—	—	—	—	—	—	(11)
Non-GAAP (1)	$ 8,089	$ 2,525	31.2 %	$ 637	7.9 %	$ (19)	(0.2)%	$ (85)
Currency impact	215	47	(0.2)	1	(0.2)	104	1.2	(2)
Currency Adjusted	$ 8,304	$ 2,572	31.0 %	$ 638	7.7 %	$ 85	1.0 %	$ (87)

(in millions)	Fiscal year ended April 29, 2022							
	Net Sales	SG&A Expense	SG&A Expense as a % of Net Sales	R&D Expense	R&D Expense as a % of Net Sales	Other Operating (Income) Expense, net	Other Operating (Inc.)/Exp., net as a % of Net Sales	Other Non-Operating Income, net
GAAP	$ 31,686	$ 10,292	32.5 %	$ 2,746	8.7 %	$ 862	2.7 %	$ (318)
Non-GAAP Adjustments:								
Restructuring and associated costs (3)	—	(158)	(0.5)	—	—	—	—	—
Acquisition-related items (1) (4)	—	—	—	—	—	60	0.2	—
Medical device regulations (5)	—	(2)	—	(45)	(0.1)	—	—	—
MCS impairment / costs (6)	—	—	—	—	—	(823)	(2.6)	—
(Gain)/loss on minority investments (7)	—	—	—	—	—	—	—	12
Non-GAAP (1)	$ 31,686	$ 10,133	32.0 %	$ 2,701	8.5 %	$ 99	0.3 %	$ (306)
Currency impact	75	1	(0.1)	(7)	—	108	0.4	(1)
Currency Adjusted	$ 31,761	$ 10,134	31.9 %	$ 2,694	8.5 %	$ 207	0.7 %	$ (307)

See description of non-GAAP financial measures contained in the press release dated May 26, 2022.

(1) Starting with the quarter ended April 29, 2022, the Company will no longer adjust non-GAAP financial measures for certain license payments for, or acquisitions of, technology not approved by regulators due to recent industry guidance from the U.S. Securities and Exchange Commission. Historical non-GAAP financial measures presented in our earnings release have been recast for comparability. The impact of this change is a decrease in non-GAAP net income and diluted EPS of $78 million and $0.06, respectively, for the fiscal year ended April 29, 2022. There was no impact to the three months ended April 29, 2022.

(2) The data in this schedule has been intentionally rounded to the nearest million, and, therefore, may not sum.

(3) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.

(4) The charges primarily include business combination costs and changes in fair value of contingent consideration.

(5) The charges represent estimated incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses, which are expected to be substantially complete by the end of fiscal year 2023.

(6) The charges relate to the Company's June 2021 decision to stop the distribution and sale of the Medtronic HVAD System within the Mechanical Circulatory Support Operating Unit (MCS). The charges included $515 million of non-cash impairments, primarily related to $409 million of intangible asset impairments, as well as $211 million in the first quarter of fiscal year 2022 and $155 million in the fourth quarter of fiscal year 2022 for commitments and obligations in connection with the decision, including customer support obligations, restructuring, and other associated costs. Medtronic is committed to serving the needs of the approximately 3,500 patients currently implanted with the HVAD System.

(7) We exclude unrealized and realized gains and losses on our minority investments as we do not believe that these components of income or expense have a direct correlation to our ongoing or future business operations.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS[1]
(Unaudited)

(in millions)	Fiscal Year		
	2022	2021	2020
Net cash provided by operating activities	$ 7,346	$ 6,240	$ 7,234
Additions to property, plant, and equipment	(1,368)	(1,355)	(1,213)
Free Cash Flow (2)	$ 5,978	$ 4,885	$ 6,021

See description of non-GAAP financial measures contained in the press release dated May 26, 2022.

(1) The data in this schedule has been intentionally rounded to the nearest million, and, therefore, may not sum.

(2) Free cash flow represents operating cash flows less property, plant, and equipment additions.

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