

# Medtronic

Engineering the extraordinary

## 42nd annual J.P. Morgan healthcare conference

**Management Attendees:**

Geoff Martha, Chairman and CEO

Karen Parkhill, EVP and CFO

Que Dallara, EVP and President, Diabetes

Mike Marinaro, EVP and President, Surgical

Sean Salmon, EVP and President, Cardiovascular

Brett Wall, EVP and President, Neuroscience

**Investor Relations Contacts:**

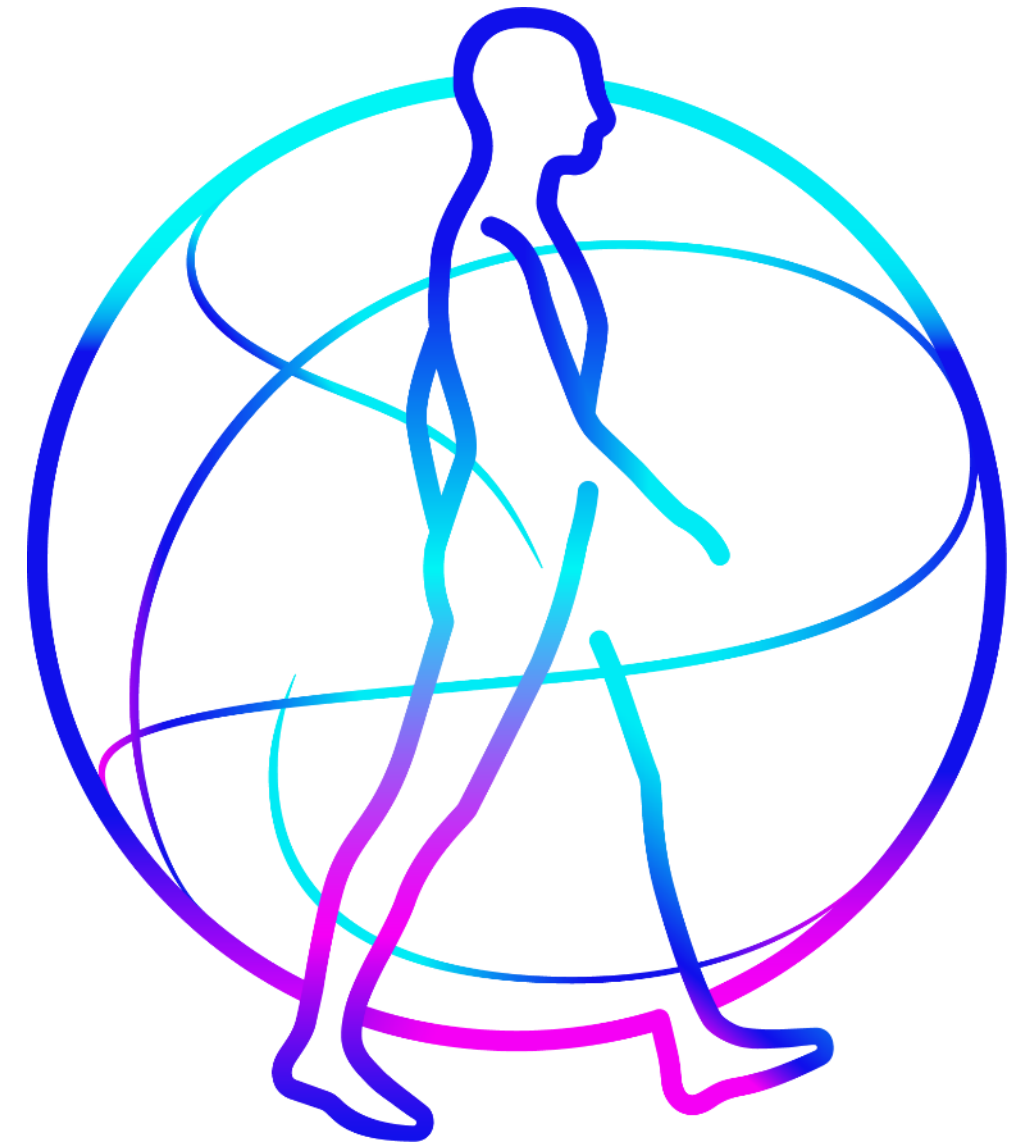
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January 8, 2024

San Francisco



## Forward Looking Statements

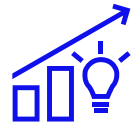
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties, including risks related to competitive factors, difficulties and delays inherent in the development, manufacturing, marketing and sale of medical products, government regulation, geopolitical conflicts, 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. 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.





# Delivering on FY24 commitments

Building track record of consistency; strong cadence of innovative product approvals



## Leading positions across large secular growth markets amplified by latest game-changing innovative approvals

- Delivering mid-single digit organic revenue growth, driven by meaningful investments in many high-growth MedTech markets
- Evolutionary product launches across diabetes, atrial fibrillation, hypertension, cardiac rhythm management and soft tissue surgery poised to alter market dynamics



## Comprehensive transformation taking hold; making scale count

- Streamlined operating model and revised incentives have enhanced operating health and financial performance; executing programs to drive scale across global operations, technology platforms, and commercial org



## Focused on restoring earnings power and committed to delivering strong shareholder returns

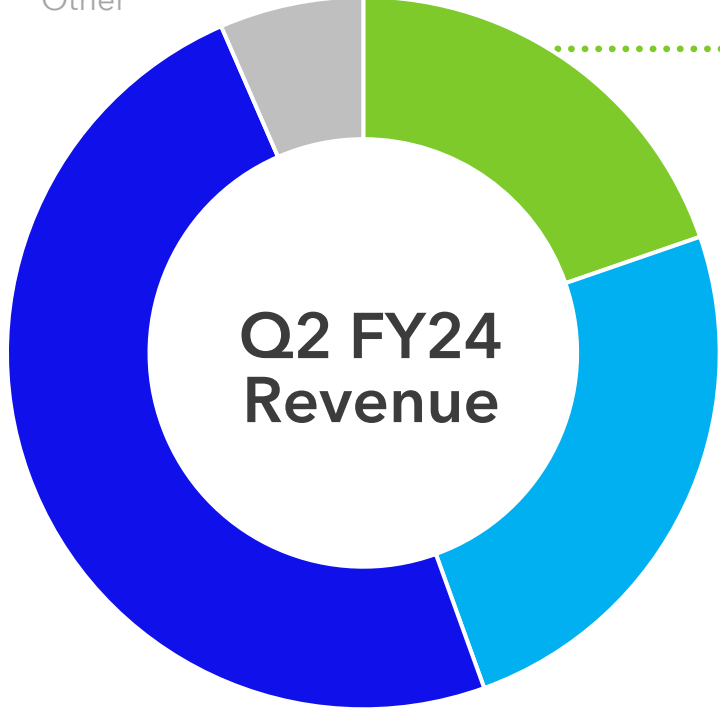
- Recent results reflect performance-driven culture; driving efficiencies to partially mitigate known earnings headwinds (inflation and FX); maintaining strong balance sheet with intentional capital allocation and growing our dividend

# Combined portfolio is increasingly well-positioned to deliver growth

Confidence to deliver long-term mid-single digit organic revenue growth in-line with end markets

**ANNOUNCED DIVESTITURES**

- Patient Monitoring
- Respiratory Interventions
- Other



**HIGHEST GROWTH**  
 Structural Heart | Neurovascular | Diabetes  
 Cardiac Ablation Solutions | Surgical Robotics

**SYNERGISTIC**  
 Aortic | Cardiac Surgery | Coronary  
 Peripheral Vascular | Endoscopy  
 Pelvic Health | ENT | Neuromodulation

**ESTABLISHED MARKET LEADERS**  
 Cardiac Rhythm Management | Surgical  
 Cranial & Spinal Technologies

**Market Growth**

**Share Position**

**Recent Approvals**

**HSD+**  
 Average

**#1-3**  
 Most 1-2 position

- Evolut™ FX TAVR System
- Affera™ and PulseSelect™ PFA
- MiniMed™ 780G system with Guardian™ 4 sensor (U.S.) and Simplera Sync™ (CE Mark)

**MSD**  
 Range: LSD to LDD

**#1-2**  
 #1 in majority

- Symplicity Spyr™ RDN
- Inceptiv™ SCS\*
- Percept™ DBS
- Pediture™ Surgical LAA (U.S.)

**3-4%**  
 Average

**#1-2**  
 Current position

- Aurora™ EV-ICD
- Mazor™ 5.1
- Micra™ AV2 & VR2 pacemakers

\*Currently under FDA review

# Cardiac Ablation | Poised to expand share in underpenetrated, attractive EP space

Innovation in Cryo, PFA, and Mapping to strengthen competitiveness in both single shot and focal segments

OPPORTUNITY

\$8B+

EP market today - LDD CAGR

Pipeline to maintain leadership in single-shot and capture share in focal segment

CATALYSTS

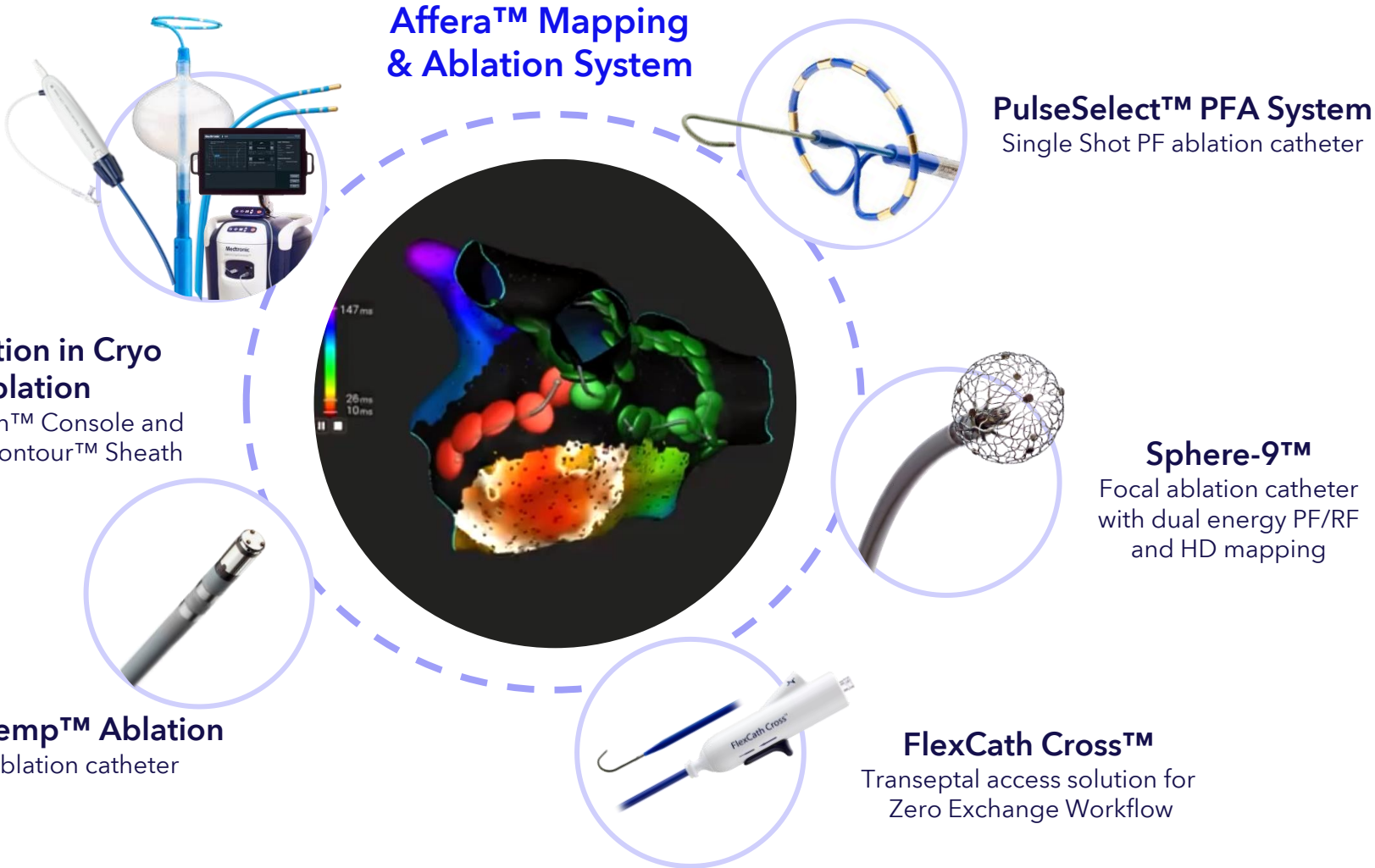
PulseSelect

1<sup>st</sup> PFA approved in U.S. market

Affera Sphere-9 focal and PulseSelect single-shot PFA solutions approved in Europe

SPHERE Per-AF

U.S. IDE results of Affera Sphere-9 focal ablation catheter in 1H'CY24



Affera™ Mapping & Ablation System

PulseSelect™ PFA System  
Single Shot PF ablation catheter

Innovation in Cryo Ablation

New: Nitron™ Console and FlexCath Contour™ Sheath

Sphere-9™  
Focal ablation catheter with dual energy PF/RF and HD mapping

DiamondTemp™ Ablation  
Focal RF ablation catheter

FlexCath Cross™  
Transtental access solution for Zero Exchange Workflow



# Diabetes | Returning to growth as Smart Dosing overtakes current therapies

Only company investing in a complete ecosystem of differentiated technology for Intensive Insulin patient population

## OPPORTUNITY

**\$14B+**

Diabetes market, growing double-digits

\$6B+ is near-term addressable market for AID, Patch & Pump

## CATALYSTS

### U.S. Return to Growth

in H2 FY24

MiniMed™ 780G system delivers leading ~80% TIR\*\* with automatic insulin dosing every 5 minutes

### 780G + Simplera Sync

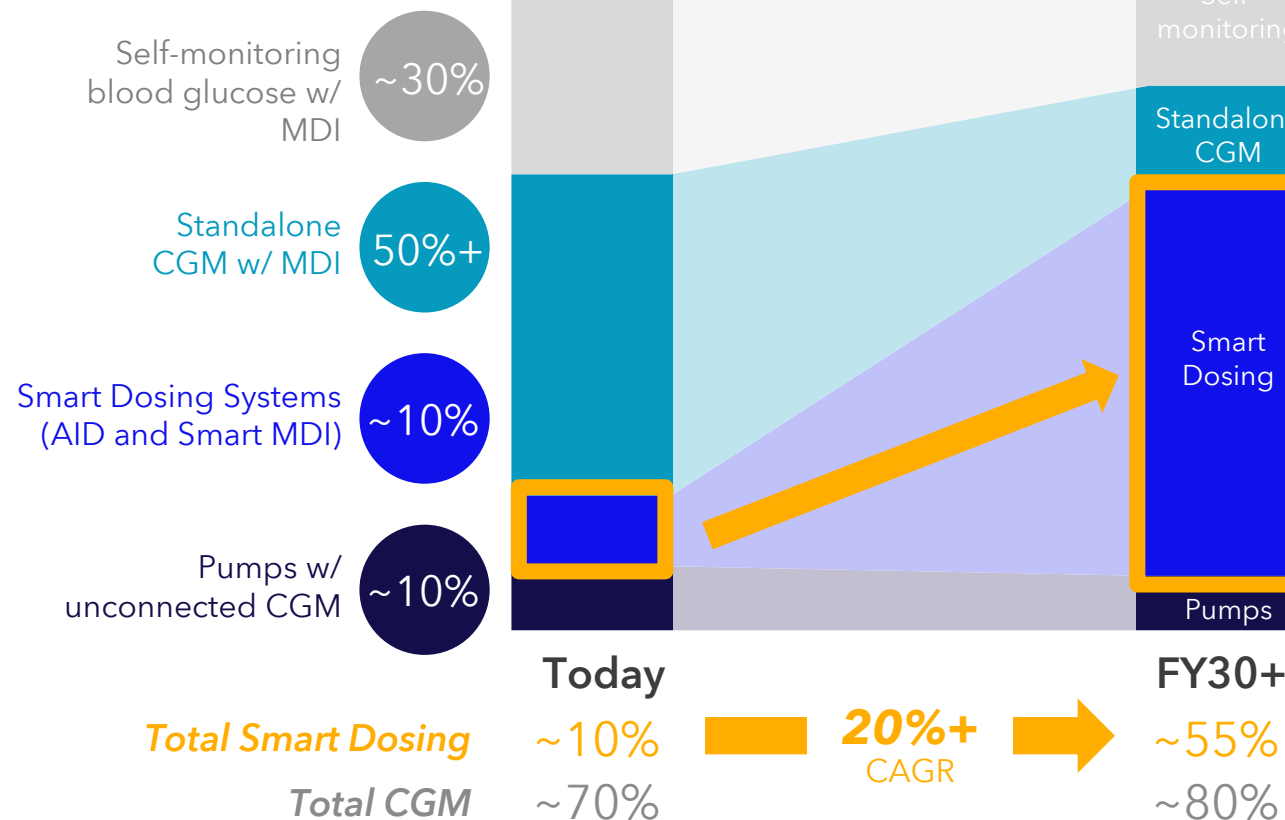
with Meal Detection Technology™ algorithm

**BREAKING NEWS:** Received CE Mark; U.S. IDE enrollment completed with submission in H1 CY24

T1/T2 Intensive Insulin patient therapy mix  
Top 25\* countries

~6.7M patients

~7.1M patients



Growth driven by conversion of standalone CGM & MDI to superior outcomes of smart dosing



MiniMed™ 780G AHCL + Simplera Sync™



Simplera™ CGM\*\*\* + InPen™



Next-Generation AID Systems  
8-Series & Patch Pump + Next Gen Sensor

\*T1 and T2 Intensive Insulin population only; includes top global developed markets by health expenditure per capita; predominantly comprised of US, Western Europe, Canada, Japan, Australia, and Korea  
\*\*When using recommended settings \*\*\*Currently under FDA review

# Structural Heart | Positioned to execute on significant TAVR and M&T opportunity

Large, HSD to LDD growth TAVR segment with additional investments in rapidly-growing Mitral & Tricuspid

OPPORTUNITY

\$6B+

TAVR segment today: *HSD to LDD CAGR*  
*Rapidly-growing, underpenetrated segment*

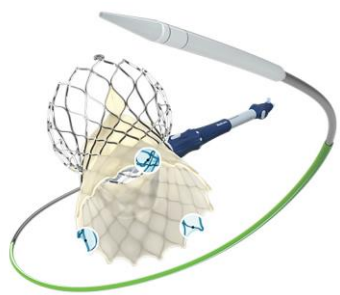
CATALYSTS

Evolut™ FX

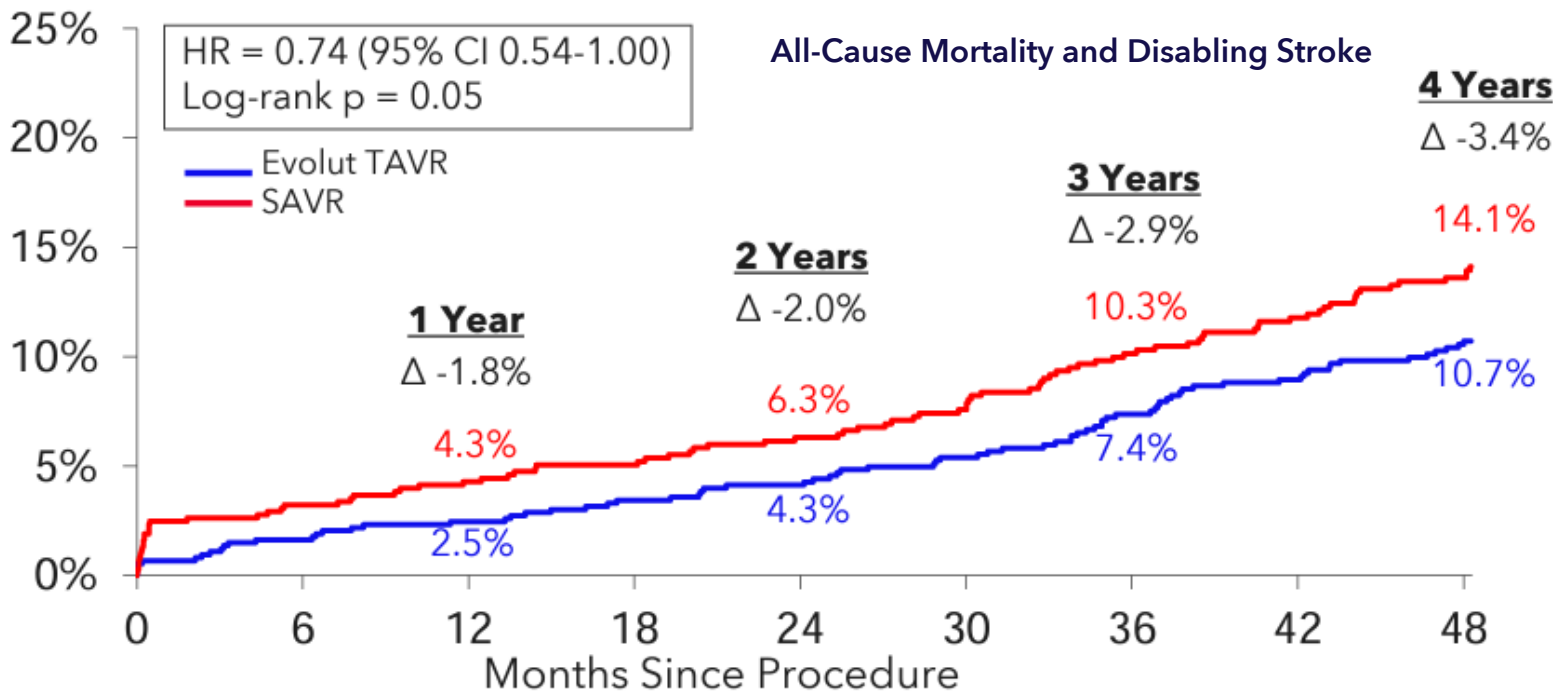
*Global commercialization on strength of long-term data; recent launch in Western Europe*

SMART Trial

*1-year results for Evolut vs. Sapien head-to-head in small annuli patients in 1H'CY24*



## Evolut Low Risk 4-year Data



Significantly better hemodynamics and continued increasing separation in death and disabling stroke vs. SAVR

# Synergistic Businesses | Leveraging technology, channel and infrastructure

Meaningful innovation with transformative opportunity for interventional and diagnostic procedures

## ENT



**PROPEL™**  
Sinus Implant



**SINUVA™**  
Sinus Implant

- Leading position in \$1.7B ENT market growing HSD
- Successful acquisition of Intersect ENT delivering high-teens YTD growth as we leverage our global scale and existing channel partnerships
- Comprehensive portfolio; largest direct sales organization in industry; 25-year legacy of innovation

## Cardiac Surgery



**Pediture™**  
Left Atrial Appendage (LAA) Exclusion System

- \$150M HSD U.S. segment growth; launch underway
- Only LAA exclusion device that can be recaptured, repositioned, and redeployed; Curved clip and tip-first closure design matches atrial anatomy and provides secure exclusion
- Leveraging existing sales channel to expand access to U.S. customers

## Neuromodulation



**Inceptiv™**  
Spinal Cord Stimulator with ECAPs



**Percept™ RC**  
DBS with BrainSense™ technology



- Expand share in combined \$3.3B DBS and SCS markets with sensing-enabled therapies; unique full-body MRI access
  - **Percept™ RC** first DBS sensing-enabled rechargeable device
  - **Inceptiv™** most advanced stim system featuring closed-loop on multiple waveforms; smallest and thinnest device
- H1 FY24 launches in Europe and Japan; Percept™ RC newly approved by FDA; Inceptiv™ pending FDA approval

## Endoscopy



**GI Genius™**  
Intelligent AI-enabled Endoscopy Module

- Developing ~\$400M U.S. AI-assisted colonoscopy market opportunity; <5% penetrated
- Backed by strong clinical evidence, with one of the highest increases in adenoma detection rate (ADR)
- Expanding beyond polyp detection with AI Access™, a scalable software platform hosted on GI Genius™ enabling multiple AI applications for different procedures



# Established Market Leaders | Leading positions in largest businesses

Continued innovation extending advantages and generating attractive higher-margin growth

## Cardiac Rhythm Management



**Aurora EV-ICD™**  
System

- Aurora EV-ICD™ U.S. & WE limited market release underway; ~\$300M market today growing to \$1B
- Winning share with Micra™ leadless pacemakers; next-gen VR2/AV2 improves procedure efficiency, battery longevity, and AV synchrony performance
- Growing trend favoring conduction system pacing (CSP) with our SelectSure™ 3830, the only lead approved for conduction system pacing in the U.S.



**Micra™ AV2 and VR2**  
Transcatheter Pacing System



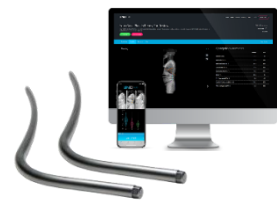
**SelectSure™ MRI SureScan® Model 3830**  
Cardiac Lead

## Cranial & Spinal Technologies



**AiBLE™**  
Spinal Digital Surgical Ecosystem

- Unlocking growth and share gains in attractive \$15B low-mid single growth segment at technology driven inflection point
- AiBLE™ ecosystem has market leading global installed base of 10K+ units benefitting from decades-long investing; driving pull-through of our implants
- Innovations are accelerating provider and patient focus on enabling tech and AI; Mazor™ robot is 1<sup>st</sup> and only robotics system with integrated AI planning and bone cutting



**UNiD™**  
Adaptive Spine Intelligence & Rods



**Midas Rex™**  
High-speed drill system

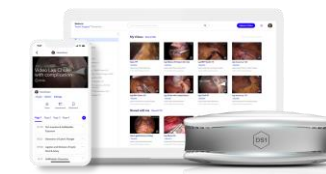


**CD Horizon™ ModuLeX™**  
5.5 spinal system

## Surgical



**Hugo™**  
Robotic Assisted Surgery (RAS)



**Touch Surgery™**  
AI-powered video review & analytics platform



**Signia™**  
Powered Stapler with **Tri-Staple™** technology

- Attractive growth profile driven by shift to minimally invasive surgery, including RAS
- Executing Urology IDE trial and approved to initiate parallel Hernia study; focused on pipeline of advanced instruments for Hugo™ RAS
- Launching broader digital capabilities with focus on improving surgeon skillset and patient outcomes.
- Innovation across Open and Laparoscopic modalities with leading share for Tri-Staple™ and Ligasure™ instruments

# Renal Denervation | Symplicity Spyr™ revolutionary hypertension treatment

Hypertension is the leading modifiable cause of heart attack, stroke, and death; Despite medication, control rates remain low

## OPPORTUNITY

# 1 Billion +

people worldwide with hypertension

## CATALYSTS

# Global Expansion

25,000+ patients treated globally; launching into U.S. market; China next

# Reimbursement

Leveraging robust long-term clinical and real-world data to establish reimbursement

Active discussion with private payers and CMS

# Guidelines

Published SCAI / NKF consensus paper & European society of hypertension update



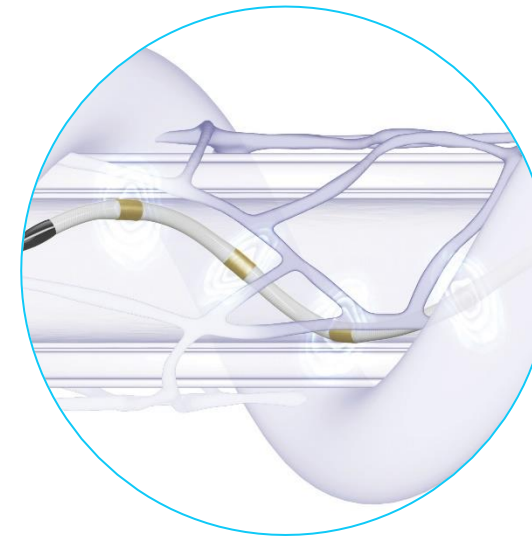
## Significant, safe, and sustained blood pressure reductions

4 random control trials and the only real-world registry demonstrating safe blood pressure reductions out to 3 years



## Simple and versatile design

Design enables one catheter to treat all vessels between 3 and 8 mm



## Exclusive, customizable one-on-one support

Designed to help healthcare providers activate, advance, accelerate and optimize their Symplicity RDN program

# Extensive transformation to improve durability of our growth

Foundational changes driving improved performance; supports leveraged earnings growth over time

## Impactful Changes

- ✓ Changed operating model by removing group structure and empowering individual businesses
- ✓ Centralized global operations, quality, and supply chain
- ✓ Recruited multiple new leaders, many from outside the industry
- ✓ Increased capital allocation to highest growth opportunities as part of portfolio management
- ✓ Revised incentives to elevate performance-driven culture based on execution, speed, and playing to win

## Expected Benefits

### **Durable revenue growth**

- Game-changing innovation
- Commercial execution

### **Leveraged earnings growth**

- Drive efficiencies
- Realize benefits of scale

# Operations & Supply Chain | Significant opportunities for cost savings over time

Increasing confidence to deliver consistent cost out in excess of inflation to help enable gross margin improvement

## Supplier Performance

Reduce suppliers & leverage spend

- ✓ Exited ~200 non-strategic suppliers
- ✓ Completed: Metals RFP >10% savings
- Beginning: Plastics RFP
- Accelerate execution of supplier generated cost down ideas

## Culture & Incentives

Lean principles & consistent metrics

- ✓ Consistent KPIs across >70 sites
- ✓ Lean processes & performance culture driving 5% labor productivity improvement
- Enabling & empowering all 45K GOSC employees as problem solvers with aligned incentives



## Automation & Digitalization

Minimize human touch points & real time analytics

- ✓ 28 automated inspection programs across 8 sites, eliminating human inspection
- Real time data analytics & connectivity to yield productivity gains and reduce waste
- Expand automation programs & systems to more sites

## Network & Capacity Optimization

Global network design & capabilities

- ✓ Closing 5+ manufacturing sites & consolidating 8 distribution centers into 2 in FY24
- Optimize network & expand capabilities across greenfield sites
- Vertically integrate as needed, leverage contract manufacturing

## Integrated Business Planning

Enhanced systems & product rationalization

- ✓ Implemented demand planning software to improve accuracy
- ✓ Significant backorder reduction; Improved product availability
- Reduce finished goods and raw material inventory
- Active SKU management



# Engineering AI Solutions | Transforming how we deliver innovation

AI Center of Excellence driving a cohesive and purposeful strategy to advance our leadership position in AI-enabled care

## Harnessing the power of AI today

Clinical decision support | New indications | Personalized treatment

### GI Genius™

#### intelligent endoscopy with AI

Aids the detection of colorectal polyps, significantly decreases miss rate (2x) of polyps and adenomas\*

### Touch Surgery Enterprise™

#### AI-enabled surgery

Processes surgical videos to identify surgical phases for procedure optimization; provides detection of surgical instruments and anatomy identification

### AiBLE™

#### digital ecosystem for neurosurgery

Optimizes surgical approaches and enables precise surgical execution to reduce variability and improve outcomes by applying predictive post-operative alignment

### MiniMed 780G System™

#### with Meal Detection Technology™ Algorithm

Simplifies diabetes management & improves outcomes by applying machine learning to automatically adjust insulin delivery every 5 minutes to deliver more Time in Range

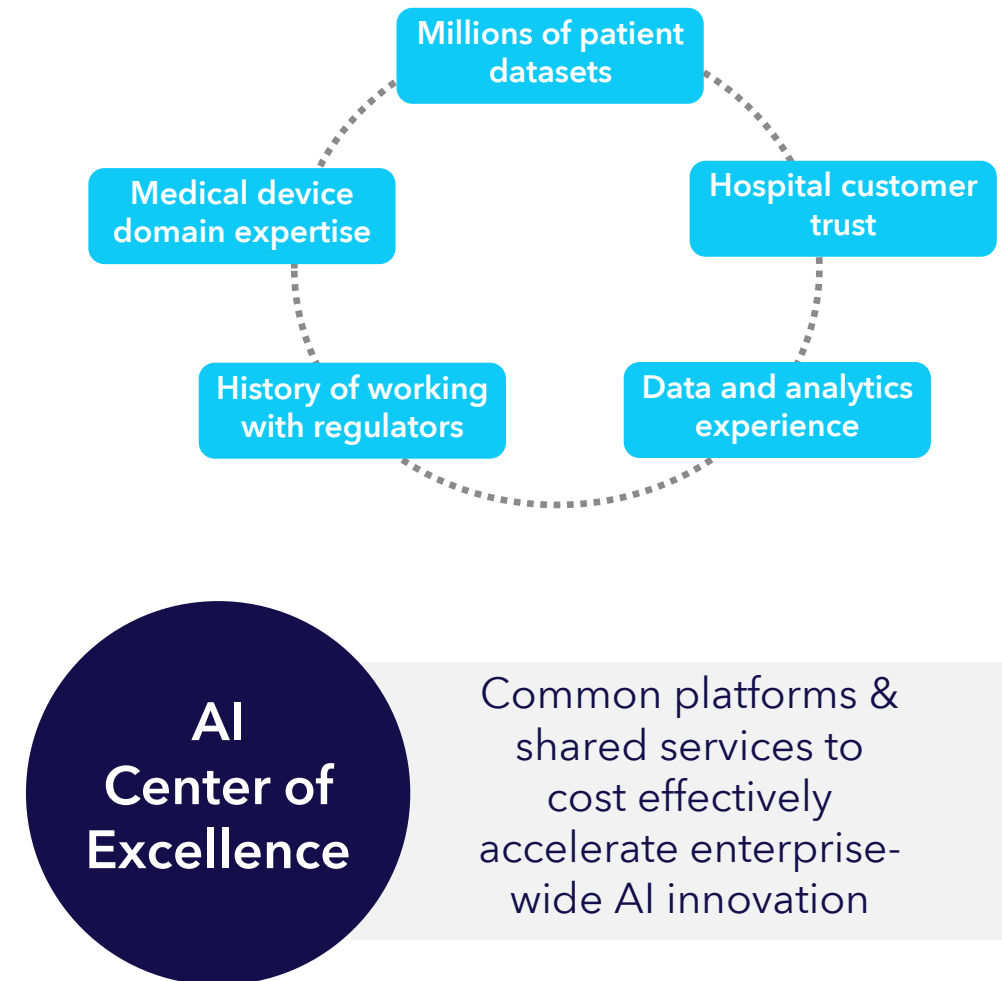
### LINQ™

#### insertable cardiac monitor with AccuRhythm™ AI

Long-term heart monitoring that includes AI-enabled algorithms to reduce burden and increase insights for patients, physicians and hospital system



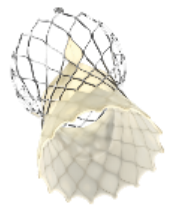
Uniquely positioned to advance AI; establishing Center of Excellence




# Recent approvals and launches drive confidence in near-term revenue growth

Continued advancements and disruptions to fuel growth and share gain/recapture across our Portfolios


## Cardiovascular




**Evolut™ FX TAVR System**



**Aurora EV-ICD™**



**Affera™ Mapping & Sphere 9™\* and PulseSelect™ PFA catheters**



**Symplicity Spyral™ Renal Denervation System**

## Medical Surgical



**Hugo™ RAS System**




**LigaSure™ XP**




**GI Genius™**


## Neuroscience




**AiBLE™**



**Pipeline™ Vantage with Shield Technology™**



**Percept™ PC and RC\* with BrainSense™ technology**



**Inceptiv™ SCS\*\***

## Diabetes



**MiniMed™ 780G system with Guardian™ 4 Sensor**



**MiniMed™ 780G system with Simplera Sync™\***



**Simplera™ CGM\*\* with InPen™**

\* Not commercially available in the U.S.  
\*\*Currently under FDA review



# Becoming a mission-driven AND performance-driven culture

Several recent meaningful approvals | Deliver durable growth | Improving earnings power to create shareholder value

