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FOR IMMEDIATE RELEASE

## Medtronic reports third quarter fiscal 2024 financial results

**Delivers on commitments with strong growth in Core Spine, Cardiac Surgery,  
Structural Heart, Cardiac Pacing, and across many international markets;  
Diabetes increases double digits as U.S. business returns to growth;  
Raises full year guidance**

**DUBLIN - Feb. 20, 2024** - Medtronic plc (NYSE:MDT) today announced financial results for its third quarter (Q3) of fiscal year 2024 (FY24), which ended January 26, 2024.

### **Key Highlights**

- Revenue of \$8.1 billion increased 4.7% as reported and 4.6% organic
- GAAP diluted earnings per share (EPS) of \$0.99; non-GAAP diluted EPS of \$1.30
- Raises FY24 organic revenue growth and EPS guidance
- Company provides portfolio management update on Patient Monitoring and Respiratory Interventions businesses

- Received U.S. FDA approval for PulseSelect™ pulsed field ablation (PFA) system and Percept™ RC neurostimulator with BrainSense™ technology; CE Mark for MiniMed™ 780G System with Simpler Sync™ CGM and Micra™ AV2 and Micra™ VR2 leadless pacemakers

## **Financial Results**

Medtronic reported Q3 worldwide revenue of \$8.089 billion, an increase of 4.7% as reported and 4.6% on an organic basis. The company's organic revenue results reflect continued momentum across the company, driven by strong growth in Diabetes, Core Spine, Cardiac Surgery, Structural Heart, and Cardiac Pacing, as well as strength in international markets. The organic revenue growth comparison excludes:

- Revenue of \$17 million and the associated \$2 million unfavorable impact from foreign currency translation reported as Other, stemming from business separations; and
- The favorable impact from foreign currency translation of \$70 million on the remaining segments.

As reported, Q3 GAAP net income and diluted EPS were \$1.322 billion and \$0.99, respectively, both representing increases of 8%. As detailed in the financial schedules included at the end of this release, Q3 non-GAAP net income of \$1.728 billion and non-GAAP diluted EPS of \$1.30 were both flat. Included in non-GAAP diluted EPS was an 11 cent, or 8%, unfavorable impact from foreign currency translation.

"We're building momentum, with another quarter of solid execution on our commitments. We continue to deliver durable revenue growth, with particular strength in multiple businesses, as well as in international markets as we expand access to our innovative healthcare technologies around the globe," said Geoff Martha, Medtronic chairman and chief executive officer. "Our recent major product approvals - including transformative products in the diabetes, cardiac rhythm management, neuromodulation, hypertension, and pulsed field ablation spaces -

increase our confidence in driving reliable growth over the coming quarters and years.”

### **Cardiovascular Portfolio**

The Cardiovascular Portfolio includes the Cardiac Rhythm & Heart Failure (CRHF), Structural Heart & Aortic (SHA), and Coronary & Peripheral Vascular (CPV) divisions. Revenue of \$2.929 billion increased 6.1% as reported and 5.1% organic, with a low-double digit organic increase in SHA, mid-single digit organic increases in CPV, and low-single digit increase in CRHF.

- CRHF results included low-single digit growth in Cardiac Rhythm Management, driven by high-single digit growth in Cardiac Pacing Therapies, including mid-teens growth in Micra™ transcatheter pacing systems; Cardiac Ablation Solutions grew low-double digits in international markets
- SHA driven by low-double digit growth in both Aortic and Cardiac Surgery; Structural Heart grew high-single digits, with double digit growth in Western Europe and Japan on the adoption of Evolut™ FX
- CPV delivered high-single digit growth in Coronary on growth in guide catheters, balloons, and drug-eluting stents; Peripheral Vascular Health grew mid-single digits, with low-double digit growth in Vascular Embolization products, high-single digit growth in drug-coated balloons
- Received U.S. FDA approval and CE Mark for PulseSelect™ pulsed field ablation (PFA) system, with first commercial cases occurring in fiscal Q4, and the Nitron CryoConsole™ system; Received CE Mark for Micra™ AV2 and Micra™ VR2 next generation leadless pacemakers

### **Neuroscience Portfolio**

The Neuroscience Portfolio includes the Cranial & Spinal Technologies (CST), Specialty Therapies, and Neuromodulation divisions. Revenue of \$2.355 billion increased 4.8% as reported and 4.3% organic, with a mid-single digit organic increase in CST, low-single digit organic increases in Specialty Therapies and flat organic results in Neuromodulation.

- CST overall performance was driven by continued adoption of the company's AiBLE™ ecosystem, with high-single digit global and U.S. growth in Core Spine, mid-teens global and U.S. growth in Biologics, and mid-single digit growth in Neurosurgery
- Specialty Therapies results driven by mid-single digit growth in Neurovascular, including double digit growth in flow diversion; ENT grew mid-single digits with strength in power capital and disposables and localized drug delivery sinus implants; Pelvic Health results driven by mid-single digit growth in sacral neuromodulation on the continued adoption of the InterStim X™ system, offset by a product line divestiture
- Neuromodulation results included low-single digit growth in Brain Modulation, with mid-teens Western Europe growth on launch of the Percept™ RC neurostimulator with BrainSense™ technology; Pain Stim results were flat, with low-single digit growth in the U.S.

### **Medical Surgical Portfolio**

The Medical Surgical Portfolio includes the Surgical & Endoscopy (SE) and the Patient Monitoring & Respiratory Interventions (PMRI) divisions. Revenue of \$2.148 billion increased 3.9% as reported and 2.9% organic, with low-single digit organic increases in both SE and PMRI. Excluding sales of ventilators, which declined mid-twenties, both Medical Surgical and PMRI grew mid-single digits organic.

- SE results included mid-single digit growth in General Surgical Technologies, with strength in wound management and hernia products, low-single digit growth in Advanced Surgical Technologies, and mid-single growth in Endoscopy
- PMRI results driven by mid-single digit growth in Patient Monitoring, with high twenties growth in Nellcor™ pulse oximetry monitors; Respiratory Interventions results declined mid-single digit, with low-single digit growth in Airways offset by declines in ventilator sales

## **Diabetes**

Diabetes revenue of \$640 million increased 12.3% as reported and 10.2% organic.

- U.S. grew mid-single digits, returning to growth on the continued launch of the MiniMed™ 780G system; High-forties growth in U.S. insulin pump sales with continued sequential increases in customer base
- Non-U.S. Developed Markets grew low-double digits on continued MiniMed™ 780G system adoption and increased CGM attachment rates
- Received CE Mark for MiniMed™ 780G System with Simpler Sync™ CGM; limited European release expected in spring 2024 with phased European commercial launch in summer 2024

## **Patient Monitoring and Respiratory Interventions (PMRI) Update**

Medtronic has decided to exit its ventilator product line and retain and combine the remaining PMRI businesses into one business unit called Acute Care and Monitoring (ACM). Exiting the increasingly unprofitable ventilator product line and combining the remaining businesses allows for increased investment in ACM with a focus on profitable growth. Given this increased investment along with an improved competitive landscape, the company has strong conviction in driving durable category leadership in this newly combined business. Medtronic will continue to honor existing ventilator contracts to serve the needs of its customers and their patients, and expects that existing manufacturers, who today account for the majority of the market, can meet customer demand for new ventilators moving forward.

## **Guidance**

The company today raised its FY24 revenue growth and EPS guidance.

The company increased its FY24 organic revenue growth guidance from the prior 4.75% to the new range of 4.75% to 5%. The organic revenue growth guidance excludes the impact of foreign currency and revenue related to business separations reported as Other. Including Other revenue and the impact of foreign currency, if recent foreign currency exchange rates hold, FY24 revenue growth on a reported

basis would be in the range of 2.9% to 3.3%.

The company increased its FY24 diluted non-GAAP EPS guidance from the prior range of \$5.13 to \$5.19 to the new range of \$5.19 to \$5.21, a 4 cent increase at the midpoint that is reflective of the company's third quarter outperformance.

"In addition to delivering durable sales growth, we also drove improvements to our margins, as our cost efficiency programs helped to offset the impact of inflation, tax, and currency, contributing to our EPS and cash flow performance in the quarter," said Karen Parkhill, Medtronic EVP & chief financial officer. "Based on our year-to-date performance, including another solid financial performance this quarter, we are raising our full-year guidance on both the top and bottom lines. We remain focused on restoring our earnings power and creating value for our shareholders."

### **Video Webcast Information**

Medtronic will host a video webcast today, February 20, at 8:00 a.m. EST (7:00 a.m. CST) to provide information about its businesses for the public, investors, analysts, and news media. This webcast can be accessed by clicking on the Events icon at [investorrelations.medtronic.com](https://investorrelations.medtronic.com), and this earnings release will be archived at [news.medtronic.com](https://news.medtronic.com). 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 Events icon at [investorrelations.medtronic.com](https://investorrelations.medtronic.com).

Medtronic plans to report its FY24 fourth quarter results on Thursday, May 23, 2024. For fiscal year 2025, Medtronic plans to report its first, second, third, and fourth quarter results on Tuesday, August 20, 2024, November 19, 2024, February 18, 2025, and Thursday, May 22, 2025, respectively. Confirmation and additional details will be provided closer to the specific event.

## **Financial Schedules and Earnings Presentation**

The third quarter financial schedules and non-GAAP reconciliations can be viewed by clicking on the Investor Events link at [investorrelations.medtronic.com](http://investorrelations.medtronic.com). To view a printable PDF of the financial schedules and non-GAAP reconciliations, [click here](#). To view the third quarter earnings presentation, [click here](#).

## **About Medtronic**

Bold thinking. Bolder actions. We are Medtronic. Medtronic plc, headquartered in Dublin, Ireland, is the leading global healthcare technology company that boldly attacks the most challenging health problems facing humanity by searching out and finding solutions. Our Mission – to alleviate pain, restore health, and extend life – unites a global team of 95,000+ passionate people across 150 countries. Our technologies and therapies treat 70 health conditions and include cardiac devices, surgical robotics, insulin pumps, surgical tools, patient monitoring systems, and more. Powered by our diverse knowledge, insatiable curiosity, and desire to help all those who need it, we deliver innovative technologies that transform the lives of two people every second, every hour, every day. Expect more from us as we empower insight-driven care, experiences that put people first, and better outcomes for our world. In everything we do, we are engineering the extraordinary. For more information on Medtronic (NYSE:MDT), visit [www.Medtronic.com](http://www.Medtronic.com) and follow on [X](#) and [LinkedIn](#).

## **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 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. In some cases, you can identify these statements by forward-looking words or expressions, such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "looking ahead," "may," "plan," "possible,"**

**“potential,” “project,” “should,” “going to,” “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, adjusted diluted EPS, and organic revenue, which are considered “non-GAAP” financial measures under applicable SEC rules and regulations. References to quarterly or annual figures increasing, decreasing or remaining flat are in comparison to fiscal year 2023.**

**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.**

**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.**

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