

MEDTRONIC PLC
WORLD WIDE REVENUE⁽¹⁾
(Unaudited)

(in millions)	THIRD QUARTER							THIRD QUARTER YEAR-TO-DATE						
	REPORTED				CONSTANT CURRENCY			REPORTED				CONSTANT CURRENCY		
	FY20	FY19	Growth	Currency Impact ⁽³⁾	FY20	Growth	Organic Growth ⁽⁴⁾	FY20	FY19	Growth	Currency Impact ⁽³⁾	FY20	Growth	Organic Growth ⁽⁴⁾
Cardiac & Vascular Group	\$ 2,819	\$ 2,786	1.2 %	\$ (18)	\$ 2,837	1.8 %	1.8 %	\$ 8,464	\$ 8,455	0.1 %	\$ (116)	\$ 8,580	1.5 %	1.5 %
Cardiac Rhythm & Heart Failure	1,393	1,397	(0.3)	(8)	1,401	0.3	0.3	4,201	4,295	(2.2)	(53)	4,254	(1.0)	(1.0)
Coronary & Structural Heart	948	913	3.8	(7)	955	4.6	4.6	2,844	2,736	3.9	(47)	2,891	5.7	5.7
Aortic, Peripheral, & Venous	478	476	0.4	(3)	481	1.1	1.1	1,420	1,424	(0.3)	(16)	1,436	0.8	0.8
Minimally Invasive Therapies Group	2,176	2,124	2.4	(15)	2,191	3.2	3.2	6,418	6,223	3.1	(95)	6,513	4.7	4.7
Surgical Innovations	1,474	1,434	2.8	(12)	1,486	3.6	3.6	4,345	4,224	2.9	(74)	4,419	4.6	4.6
Respiratory, Gastrointestinal, & Renal	702	690	1.7	(3)	705	2.2	2.2	2,073	1,999	3.7	(21)	2,094	4.8	4.8
Restorative Therapies Group⁽²⁾	2,111	2,026	4.2	(8)	2,119	4.6	3.6	6,235	5,968	4.5	(50)	6,285	5.3	4.7
Brain Therapies	795	732	8.6	(4)	799	9.2	9.2	2,307	2,107	9.5	(23)	2,330	10.6	10.6
Spine	674	655	2.9	(1)	675	3.1	(0.2)	2,023	1,963	3.1	(12)	2,035	3.7	1.8
Specialty Therapies	340	325	4.6	(1)	341	4.9	4.9	996	956	4.2	(8)	1,004	5.0	5.0
Pain Therapies	303	314	(3.5)	(1)	304	(3.2)	(3.2)	910	942	(3.4)	(7)	917	(2.7)	(2.7)
Diabetes Group	610	610	—	(5)	615	0.8	0.8	1,798	1,765	1.9	(28)	1,826	3.5	3.5
TOTAL	\$ 7,717	\$ 7,546	2.3 %	\$ (46)	\$ 7,763	2.9 %	2.6 %	\$22,916	\$22,411	2.3 %	\$ (289)	\$23,205	3.5 %	3.4 %

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

(2) In the first quarter of fiscal year 2020, the Company realigned its divisions within the Restorative Therapies Group, which included a movement of revenue from Transformative Solutions product lines within Specialty Therapies to a product line under Brain Therapies. As a result, fiscal year 2019 results have been recast to adjust for this realignment.

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

(4) Organic growth refers to growth calculated excluding the impact of currency and significant acquisitions (Titan Spine).

MEDTRONIC PLC
U.S.⁽¹⁾⁽²⁾ REVENUE
(Unaudited)

(in millions)	THIRD QUARTER			THIRD QUARTER YEAR-TO-DATE		
	REPORTED			REPORTED		
	FY20	FY19	Growth	FY20	FY19	Growth
Cardiac & Vascular Group	\$ 1,366	\$ 1,369	(0.2)%	\$ 4,182	\$ 4,240	(1.4)%
Cardiac Rhythm & Heart Failure	739	745	(0.8)	2,253	2,334	(3.5)
Coronary & Structural Heart	370	359	3.1	1,149	1,096	4.8
Aortic, Peripheral, & Venous	257	265	(3.0)	780	810	(3.7)
Minimally Invasive Therapies Group	934	930	0.4	2,769	2,659	4.1
Surgical Innovations	587	589	(0.3)	1,744	1,706	2.2
Respiratory, Gastrointestinal, & Renal	346	341	1.5	1,025	953	7.6
Restorative Therapies Group⁽³⁾	1,409	1,354	4.1	4,187	4,005	4.5
Brain Therapies	471	440	7.0	1,384	1,279	8.2
Spine	478	459	4.1	1,428	1,359	5.1
Specialty Therapies	243	230	5.7	718	681	5.4
Pain Therapies	217	225	(3.6)	656	686	(4.4)
Diabetes Group	312	348	(10.3)	930	1,006	(7.6)
TOTAL	\$ 4,021	\$ 4,001	0.5 %	\$ 12,068	\$ 11,910	1.3 %

(1) U.S. includes the United States and U.S. territories.

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

(3) In the first quarter of fiscal year 2020, the Company realigned its divisions within the Restorative Therapies Group, which included a movement of revenue from Transformative Solutions product lines within Specialty Therapies to a product line under Brain Therapies. As a result, fiscal year 2019 results have been recast to adjust for this realignment.

MEDTRONIC PLC
WORLD WIDE REVENUE: GEOGRAPHIC ⁽¹⁾⁽²⁾
(Unaudited)

(in millions)	THIRD QUARTER						THIRD QUARTER YEAR-TO-DATE					
	REPORTED			Currency Impact ⁽³⁾	CONSTANT CURRENCY		REPORTED			Currency Impact ⁽³⁾	CONSTANT CURRENCY	
	FY20	FY19	Growth		FY20	Growth	FY20	FY19	Growth		FY20	Growth
U.S.	\$ 1,366	\$ 1,369	(0.2)%	\$ —	\$ 1,366	(0.2)%	\$ 4,182	\$ 4,240	(1.4)%	\$ —	\$ 4,182	(1.4)%
Non-U.S. Developed	915	924	(1.0)	(11)	926	0.2	2,735	2,766	(1.1)	(76)	2,811	1.6
Emerging Markets	538	493	9.1	(7)	545	10.5	1,547	1,449	6.8	(40)	1,587	9.5
Cardiac & Vascular Group	\$ 2,819	2,786	1.2	(18)	2,837	1.8	8,464	8,455	0.1	(116)	8,580	1.5
U.S.	934	930	0.4	—	934	0.4	2,769	2,659	4.1	—	2,769	4.1
Non-U.S. Developed	791	796	(0.6)	(7)	798	0.3	2,364	2,396	(1.3)	(59)	2,423	1.1
Emerging Markets	451	398	13.3	(8)	459	15.3	1,285	1,168	10.0	(36)	1,321	13.1
Minimally Invasive Therapies Group	2,176	2,124	2.4	(15)	2,191	3.2	6,418	6,223	3.1	(95)	6,513	4.7
U.S.	1,409	1,354	4.1	—	1,409	4.1	4,187	4,005	4.5	—	4,187	4.5
Non-U.S. Developed	436	435	0.2	(4)	440	1.1	1,278	1,275	0.2	(31)	1,309	2.7
Emerging Markets	266	237	12.2	(3)	269	13.5	770	688	11.9	(19)	789	14.7
Restorative Therapies Group	2,111	2,026	4.2	(8)	2,119	4.6	6,235	5,968	4.5	(50)	6,285	5.3
U.S.	312	348	(10.3)	—	312	(10.3)	930	1,006	(7.6)	—	930	(7.6)
Non-U.S. Developed	236	213	10.8	(4)	240	12.7	693	619	12.0	(23)	716	15.7
Emerging Markets	63	49	28.6	(1)	64	30.6	176	140	25.7	(5)	181	29.3
Diabetes Group	610	610	—	(5)	615	0.8	1,798	1,765	1.9	(28)	1,826	3.5
U.S.	4,021	4,001	0.5	—	4,021	0.5	12,068	11,910	1.3	—	12,068	1.3
Non-U.S. Developed	2,377	2,368	0.4	(27)	2,404	1.5	7,069	7,056	0.2	(189)	7,258	2.9
Emerging Markets	1,318	1,177	12.0	(19)	1,337	13.6	3,778	3,445	9.7	(100)	3,878	12.6
TOTAL	\$ 7,717	\$ 7,546	2.3 %	\$ (46)	\$ 7,763	2.9 %	\$22,916	\$22,411	2.3 %	\$ (289)	\$ 23,205	3.5 %

(1) U.S. includes the United States and U.S. territories. Non-U.S. developed markets include Japan, Australia, New Zealand, Korea, Canada, and the countries of Western Europe. Emerging Markets include the countries of the Middle East, Africa, Latin America, Eastern Europe, and the countries of Asia that are not included in the non-U.S. developed markets, as previously defined.

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

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

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(in millions, except per share data)	Three months ended		Nine months ended	
	January 24, 2020	January 25, 2019	January 24, 2020	January 25, 2019
Net sales	\$ 7,717	\$ 7,546	\$ 22,916	\$ 22,411
Costs and expenses:				
Cost of products sold	2,400	2,265	7,160	6,672
Research and development expense	573	561	1,763	1,736
Selling, general, and administrative expense	2,587	2,596	7,750	7,798
Amortization of intangible assets	436	436	1,317	1,327
Restructuring charges, net	13	26	87	112
Certain litigation charges	108	63	276	166
Other operating (income) expense, net	(39)	57	88	278
Operating profit	1,639	1,542	4,475	4,322
Other non-operating income, net	(96)	(71)	(305)	(309)
Interest expense	156	243	930	726
Income before income taxes	1,579	1,370	3,850	3,905
Income tax provision	(340)	99	(317)	437
Net income	1,919	1,271	4,167	3,468
Net (income) attributable to noncontrolling interests	(4)	(2)	(24)	(9)
Net income attributable to Medtronic	\$ 1,915	\$ 1,269	\$ 4,143	\$ 3,459
Basic earnings per share	\$ 1.43	\$ 0.95	\$ 3.09	\$ 2.57
Diluted earnings per share	\$ 1.42	\$ 0.94	\$ 3.07	\$ 2.54
Basic weighted average shares outstanding	1,340.5	1,342.8	1,340.7	1,348.1
Diluted weighted average shares outstanding	1,351.5	1,352.7	1,351.6	1,359.5

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended January 24, 2020									
(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 ^(b)	Effective Tax Rate
GAAP	\$ 7,717	\$ 2,400	68.9 %	\$ 1,639	21.2 %	\$ 1,579	\$ 1,915	\$ 1.42	(21.5)%
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(50)	0.6	97	1.3	97	81	0.06	16.5
Acquisition-related items (3)	—	(2)	—	28	0.4	28	25	0.02	10.7
Certain litigation charges	—	—	—	108	1.4	108	107	0.08	0.9
Medical device regulations (5)	—	(6)	0.1	13	0.2	13	11	0.01	15.4
Amortization of intangible assets	—	—	—	436	5.6	436	368	0.27	15.6
Certain tax adjustments, net (6)	—	—	—	—	—	—	(558)	(0.41)	—
Non-GAAP	<u>\$ 7,717</u>	<u>\$ 2,342</u>	<u>69.7 %</u>	<u>\$ 2,321</u>	<u>30.1 %</u>	<u>\$ 2,261</u>	<u>\$ 1,949</u>	<u>\$ 1.44</u>	<u>13.6 %</u>
Currency impact	46	(8)	0.2	(3)	(0.2)	—	—	—	—
Currency Adjusted	<u>\$ 7,763</u>	<u>\$ 2,334</u>	<u>69.9 %</u>	<u>\$ 2,318</u>	<u>29.9 %</u>	—	—	<u>\$ 1.44</u>	—

Three months ended January 25, 2019									
(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 ^(b)	Effective Tax Rate
GAAP	\$ 7,546	\$ 2,265	70.0 %	\$ 1,542	20.4 %	\$ 1,370	\$ 1,269	\$ 0.94	7.2 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(21)	0.3	66	0.9	66	54	0.04	18.2
Acquisition-related items (3)	—	(1)	—	17	0.2	17	12	0.01	29.4
Certain litigation charges	—	—	—	63	0.8	63	51	0.04	19.0
(Gain)/loss on minority investments (4)	—	—	—	—	—	(7)	(6)	—	14.3
IPR&D charges (7)	—	—	—	11	0.1	11	8	0.01	27.3
Exit of businesses (8)	—	—	—	69	0.9	69	56	0.04	18.8
Amortization of intangible assets	—	—	—	436	5.9	436	371	0.27	14.9
Certain tax adjustments, net (9)	—	—	—	—	—	—	(64)	(0.05)	—
Non-GAAP	<u>\$ 7,546</u>	<u>\$ 2,243</u>	<u>70.3 %</u>	<u>\$ 2,204</u>	<u>29.2 %</u>	<u>\$ 2,025</u>	<u>\$ 1,751</u>	<u>\$ 1.29</u>	<u>13.4 %</u>

See description of non-GAAP financial measures at the end of the earnings press release.

- (1) The data in this schedule has been intentionally rounded to the nearest \$0.01 and, therefore, may not sum.
- (2) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (3) The charges primarily include costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related costs, and changes in the fair value of contingent consideration.
- (4) 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.
- (5) The charges represent 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.
- (6) The benefit relates to the release of a valuation allowance on certain net operating losses.
- (7) The charges were recognized in connection with the impairment of in-process research and development ("IPR&D") assets.
- (8) The net charge relates to business exits and is primarily comprised of intangible asset impairments.
- (9) The net benefit relates to the impact from U.S. tax reform, intercompany legal entity restructuring, and the finalization of certain income tax aspects of the divestiture of the Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses within Minimally Invasive Therapies Group on July 29, 2017.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Nine months ended January 24, 2020

(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 ⁽¹⁾	Effective Tax Rate
GAAP	\$22,916	\$ 7,160	68.8 %	\$ 4,475	19.5 %	\$ 3,850	\$ 4,143	\$ 3.07	(8.2)%
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(117)	0.5	315	1.4	315	268	0.20	14.9
Acquisition-related items (3)	—	(2)	—	74	0.3	74	65	0.05	12.2
Certain litigation charges	—	—	—	276	1.2	276	243	0.18	12.0
(Gain)/loss on minority investments (4)	—	—	—	—	—	(11)	(9)	(0.01)	18.2
Debt tender premium and other charges (5)	—	—	—	(7)	—	406	320	0.24	21.2
Medical device regulations (6)	—	(13)	0.1	31	0.1	31	27	0.02	12.9
Exit of businesses (7)	—	—	—	41	0.2	41	35	0.03	14.6
Contribution to Medtronic Foundation	—	—	—	80	0.3	80	62	0.05	22.5
Amortization of intangible assets	—	—	—	1,317	5.7	1,317	1,114	0.82	15.4
Certain tax adjustments, net (8)	—	—	—	—	—	—	(839)	(0.62)	—
Non-GAAP	<u>\$22,916</u>	<u>\$ 7,028</u>	<u>69.3 %</u>	<u>\$ 6,602</u>	<u>28.8 %</u>	<u>\$ 6,379</u>	<u>\$ 5,429</u>	<u>\$ 4.02</u>	<u>14.5 %</u>
Currency impact	289	(37)	0.6	46	(0.2)	—	—	0.04	—
Currency Adjusted	<u>\$23,205</u>	<u>\$ 6,991</u>	<u>69.9 %</u>	<u>\$ 6,648</u>	<u>28.6 %</u>	—	—	<u>\$ 4.06</u>	—

Nine months ended January 25, 2019

(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 ⁽¹⁾	Effective Tax Rate
GAAP	\$22,411	\$ 6,672	70.2 %	\$ 4,322	19.3 %	\$ 3,905	\$ 3,459	\$ 2.54	11.2 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(58)	0.3	256	1.1	256	216	0.16	15.6
Acquisition-related items (3)	—	(5)	—	57	0.3	57	44	0.03	22.8
Certain litigation charges	—	—	—	166	0.7	166	142	0.10	14.5
(Gain)/loss on minority investments (4)	—	—	—	—	—	(92)	(83)	(0.06)	9.8
IPR&D charges (9)	—	—	—	26	0.1	26	23	0.02	11.5
Exit of business (7)	—	—	—	149	0.7	149	118	0.09	20.8
Amortization of intangible assets	—	—	—	1,327	5.9	1,327	1,128	0.83	15.0
Certain tax adjustments, net (10)	—	—	—	—	—	—	(35)	(0.03)	—
Non-GAAP	<u>\$22,411</u>	<u>\$ 6,609</u>	<u>70.5 %</u>	<u>\$ 6,303</u>	<u>28.1 %</u>	<u>\$ 5,794</u>	<u>\$ 5,012</u>	<u>\$ 3.69</u>	<u>13.3 %</u>

See description of non-GAAP financial measures contained in this release.

- (1) The data in this schedule has been intentionally rounded to the nearest \$0.01 and, therefore, may not sum.
- (2) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (3) The charges primarily include costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related costs, and changes in fair value of contingent consideration.
- (4) 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.
- (5) The charges, which include \$413 million recognized in *interest expense* and (\$7 million) recognized in *other operating expense, net*, primarily related to the early redemption of approximately \$5.2 billion of debt.
- (6) The charges represent 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.
- (7) The net charges relate to the exit of businesses and are primarily comprised of intangible asset impairments.

- (8) The net benefit primarily relates to the release of a valuation allowance on certain net operating losses and the impact of tax reform in Switzerland and the United States.
- (9) The charges were recognized in connection with the impairment of in-process research and development ("IPR&D") assets.
- (10) The net benefit relates to the impact of U.S. tax reform, intercompany legal entity restructuring, and the finalization of certain income tax aspects of the divestiture of the Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses within the Minimally Invasive Therapies Group on July 29, 2017.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended January 24, 2020

(in millions)	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 Expense, net as a % of Net Sales	Other Non- Operating Income, net
GAAP	\$ 7,717	\$ 2,587	33.5 %	\$ 573	7.4 %	\$ (39)	(0.5)%	\$ (96)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(34)	(0.4)	—	—	—	—	—
Acquisition-related items (2)	—	(23)	(0.3)	—	—	(3)	—	—
Medical device regulations (4)	—	—	—	(7)	(0.1)	—	—	—
Non-GAAP	\$ 7,717	\$ 2,530	32.8 %	\$ 566	7.3 %	\$ (42)	(0.5)%	\$ (96)
Currency impact	46	11	(0.1)	1	—	46	0.6	—
Currency Adjusted	<u>\$ 7,763</u>	<u>\$ 2,541</u>	<u>32.7 %</u>	<u>\$ 567</u>	<u>7.3 %</u>	<u>\$ 4</u>	<u>0.1 %</u>	<u>\$ (96)</u>

See description of non-GAAP financial measures at the end of the earnings press release.

- (1) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (2) The charges primarily include costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related costs, and changes in the fair value of contingent consideration.
- (3) 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.
- (4) The charges represent 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.
- (5) The net charge relates to the exit of businesses and is primarily comprised of intangible asset impairments.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Nine months ended January 24, 2020

(in millions)	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 Expense, net as a % of Net Sales	Other Non- Operating Income, net
GAAP	\$ 22,916	\$ 7,750	33.8 %	\$ 1,763	7.7 %	\$ 88	0.4 %	\$ (305)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(111)	(0.5)	—	—	—	—	—
Acquisition-related items (2)	—	(66)	(0.3)	—	—	(6)	—	—
(Gain)/loss on minority investments (3)	—	—	—	—	—	—	—	11
Debt tender premium and other charges (4)	—	—	—	—	—	7	—	—
Medical device regulations (5)	—	—	—	(18)	(0.1)	—	—	—
Exit of businesses (6)	—	—	—	—	—	(41)	(0.2)	—
Contribution to Medtronic Foundation	—	—	—	—	—	(80)	(0.3)	—
Non-GAAP	\$ 22,916	\$ 7,573	33.0 %	\$ 1,745	7.6 %	\$ (32)	(0.1)%	\$ (294)
Currency impact	289	85	—	6	(0.1)	190	0.8	—
Currency Adjusted	<u>\$ 23,205</u>	<u>\$ 7,658</u>	<u>33.0 %</u>	<u>\$ 1,751</u>	<u>7.5 %</u>	<u>\$ 158</u>	<u>0.7 %</u>	<u>\$ (294)</u>

See description of non-GAAP financial measures at the end of the earnings press release.

- (1) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (2) The charges primarily include costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related costs, and changes in the fair value of contingent consideration.
- (3) 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.
- (4) The charges, which include \$413 million recognized in *interest expense* and (\$7 million) recognized in *other operating expense, net*, primarily relate to the early redemption of approximately \$5.2 billion of debt.
- (5) The charges represent 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.
- (6) The net charge relates to the exit of businesses and is primarily comprised of intangible asset impairments.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

(in millions)	Nine months ended	Three months ended	Three months ended	Fiscal year	Fiscal year
	January 24, 2020	January 24, 2020	January 25, 2019	2019	2018
Net cash provided by operating activities	\$ 5,784	\$ 2,407	\$ 2,055	\$ 7,007	\$ 4,684
Additions to property, plant, and equipment	(877)	(293)	(302)	(1,134)	(1,068)
Free Cash Flow (1)	<u>\$ 4,907</u>	<u>\$ 2,114</u>	<u>\$ 1,753</u>	<u>\$ 5,873</u>	<u>\$ 3,616</u>

See description of non-GAAP financial measures at the end of the earnings press release.

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

MEDTRONIC PLC
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	January 24, 2020	April 26, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,709	\$ 4,393
Investments	7,919	5,455
Accounts receivable, less allowances of \$205 and \$190, respectively	6,248	6,222
Inventories, net	4,122	3,753
Other current assets	2,045	2,144
Total current assets	24,043	21,967
Property, plant, and equipment	11,507	10,920
Accumulated depreciation	(6,743)	(6,245)
Property, plant, and equipment, net	4,764	4,675
Goodwill	40,091	39,959
Other intangible assets, net	19,456	20,560
Tax assets	2,272	1,519
Other assets	2,196	1,014
Total assets	\$ 92,822	\$ 89,694
LIABILITIES AND EQUITY		
Current liabilities:		
Current debt obligations	\$ 844	\$ 838
Accounts payable	1,945	1,953
Accrued compensation	1,909	2,189
Accrued income taxes	457	567
Other accrued expenses	3,580	2,925
Total current liabilities	8,735	8,472
Long-term debt	24,732	24,486
Accrued compensation and retirement benefits	1,598	1,651
Accrued income taxes	2,738	2,838
Deferred tax liabilities	1,282	1,278
Other liabilities	1,784	757
Total liabilities	40,869	39,482
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares— par value \$0.0001, 2.6 billion shares authorized, 1,340,786,042 and 1,340,697,595 shares issued and outstanding, respectively	—	—
Additional paid-in capital	26,144	26,532
Retained earnings	28,210	26,270
Accumulated other comprehensive loss	(2,546)	(2,711)
Total shareholders' equity	51,808	50,091
Noncontrolling interests	145	121
Total equity	51,953	50,212
Total liabilities and equity	\$ 92,822	\$ 89,694

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Nine months ended	
	January 24, 2020	January 25, 2019
Operating Activities:		
Net income	\$ 4,167	\$ 3,468
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,991	1,992
Provision for doubtful accounts	67	55
Deferred income taxes	(793)	(205)
Stock-based compensation	235	228
Loss on debt extinguishment	406	—
Other, net	140	111
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable, net	(119)	(140)
Inventories, net	(346)	(367)
Accounts payable and accrued liabilities	103	211
Other operating assets and liabilities	(67)	(433)
Net cash provided by operating activities	5,784	4,920
Investing Activities:		
Acquisitions, net of cash acquired	(199)	(1,615)
Additions to property, plant, and equipment	(877)	(799)
Purchases of investments	(8,249)	(1,987)
Sales and maturities of investments	5,791	4,159
Other investing activities	(34)	(3)
Net cash used in investing activities	(3,568)	(245)
Financing Activities:		
Change in current debt obligations, net	17	(696)
Issuance of long-term debt	5,568	3
Payments on long-term debt	(5,606)	(29)
Dividends to shareholders	(2,170)	(2,022)
Issuance of ordinary shares	585	891
Repurchase of ordinary shares	(1,208)	(2,728)
Other financing activities	(74)	10
Net cash used in financing activities	(2,888)	(4,571)
Effect of exchange rate changes on cash and cash equivalents	(12)	(70)
Net change in cash and cash equivalents	(684)	34
Cash and cash equivalents at beginning of period	4,393	3,669
Cash and cash equivalents at end of period	\$ 3,709	\$ 3,703

Supplemental Cash Flow Information

Cash paid for:		
Income taxes	\$ 639	\$ 1,206
Interest	348	540