

2022 LETTER TO SHAREHOLDERS

Medtronic

Geoff Martha
Chairman & CEO

Oct. 10, 2022

Dear Shareholders,

For decades, the Medtronic Mission has been carried out by tens of thousands of employees around the world. Alleviating pain, restoring health, and extending life remains our core purpose, and despite FY22 headwinds, our people remained resolute in their commitment to our enduring Mission.

Our origin story is one of collaboration between an engineer and a physician, and our 95,000+ employees continue to embody the innovative spirit of our founders. I would be remiss if I didn't begin with heartfelt thanks for their tireless work on behalf of our partners, customers, and patients.

The Medtronic Board of Directors and Executive Committee are actively engaged in strategic oversight, including tracking our progress against long-term goals, and they deserve special thanks for their guidance, focus, and support as we move forward.

A YEAR OF PURPOSEFUL PROGRESS, DESPITE UNCERTAINTIES

FY22 has been a year of uncertainties, with inflation, global supply chain challenges, a potential recession, and continued ripple effects from the pandemic impacting the global economy.

But our business - the business of delivering life-saving healthcare technology - is vitally important in good times and in bad. As the growing and aging human population increases, technology becomes even more important in addressing healthcare needs. And each year, advancements in materials and data science - many of which are shaped by legions of Medtronic technical experts and scientists - truly transform what technology can do for healthcare.

Our place at the nexus of healthcare and technology - coupled with our depth of expertise, diversified businesses, robust pipeline, strong balance sheet, and, most importantly, our visionary Mission - means we are well-positioned to achieve our ambition of being *the* global healthcare technology leader.

REFLECTING ON A DYNAMIC YEAR

The Mission guided us through another tumultuous year, keeping us focused on our continued transformation and helping us better serve the needs of our customers and patients.

Coming into FY22, we were feeling optimistic - the height of the pandemic seemed to be behind us, vaccines were on the rise, hospital volume and elective surgeries were growing, and it felt like the world would soon return to 'normal.' But it turned out to be a tough year, with COVID variants and healthcare worker shortages impacting procedure volumes, pipeline setbacks, and supply chain challenges.

FY22 revenue of \$31.7 billion increased 5% as reported and organic, which excludes the \$75 million negative impact of foreign currency translation. Non-GAAP net income and diluted EPS were \$7.5 billion and \$5.55, respectively, both increases of 26%. FY22 cash flow from operations of \$7.3 billion increased 18%, and free cash flow of \$6 billion increased 22%, representing strong free cash flow conversion of 80 percent.

Providing solid returns to our shareholders is critical, and we returned \$5.5 billion in FY22 through our dividends and net share repurchase. Medtronic is an S&P Dividend Aristocrat, having increased our dividend for 45 years now - an important component of the total value we generate. This past year we paid \$3.4 billion in dividends, and we're supplementing through opportunistic share repurchase, particularly in periods where we see price dislocation. In fact, we repurchased over \$2.5 billion of our stock in FY22.

ACCELERATING GROWTH WITH A ROBUST PIPELINE

Despite the adversity we faced, we made solid progress, and we are making significant changes to how we do business to ensure sustainable, forward movement in FY23 and beyond.

Changes to our Operating Model increased our competitive outlook, as evidenced by a record number of product approvals – some of which came faster than expected this year. More than 230 clinical trials were conducted, and we received more than 200 regulatory approvals in the U.S., Europe, Japan, and China. The most robust product pipeline in our history has been fed by decades of creativity, passion, and collaboration from our global teams.

Progress on major future growth drivers

To make progress toward becoming the global healthcare technology leader, we must continually innovate and reinvest in our pipeline to be more competitive across more therapies.

A vast opportunity to transform the patient experience in heart valve surgery is in front of us, due to significant developments in our **transcatheter valve replacement** business. We're launching and developing aortic valve products to continue leading in this important market, and we are seeing forward momentum in mitral valve replacement clinical studies which represent a coming revolution for our Structural Heart business.

In **Cardiac Ablation Solutions**, we've emerged as a technology leader, continually re-engineering how ablation procedures are done. We've strengthened our competitive position in this critically important medtech market, building a comprehensive suite of products and solutions to equip clinicians with all the tools they need to optimize atrial fibrillation care.

Regulatory approvals and the limited market release of the **Hugo™ Robotic-Assisted Surgery System** continued, with positive feedback from surgeons across indications and geographies. Supply chain and manufacturing speed bumps impacted production, but we're addressing the issues and scaling manufacturing. While we were disappointed in the revenue push-out for this important program, we're optimizing the customer experience by integrating instruments, and remain confident we are poised to drive growth and meaningfully expand the soft-tissue robotics market for years to come.

We are pleased with feedback and continued international market adoption of our MiniMed™ 780G insulin pump and Guardian 4™ sensor. We've made substantial progress in meeting our observation and warning letter commitments and continue to regularly communicate with the FDA. The strong reception of these **diabetes** products in international markets reinforce our optimism for the impact they will have on our business when they are made available in the U.S.

We continue to systematically build supporting evidence for our **renal denervation** procedure to treat hypertension. Though we couldn't end our SPYRAL HTN ON-MED pilot study early, data were published and presented at key conferences showing those receiving RDN spent significantly more time in target blood pressure range, adding to our robust body of evidence. Based on the clinical data presented to date, we anticipate that demand will be high across a large global market, and we continue to be optimistic about this opportunity – one that we expect to lead.

Doubling down on data and AI

Our commitment to digitization, data and AI remains strong. Due to continued investments to develop and support data-enabled products and services, we've started to see returns from our focus in this space. Just three of our AI-enabled technologies that made a difference in FY22 include:

- LINQ II™ insertable cardiac monitor (ICM) with AccuRhythm™ AI, designed to continually learn and improve diagnostics for abnormal heart rhythms.
- GI Genius™ Intelligent endoscopy module, the first device that uses real-time AI to assist clinicians in detecting lesions, such as polyps or suspected tumors, during a colonoscopy.
- UniD™ Adaptive Spine Intelligence (ASI) makes spine surgery more predictable and repeatable, powered by predictive modeling and sophisticated algorithms that measure and digitally reconstruct a patient's spine to its optimal profile, enabling clinicians to deliver more predictable outcomes.

Now is the time to harness the power of 5G, edge computing, AI and machine learning and create personalized, closed loop care for patients. We created a cross-functional Enterprise Data Strategy program, led by members of our Executive Committee, to enhance the patient and customer experience that will drive growth and create new revenue sources. We'll continue investing in global digital innovation programs to further accelerate our growth.

INVESTING IN THE FUTURE

Medtronic is first and foremost a technology company, and we focused heavily on improving the pace of innovation this year. To supplement our organic product pipeline and portfolio that will drive higher topline growth and create value, we announced \$2.1 billion on mergers and acquisitions in FY22.

We're methodically building care ecosystems that will significantly improve patient outcomes, while also driving value and deepening relationships with our customers. Affera, one of the four acquisitions announced in FY22 (closed in August 2022)

is a strong example – our Cardiac Ablation Solutions (CAS) pipeline now includes differentiated mapping and navigation capabilities. We’ve assembled a number of technologies to build our leadership in CAS, including acquiring Acutus Medical’s left-heart access portfolio, which includes essential technology needed for the estimated 800,000 transseptal crossings performed annually during electrophysiology (EP) and structural heart procedures.

Continuing investments in R&D

Our balance sheet remains strong, and we continue to allocate our capital to investments that we expect will generate solid future growth and shareholder returns. Organic investment in R&D was \$2.7 billion in FY22 – an all-time high in our history. We’re investing heavily in programs especially targeted for faster growing medtech markets, or where we have an opportunity to create new markets. The investments we’re making will play a key role in accelerating our top-line growth.

Fostering technical expertise and training

Investing in innovation and training centers helps us lay the foundation needed to fully leverage our size and breadth as we stoke our growth engine. Medtronic Technology Development Centers (TDCs) serve the entire enterprise in highly specialized areas of technical expertise, including implantable biopolymers, battery technology, and implantable AI miniaturization platforms.

Additionally, to support technological development and clinical training at a regional level, we’re investing in Medtronic Innovation Centers around the world. One such center in Chengdu, China, which was completed in June 2021, offers clinical training in minimally invasive surgery, cardiovascular health, renal care, spine, orthopedics, and neurosurgery.

Accelerating patient access and equity

In the past year, Medtronic therapies improved the lives of more than 76 million people – that’s more than 2 people every second – yet many communities around the world still lack access to essential healthcare. We use data and technology to address this global crisis of health inequity, streamlining detection, diagnosis, and treatment to fill the gap between the number of people who need care and the number of practitioners who can provide it. This democratizes healthcare and enables healthcare workers to reach more patients with a more personalized approach, while increasing accessibility around the world. In FY22, we dedicated more than \$69 million to healthcare capacity training, reaching 350,000+ global medical professionals delivering quality care in their communities.

Medtronic LABS is an independent, Medtronic-funded nonprofit organization that uses technology to accelerate healthcare access for underserved communities around the world. With a focus on noncommunicable diseases like hypertension and diabetes, LABS combines digital technology, field operations, and partnerships to work toward its mission of expanding access to care for patients, families, and communities around the world. Since its inception, LABS has screened close to 1.2 million patients, trained over 3,000 community health workers, and improved over 40,000 lives.

PROGRESS ON OUR TRANSFORMATION

Our long-term value creation strategy, built in close partnership and oversight of our Board of Directors, sets Medtronic up to both leverage our size and scale, while empowering Operating Units to move with speed and agility – all to emphasize and accelerate innovation and growth. Our Operating Model transformation, which empowers the OUs to manage their product lines and make strategic decisions that benefit their customers, is starting to take hold.

Organizational transformation is hard, but the reality is, we can’t ever stop evolving. We will always look for ways to better serve our customers and achieve our Mission. We are continually evaluating our business, structure, market conditions, and ways to position ourselves for success.

Portfolio optimization

Aligned with Tenet 2 of our Mission, we’re focusing our efforts where we “display maximum strength and ability,” and reducing our footprint in lower growth and lower margin businesses. To aid this continuing effort, we’ve assembled a team that is 100% focused on our integrations and divestitures.

In May, for example, we announced our intent to form a new, independent kidney care-focused company in partnership with DaVita Inc. The new company will merge our capabilities as a healthcare technology leader with DaVita’s deep expertise and breadth as a comprehensive kidney care provider.

We continue to work on additional portfolio moves, with the goal of creating a portfolio where we have distinct expertise, synergies across the company, and ultimately, sustained higher growth.

Enhancing operational excellence: Quality and Global Operations/Supply Chain

Central to our transformation are two key components that impact all corners of the company: patient safety and quality, and global operations and supply chain. Enhancing both areas is imperative.

Patient safety, quality, and reliability are paramount to our Mission, and the issues we've seen in recent years are unacceptable. We are diligently executing our robust Patient Safety and Quality Improvement Plan (PSQIP) to remediate and sustainably improve our quality system. This includes developments in meeting our observation and warning letter commitments for Diabetes, and improvements in leading and lagging indicators overall. Work remains for us to be considered the unsurpassed leader in quality and reliability, as our Mission calls on us to be – and I know that we will succeed.

Like other companies around the world, Medtronic felt the impact of global supply chain challenges. But the pandemic exposed weaknesses across our operations, which added urgency to our plans for improvements. Our Global Operations and Supply Chain (GOSC) team is hard at work building a more resilient end-to-end supply chain that better leverages our size, scope, and scale. We're building capabilities and focusing on safety, quality, customer service, cost and waste reduction, and talent retention. When completed, the GOSC transformation will generate significant savings in the coming years and be a competitive advantage for the company. I'm confident our supply chain will become best-in-class within the medtech industry.

Environmental sustainability

In the fall of 2021, we announced our ambition to achieve net zero emissions across our value chain by FY45. In FY22 alone, we reduced our operational greenhouse gas emissions intensity by 35% compared to our FY20 baseline, and this important work will continue.

We also teamed up with the National Academy of Medicine's Grand Challenge on Climate Change and the United Kingdom National Health Service. Together, we'll work with organizations to build resiliency and minimize the carbon footprint of healthcare systems around the world.

OUR PEOPLE – OUR COMPETITIVE ADVANTAGE

Innovation is a people-powered business. We continue to invest in our people as an investment in our future, and to fulfill Tenet 5 of our Mission, which calls on us to foster a workplace that enables all employees to thrive. High levels of employee engagement are known to promote retention, foster customer loyalty and improve business performance and stakeholder value. Each year, our Organizational Health Survey measures key drivers of employee engagement, and in FY22 we saw world-class levels of Engagement, Inclusion, and Ethics. It is validating and encouraging to see these results, but there's always more work to be done to remain an employer of choice.

Our employees continue to lean into our Operating Model and embrace our culture, the Medtronic Mindset. Throughout the ups and downs of FY22, they've focused on the Mission and delivered on our commitments with drive, resilience, and creativity, and I'm honored and humbled to be part of this team.

Inclusion, diversity, and equity across all levels

ID&E is a business priority that enables a competitive advantage, because we believe that converging backgrounds and life experiences bring diverse perspectives that are needed to fuel innovation. We are building a workforce that reflects our communities at all levels, and diversity in leadership is key to this strategy. In FY22, women held 42% of manager-and-above positions globally, and people from ethnically diverse groups held 27% of manager-and-above positions in the U.S., which is strong progress toward our FY26 goals of 45% and 30%, respectively. We are proud to have earned several external accolades recognizing our progress.

The importance of ID&E is apparent at all levels of the organization, with related goals included for all employee performance reviews in FY22. Medtronic leaders understand their role, too – we introduced a "leader led" model to enhance our ID&E efforts by strengthening accountability and linking compensation and advancement incentives to these goals for executive leadership in FY22.

To better align our incentives with our renewed culture and the competitive talent market, we've updated our incentive structure to reward differentiated performance in the areas of financial performance, market share growth, quality, and ID&E goals. Leaders in each business group are responsible for ID&E priorities, and our Board is helping to oversee short- and long-term progress against standardized measurements.

Fortifying company leadership with outside-in perspectives

Fresh perspectives beget new ideas, so we deepened our bench of external talent, adding leaders with new skills and capabilities to ensure we can compete and win as we pursue new markets and technologies. We've added to our executive ranks several respected, world-class leaders with deep domain expertise, a wealth of global knowledge and proven track records of navigating complex environments to advance the business. These leaders have made a great impact already, infusing our leadership team with new energy, experience, and expertise to help accelerate our transformation.

We've applied a similar approach in adding new directors with diverse points of view to fully leverage the power of our Board of Directors. Their oversight and collective thinking guide us on our biggest initiatives and strategic bets, including exploring new therapies and areas like digitization and AI.

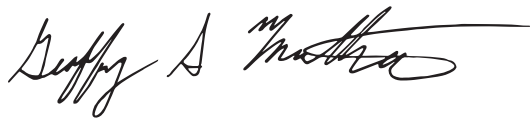
ADVANCING THE MISSION TO REACH OUR BOLD AMBITION

Two years ago, we set out to affirm our standing as *the* global healthcare technology leader. Changes to our Operating Model, culture, and incentives - combined with exciting catalysts from our pipeline that will redefine the way healthcare is delivered for millions - position us to deliver a higher level of sustainable growth.

Despite unprecedented challenges we've faced, we're seeing strong signs of progress as the work continues. Though headwinds remain, I'm confident in our ability to accelerate and sustain our growth profile over the long-term, to grow at or above our markets, and as we do so, create consistent value for our stakeholders. We're keenly focused on improving capital deployment and portfolio management, with a deep commitment to creating higher, more consistent shareholder value.

Medtronic is a technology company with a purpose. For me, it's an honor to stand alongside my colleagues and a true privilege to be part of such important work. We're fueling a durable value creation engine that will enable us to fully capitalize on the trends and opportunities at the intersection of healthcare and technology. With the Mission as our enduring north star, we're taking the organization to the next level in service to more patients in more places around the world - which is a truly extraordinary place to be.

Sincerely,

A handwritten signature in black ink, reading "Geoff Martha". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Geoff Martha
Chairman & CEO

Reconciliation of Non-GAAP Financial Measures

The Shareholder Letter set forth in this Annual Report includes financial measures that are not prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Management believes that such non-GAAP financial measures provide useful information to investors regarding the underlying business trends and performance of Medtronic's ongoing operations. Investors should consider non-GAAP measures set forth in the Shareholder Letter to be in addition to, and not a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, such non-GAAP financial measures may not be the same as, or similar to, measures presented by other companies. Reconciliations of the non-GAAP financial measures referenced in the Shareholder Letter to the most directly comparable GAAP financial measures are included in the following financial schedules.

MEDTRONIC PLC WORLD WIDE REVENUE⁽¹⁾ (Unaudited)

(in millions)	REPORTED		YEAR-TO-DATE ⁽²⁾		CONSTANT CURRENCY	
	FY22	FY21	Growth	Currency Impact ⁽³⁾	FY22	Growth
Cardiovascular	\$ 11,423	\$ 10,772	6.0%	\$ (32)	\$ 11,455	6.3%
Cardiac Rhythm & Heart Failure	5,908	5,584	5.8	(19)	5,927	6.1
Structural Heart & Aortic	3,055	2,834	7.8	(12)	3,067	8.2
Coronary & Peripheral Vascular	2,460	2,354	4.5	(1)	2,461	4.5
Medical Surgical	9,141	8,737	4.6	(44)	9,185	5.1
Surgical Innovations	6,060	5,438	11.4	(31)	6,091	12.0
Respiratory, Gastrointestinal, & Renal	3,081	3,298	(6.6)	(13)	3,094	(6.2)
Neuroscience	8,784	8,195	7.2	3	8,781	7.2
Cranial & Spinal Technologies	4,456	4,288	3.9	(7)	4,463	4.1
Specialty Therapies	2,592	2,307	12.4	13	2,579	11.8
Neuromodulation	1,735	1,601	8.4	(2)	1,737	8.5
Diabetes	2,338	2,413	(3.1)	(2)	2,340	(3.0)
TOTAL	\$ 31,686	\$ 30,117	5.2%	\$ (75)	\$ 31,761	5.5%

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

(2) Fiscal year 2021 was a 53-week fiscal year with the extra week occurring in the first fiscal month of the first quarter and is included in reported prior year-to-date results. While it is difficult to calculate the impact of the extra week, the Company estimates the extra week benefited fiscal year 2021 year-to-date revenue by approximately \$360 to \$390 million.

(3) The currency impact to revenue measures the change in revenue between current and prior year periods using constant exchange rates.

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		

Fiscal year ended April 30, 2021										
(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	\$ 30,117	\$ 10,483	65.2%	\$ 4,484	14.9%	\$ 3,895	\$ 3,606	\$ 2.66	6.8%	
Non-GAAP Adjustments:										
Restructuring and associated costs ⁽³⁾	–	(128)	0.4	617	2.0	617	489	0.36	20.7	
Acquisition-related items ⁽¹⁾⁽⁴⁾	–	(15)	–	(15)	–	(15)	4	–	126.7	
Certain litigation charges	–	–	–	118	0.4	118	95	0.07	19.5	
(Gain)/loss on minority investments ⁽⁵⁾	–	–	–	–	–	(61)	(57)	(0.04)	–	
Impairment charges ⁽⁹⁾	–	–	–	76	0.3	76	68	0.05	10.5	
Medical device regulations ⁽⁶⁾	–	(45)	0.1	83	0.3	83	68	0.05	18.1	
Debt tender premium and other charges ⁽¹⁰⁾	–	–	–	–	–	308	248	0.18	19.5	
Amortization of intangible assets	–	–	–	1,783	5.9	1,783	1,500	1.11	15.9	
Certain tax adjustments, net ⁽¹¹⁾	–	–	–	–	–	–	(41)	(0.03)	–	
Non-GAAP⁽¹⁾	\$ 30,117	\$ 10,295	65.8%	\$ 7,146	23.7%	\$ 6,804	\$ 5,980	\$ 4.42	11.8%	

(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. 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.

- (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 PLC
GAAP TO NON-GAAP RECONCILIATIONS⁽¹⁾
(Unaudited)

<i>(in millions)</i>	2022	2021
Net cash provided by operating activities	\$ 7,346	\$ 6,240
Additions to property, plant, and equipment	(1,368)	(1,355)
Free Cash Flow ⁽²⁾	\$ 5,978	\$ 4,885

- (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.