

MEDTRONIC PLC

Q2 FY19

EARNINGS PRESENTATION
NOVEMBER 20, 2018

- Q2 FY19 CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS
- FREE CASH FLOW
- FY19 GUIDANCE & OTHER ASSUMPTIONS

Medtronic
Further, Together

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements. They are based on current assumptions and expectations that involve uncertainties or risks. These uncertainties and risks include, but are not limited to, those described in the filings we make with the U.S. Securities and Exchange Commission (SEC). Actual results may differ materially from anticipated results. Forward-looking statements are made as of today's date, and we undertake no duty to update them or any of the information contained in this presentation.

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Financial Comparisons

References to quarterly results increasing, decreasing, or remaining flat are in comparison to Q2 FY18. References to organic revenue growth exclude the impact of material acquisitions, divestitures, and currency. References to pro-forma or comparable exclude the impact of material divestitures and include the required accounting reclassifications described on slides 15-16 in the Q1 FY19 Earnings Presentation . Unless stated otherwise, quarterly rates and ranges are given on a constant currency basis, which adjusts for the impact of currency and required accounting reclassifications. Unless stated otherwise, annual rates and ranges are given on a comparable, constant currency basis, which adjusts for material divestitures, the impact of currency, and required accounting reclassifications.

BASIS OF PRESENTATION OF COMPARABLE FULL YEAR FY18 FINANCIAL METRICS

Previously disclosed full year FY18 financial metrics have been revised to adjust for (a) the estimated results of the portion of our Patient Monitoring & Recovery division, which was divested to Cardinal Health on July 29, 2017, and (b) the change in the presentation of revenue related to the Advanced Ablation and GI Solutions product lines, which were historically included within the Surgical Solutions division and which, effective Q2 FY18, are now included within the Respiratory, Gastrointestinal, and Renal (RGR) division. The non-GAAP reconciling items remain the same as those presented in previous earnings release materials. The GAAP to Non-GAAP reconciliations are available with previous earnings release materials, available at <http://investorrelations.medtronic.com>.

The revised comparable financial metrics represent estimates based upon available information and certain assumptions which management believes are reasonable under the circumstances. Actual results may have differed materially from the assumptions used to prepare the revised financial metrics. The revised financial metrics are not necessarily indicative of the financial position or results of operations that would have been realized had the divestiture occurred as of the dates or for the periods indicated, nor is it meant to be indicative of any financial position or results of operations that Medtronic plc may have experienced had the divestiture occurred in an earlier period.

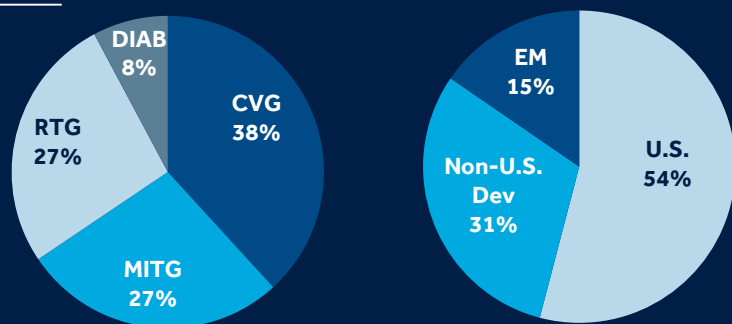
Q2 FY19 CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS

MDT

Q2 FY19 HIGHLIGHTS

STRONG SECOND QUARTER & FIRST HALF; EXECUTING ON MULTIPLE FRONTS

Revenue:



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CVG	2,858	3	4
MITG	2,047	5	7
RTG	1,993	7	8
Diabetes	583	26	27
Total	\$7,481	6%	7%

U.S.	4,045	8	8
Non-U.S. Dev	2,282	2	3
EM	1,154	7	13
Total	\$7,481	6%	7%

Other Financial Highlights:

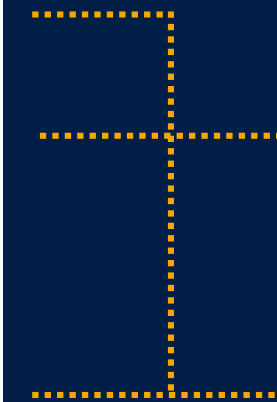
	Diluted EPS	As Rep Y/Y	CC ¹ Y/Y%	Cash Flow from Ops
GAAP	\$0.82	-45%	NC	\$1.2B
Non-GAAP	\$1.22	14%	13%	Free Cash Flow ² \$1.0B

- REVENUE:** Delivered 7.5% organic revenue growth; driving share gains and growing markets across multiple businesses and geographies
 - Strong revenue performance led by:
 - Diabetes growth of 27.5%, reflecting continued patient demand for the MiniMed® 670G
 - RTG growth of 7.8%, driven by mid-30's growth in Pain Stim and mid-teens growth in Neurovascular
 - MITG growth of 6.8%, led by strength in Advanced Energy, Advanced Stapling and GI & Hepatology
 - Emerging Markets grew 13.5%, driven by low-20's growth in Middle East & Africa and LDD growth in China
- EPS:** Delivered 13.1% EPS growth driven by revenue and operating margin outperformance as well as better-than-expected foreign exchange and tax benefits
 - EPS \$0.08 above guidance mid-point; beat consisting of \$0.03 FX, \$0.05 operational, including \$0.02 from tax
- MARGIN:** Delivered healthy margin expansion while continuing to increase R&D investment
 - Operating Margin: 130 bps improvement (80 bps CC), driven primarily by SG&A
 - SG&A: 50 bps improvement (50 bps CC), reflecting company-wide cost savings initiatives
 - R&D: Continuing to invest to enhance pipeline; sequential spending increase
- FCF:** Strong Free Cash Flow² performance of \$957M, versus \$661M in prior year
- GUIDANCE:** Due to strength of business and first half operational outperformance (+\$0.08):
 - Absorbing ~\$0.10 of headwinds (increased FX since start of FY; H2 impact of China tariffs & Mazor acquisition dilution); maintaining FY19 EPS guidance (\$5.10-\$5.15; 9-10% CC)
 - Increasing FY19 organic revenue growth guidance by 50 bps to 5.0% - 5.5%

¹ Figures represent comparison to Q2 FY18 on a constant currency basis.

² Operating cash flows less property, plant equipment additions.

	Q2 FY19	Q2 FY18 Revised ¹	FX Impact \$M / Change	Q2 FY19 Constant Currency	Q2 FY19 CC Growth / Change ³
Net Sales (\$M)	7,481	7,050	(95)	7,576	7%
Operating Profit ²	2,085	1,874	12	2,073	11%
Operating Margin ²	27.9%	26.6%	50 bps	27.4%	80 bps
Diluted EPS ² (\$)	1.22	1.07	0.01	1.21	13%



Operating
Leverage³ **315 bps**

EPS
Leverage³ **560 bps**

¹ Revised Baseline includes the required accounting reclassifications described on slides 15-16 in the Q1 FY19 Earnings Presentation.

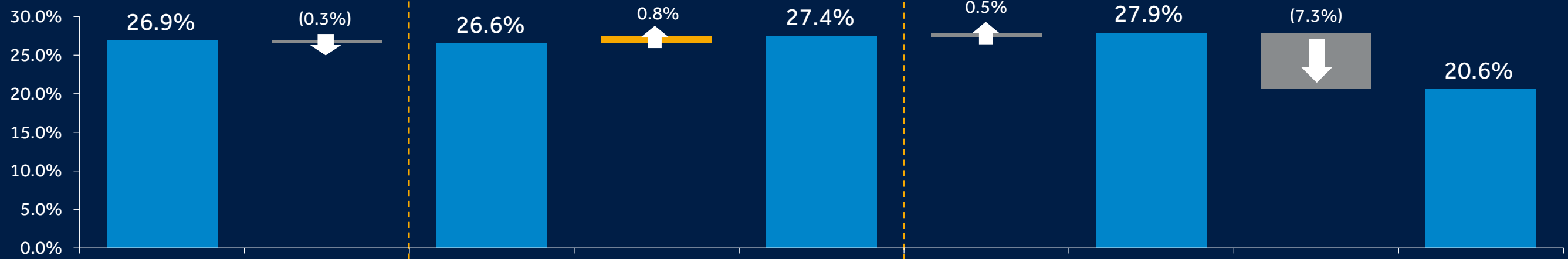
² Non-GAAP

³ Figures represent comparison to Q2 FY18 Revised Baseline on a constant currency basis.

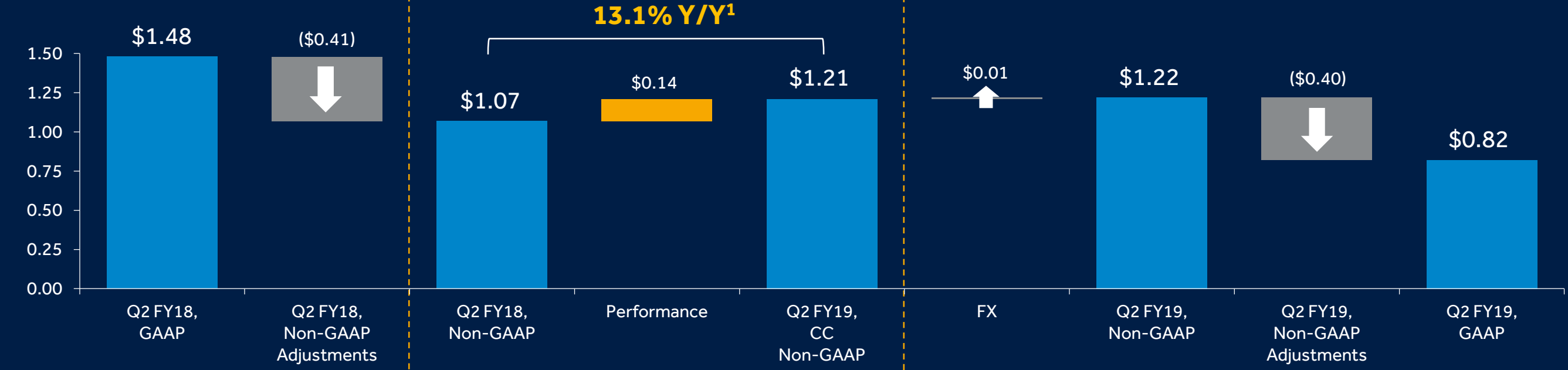
MDT

Q2 FY19 Y/Y OPERATING MARGIN AND EPS WALK

Operating Margin



EPS



FY18 | FY19

¹ Figures represent comparison to Q2 FY18 Revised Baseline on a constant currency basis. Revised Baseline includes the required accounting reclassifications described on slides 15-16 in the Q1 FY19 Earnings Presentation.

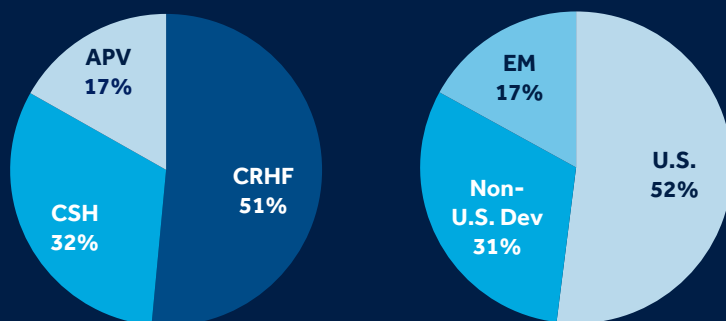
Q2 FY19 GAAP TO NON-GAAP SELECT FINANCIAL INFORMATION

	Non-GAAP Adjustments							Q2 FY19 Non -GAAP	Q2 FY18 Revised ²	Y/Y Growth / Change
	Q2 FY19 GAAP	Amortization	Restructuring	Acquisition-Related	Gain/Loss on Minority Investment	IPR&D	Certain Tax Adjustments			
Net Sales (\$M)	7,481							7,481	7,050	6%
Cost of Products Sold	2,203		(22)	(2)				2,179	2,088	4%
<i>Gross Margin</i>	<i>70.6%</i>							<i>70.9%</i>	<i>70.4%</i>	<i>50 bps</i>
SG&A (\$M)	2,605		(31)	(20)				2,554	2,436	5%
<i>% of Sales</i>	<i>34.8%</i>							<i>34.1%</i>	<i>34.6%</i>	<i>50 bps</i>
R&D (\$M)	590							590	556	6%
<i>% of Sales</i>	<i>7.9%</i>							<i>7.9%</i>	<i>7.9%</i>	<i>Flat</i>
Other Operating Expense, Net (\$M)	70			18		(15)		73	96	-24%
<i>% of Sales</i>	<i>0.9%</i>							<i>1.0%</i>	<i>1.4%</i>	<i>40 bps</i>
Amortization of Intangible Assets	445	(445)						--	--	--
Restructuring Charges, Net	24		(24)					--	--	--
Operating Profit	1,544	445	77	4	--	15	--	2,085	1,874	11%
Operating Margin	20.6%							27.9%	26.6%	130 bps
Other Non-Operating Income, Net (\$M)	(52)				(25)			(77)	(107)	-28%
Net Income attributable to MDT (\$M)	1,115	378	65	3	26	15	58	1,660	1,456	14%
Diluted EPS (\$)¹	0.82	0.28	0.05	--	0.02	0.01	0.04	1.22	1.07	14%

¹ The data in this row has been intentionally rounded to the nearest \$0.01 and, therefore, may not sum.

² Revised Baseline includes the required accounting reclassifications described on slides 15-16 in the Q1 FY19 Earnings Presentation.

Growth Driven by CSH, APV and Emerging Markets



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CRHF	1,472	0	1
CSH	906	6	8
APV	480	6	7
Total	\$2,858	3%	4%

U.S.	1,482	4	4
Non-U.S. Dev	895	0	1
EM	481	6	11
Total	\$2,858	3%	4%

Cardiac Rhythm & Heart Failure: +1.4% growth driven by MSD growth in Arrhythmia Management

- Strong demand for Micra[®] and Azure[®] drove HSD Pacing growth, including LDD US growth & low-20's growth in Japan
- High-twenties growth of TYRX[®] Absorbable Antibacterial Envelope
- Strong results in AF Solutions driven by high-teens US growth
- Heart Failure declined MSD given CRT-D replacement headwinds

Coronary & Structural Heart: +7.8% growth driven by strong growth in TAVR, DES, coronary balloons and guide catheters

- Mid-teens WW TAVR growth, in-line with the market, driven by continued adoption of Evolut[®] PRO and the valve's industry-leading hemodynamics and PVL performance
- Resolute Onyx[™] adoption drove MSD DES growth; up low-twenties in US
- Strong LDD growth in coronary balloons driven by global share gains
- Robust international demand drove high-teens guide catheter growth
- Cardiac Surgery grew MSD driven by HSD Bio-Medicus[™] NextGen Cannulae growth

Aortic, Peripheral & Venous: +7.3% growth driven by high-teens growth in endoVenous, LDD growth in DCB and MSD growth in AAA

- Strong demand for VenaSeal[™] drove high-teens growth in endoVenous
- IN.PACT[™] Admiral[™] DCB grew LDD, maintaining MDT's US & global SFA share leadership
- Strong MSD growth in AAA driven by adoption of stent graft systems

Micra[®]
Transcatheter
Pacing System



Azure[™]
Wireless
Pacemaker



CoreValve[®]
Evolut[®] PRO



Resolute Onyx[™]



IN.PACT
Admiral[™]

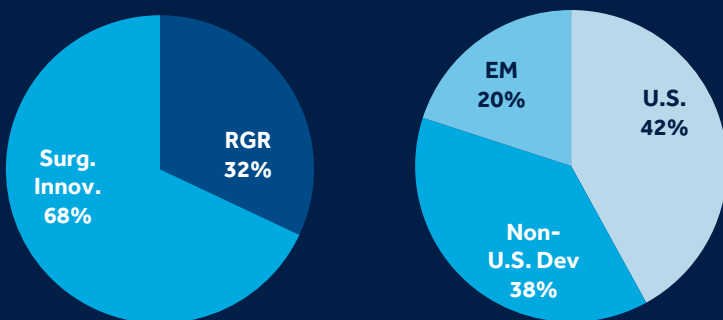


VenaSeal[™]
Closure System



¹ Figures represent comparison to Q2 FY18 on a constant currency basis.

Growth Driven by Advancing MIS and Emerging Markets



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
SI	1,393	4	7
RGR	654	6	7
Total	\$2,047	5%	7%

U.S.	872	10	10
Non-U.S. Dev	772	(1)	(0)
EM	403	8	15
Total	\$2,047	5%	7%

▪ **Surgical Innovations (SI):** +6.6% growth driven by Advanced Energy and Advanced Stapling

- Conversion of surgical procedures to minimally invasive continues to drive Advanced Surgical growth
- Strong, mid-teens growth in Emerging Markets
- Sustained strength in Advanced Energy driven by:
 - LigaSure™ vessel sealing instruments with nano-coating
 - Valleylab™ FT10 energy platform
- Strong growth in Advanced Stapling driven by:
 - Signia™ powered stapler
 - Tri-Staple™ 2.0 endo stapling specialty reloads

Signia™ Stapling System



LigaSure™ Exact Dissector



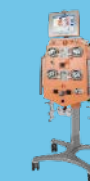
▪ **Respiratory, Gastrointestinal, & Renal (RGR):** +7.3% growth marked by HSD strength in Patient Monitoring

- Patient Monitoring led by Nellcor™ Pulse Oximetry and advanced parameters including Microstream™ capnography and BIS™ anesthesia monitoring
- Renal Care Solutions grew MSD underpinned by strength in renal access products and Emerging Markets
- GI Solutions grew LDD driven by the launch of calibration-free Bravo™ and strong adoption of the Endoflip™ technology

Puritan Bennett™ 980

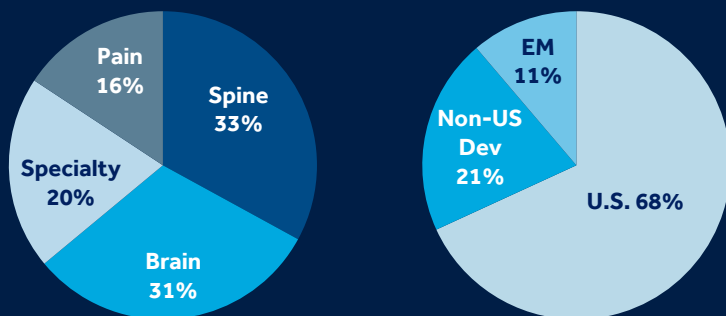


Bellco Amplya™



¹ Figures represent comparison to Q2 FY18 on a constant currency basis.

Strength in Brain, Pain & Specialty Therapies; Flat Overall Spine Growth



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Spine	656	Flat	Flat
Brain	618	7	9
Specialty	405	11	12
Pain	314	19	20
Total	\$1,993	7%	8%

U.S.	1357	8	8
Non-U.S. Dev	412	5	6
EM	224	6	10
Total	\$1,993	7%	8%

REVENUE GREW 7.8% ORGANIC

Brain Therapies: +8.7% growth from strength in Neurovascular & Neurosurgery

- Neurovascular led by broad based strength across stroke therapies, including high-twenties growth from the Solitare™ Platinum stent
 - Robust international growth of >20%, with >30% growth in Emerging Markets
- Continued strong demand for StealthStation® S8 navigation systems, O-arm™ imaging systems, and Mazor X™ robotic guidance systems drove HSD Neurosurgery growth

Pain Therapies: +19.7% growth driven by Spinal Cord Stimulation

- Spinal Cord Stim accelerated to mid-thirties growth, including mid-forties growth in the U.S, driven by robust sales of Intellis™ stimulator
- LDD growth in Targeted Drug Delivery as SynchroMed™ II sales continue to perform well with growing adoption of the Control WorkflowSM and launch of new Clinician Programmer

Spine: LSD International and flat U.S. growth resulting in flat global growth

- U.S. Core Spine revenue combined with Spine enabling technologies² grew 3.6%, driven by the ongoing success of the Surgical Synergy strategy
 - Mazor acquisition expected to strengthen MDT's position as a global leader in enabling technologies for spine surgery
- Recently launched products including Infinity™ OCT System and Solera® Voyager® 5.5/6.0 fixation system contributing incremental revenue

Specialty Therapies: +11.5% driven by mid-teens growth in Pelvic Health

- Strong U.S. sales of the InterStim™ neurostimulator
- Transformative Solutions grew LDD, with strength in Aquamantys™ sealers and PlasmaBlade™ dissection devices

Enabling Technologies



Intellis™ Spinal Cord Stimulator



Infinity™ OCT System



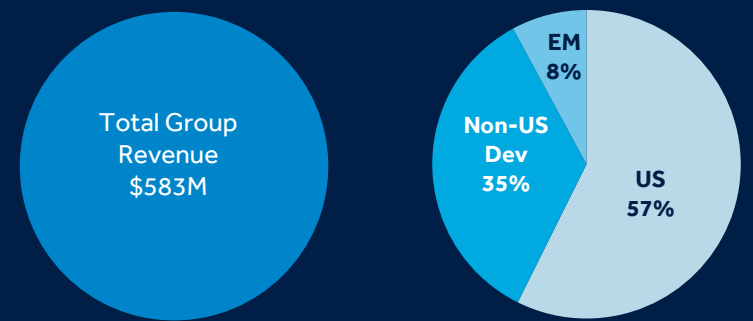
InterStim™ II Neurostimulator



DIABETES

Q2 FY19 HIGHLIGHTS

670G Installed Base Expands;
Strong Growth in CGM



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
AIM	--	>20	>25
Emerging Tech	--	>100	>100
Total	\$583	26%	27%

U.S.	334	29	29
Non-U.S. Dev	203	20	22
EM	46	31	40
Total	\$583	26%	27%

REVENUE GREW 27.5% ORGANIC

- **Advanced Insulin Management:** >25% growth driven by sustained demand for the MiniMed® 670G system and increased sensor attachment rates

 - Continued strength in the US (29%) resulting from 670G installed base expansion and strong CGM uptake
 - Over 135,000 trained, active users benefiting from 670G's SmartGuard™ technology
 - Real-world data from growing installed base continues to showcase time-in-range exceeding 70% and outstanding quality-of-life benefits
 - As expected, initiated commercial launch of 670G in select European countries; preparing to introduce in additional regions
 - Initial OUS feedback mirrors enthusiasm seen in US patients and physicians
 - Strong emerging market growth (mid-30's) driven by continued demand for 630G and 640G

- **Emerging Technologies:** >100% growth driven by worldwide strength of Guardian® Connect and expanding treatment models

 - Guardian® Connect with Sugar.IQ™ sales ramping in US following June 2018 launch
 - Great feedback on personalized insights and predictive alerts of only "Smart CGM"
 - OUS growth driven by recent launches in Israel and Korea
 - Expect OUS Android capability to drive incremental growth in H2FY19

MiniMed® 670G



MiniMed® 640G



Guardian® Sensor 3



Guardian Connect w/ Sugar.IQ™



¹ Figures represent comparison to Q2 FY18 on a constant currency basis.

FREE CASH FLOW

COMPONENTS OF FREE CASH FLOW

	FY16	FY17	FY18	FY18 Q2 YTD	FY19 Q2 YTD
<i>\$ Billions</i>					
Operating Cash Flow	\$5.2	\$6.9	\$4.7	\$1.6	\$2.9
CAPEX	(\$1.0)	(\$1.3)	(\$1.1)	(\$0.5)	(\$0.5)
Free Cash Flow	\$4.2	\$5.6	\$3.6	\$1.1	\$2.4
Non-GAAP Net Income	\$6.2	\$6.4	\$6.5	\$3.0	\$3.3
Conversion Ratio⁴	67%	88%	55%	37%	73%
<i>Conversion Ratio adjusted to include post-tax amortization</i>	<i>88%</i>	<i>114%</i>	<i>72%</i>	<i>50%</i>	<i>95%</i>
<i>Included in Operating Cash Flow:</i>					
Pre-Tax Certain Litigation Payments, net ^{1,2}	\$0.2	\$0.3	\$0.3	\$0.2	\$0.1
Restructuring Payments ¹	\$0.2	\$0.2	\$0.2	\$0.1	\$0.2
Other Payments ^{1,3}	\$0.2	\$0.3	\$0.3	\$0.2	\$0.1
Puerto Rico IRS Pre-Payment	--	--	\$1.1	--	--
Certain Other Tax Payments	\$0.8	\$0.4	\$0.4	\$0.2	\$0.4

1 Cash flow impact does not reflect associated tax cost / benefit, as timing and amount are difficult to estimate

2 Includes payments accrued as "Non-GAAP" charges, as well as COV acquisition opening balance sheet adjustments

3 Includes acquisition-related and divestiture-related charges, as well as contributions to the Medtronic Foundation

4 Conversion Ratio = Free Cash Flow divided by Non-GAAP Net Income

FY19 GUIDANCE & OTHER ASSUMPTIONS

FY19 GUIDANCE & OTHER ASSUMPTIONS

REVENUE	FY18 Comparable Base ²	Organic Growth Guidance	FX ¹	Implied Revenue Range	Implied Revenue Growth
Q4 Earnings Call	\$29,403M	4.0 – 4.5%	(-\$50M) to (-\$150M)	\$30.4 - \$30.7B	3.5% - 4.3%
Q1 Earnings Call		4.5 - 5.0%	(-\$420M) to (-\$520M)	\$30.2 - \$30.5B	2.7% - 3.6%
Q2 Earnings Call		5.0 – 5.5%	(-\$420M) to (-\$520M)	\$30.4 - \$30.6B	3.2% - 4.1%

OPERATING MARGIN	FY18 Comparable Base ²	Constant Currency Guidance	FX ¹	Implied Operating Margin	Implied Operating Margin Expansion
Q4 Earnings Call	27.8%	+50 bps	+10 - 20 bps	~28.5%	+60 – 70 bps
Q1 Earnings Call					
Q2 Earnings Call			+30 – 40 bps	~28.7%	+80 – 90 bps

EPS	FY18 Comparable Base ²	Implied Constant Currency	FX ¹	EPS Guidance	Implied EPS Growth
Q4 Earnings Call	\$4.68	8 – 9%	+\$0.05	\$5.10 - \$5.15	9 – 10%
Q1 Earnings Call		9 – 10%	+\$0.00		
Q2 Earnings Call					

¹ While FX rates are fluid, assumptions above are based on current rates.

² Comparable baseline represents management's best estimate to exclude the impact of the Patient Care, Deep Vein Thrombosis & Nutritional Insufficiency divestiture to Cardinal Health per 8-K issued on May 15, 2018 and includes the required accounting reclassifications described on slides 15-16 in the Q1 FY19 Earnings Presentation.

APPENDIX

ACRONYMS / ABBREVIATIONS

Growth

HSD	High-Single Digit
LDD	Low-Double Digit
LSD	Low-Single Digit
MSD	Mid-Single Digit

Other

Bps	Basis Points
Capex	Capital Expenditures
CC	Constant Currency
COV	Covidien
Dev	Developed
EM	Emerging Markets
EPS	Earnings Per Share
FCF	Free Cash Flow

Other

FX	Foreign Exchange
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
H	Half of Year
IPR&D	In-process Research & Development
IRS	Internal Revenue Service
OUS	Outside of the US
Q	Quarter
R&D	Research & Development
Rep	Reported
SEC	U.S. Securities & Exchange Commission
SG&A	Selling, General & Administrative
WW	Worldwide
Y/Y	Year-over-Year
\$M	Millions of Dollars

Business Specific

AAA	Abdominal Aortic Aneurysm
AF	Atrial Fibrillation
AIM	Advanced Insulin Management
APV	Aortic, Peripheral & Venous
CGM	Continuous Glucose Monitoring
CRHF	Cardiac Rhythm & Heart Failure
CRT-D	Cardiac Resynchronization Therapy - Defibrillator
CSH	Coronary & Structural Heart
CVG	Cardiac & Vascular Group
DCB	Drug Coated Balloon
DES	Drug Eluting Stent
DIAB	Diabetes

Business Specific

GI	Gastrointestinal
MDT	Medtronic
MIS	Minimally Invasive Surgery
MITG	Minimally Invasive Therapies Group
OCT	Occipitocervical-Upper Thoracic
PVL	Paravalvular Leak
RGR	Respiratory, Gastrointestinal, & Renal
RTG	Restorative Therapies Group
SFA	Superficial Femoral Artery
Surg Innov / SI	Surgical Innovations
TAVR	Transcatheter Aortic Valve Replacement