

# MEDTRONIC PLC

## Q4 FY21

**EARNINGS PRESENTATION**  
**MAY 27, 2021**

- Q4 FY21 CONSOLIDATED RESULTS & PORTFOLIO REVENUE HIGHLIGHTS
- FY21 HIGHLIGHTS
- FREE CASH FLOW
- FY22 GUIDANCE & OTHER ASSUMPTIONS
- PREVIOUSLY COMMUNICATED CHANGES TO REVENUE REPORTING STRUCTURE

**Medtronic**  
Further, Together

# 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 and 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, as filed with the U.S. Securities and Exchange Commission. 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.

## **Non-GAAP Financial Measures**

Certain information in this presentation includes calculations or figures that have been prepared internally and have not been reviewed or audited by our independent registered public accounting firm. Use of different methods for preparing, calculating or presenting information may lead to differences and such differences may be material. This presentation contains financial measures and guidance which are considered "non-GAAP" financial measures under applicable SEC rules and regulations. 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 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. GAAP to non-GAAP reconciliations are provided on our website and can be accessed using this [link](#).

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.

## **Financial Comparisons**

References to results increasing, decreasing, or remaining flat are in comparison to the same period in the prior fiscal year. References to organic revenue growth exclude the impact of significant acquisitions or divestitures and currency. Unless stated otherwise, quarterly and annual rates and ranges are given on an organic basis. Unless stated otherwise, all references to share gains or losses are as of the most recently completed calendar quarter, on a revenue basis, and in comparison to the same period in the prior year.

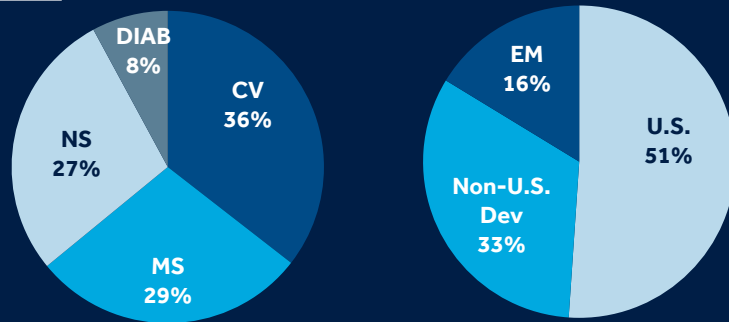
# Q4 FY21 CONSOLIDATED RESULTS & PORTFOLIO REVENUE HIGHLIGHTS

# MDT

## Q4 FY21 HIGHLIGHTS

# RECOVERY STRENGTHENS THROUGH THE QUARTER; STRONG MOMENTUM EXITING THE YEAR

### Revenue:



	Revenue \$M <sup>1</sup>	As Rep Y/Y %	Organic <sup>2</sup> Y/Y %	As Rep <sup>3</sup> Q/Q %
Cardiovascular	2,908	45.1	40.6	7.4
Medical Surgical	2,338	20.9	16.9	1.1
Neuroscience	2,295	54.0	50.8	7.9
Diabetes	647	13.5	9.1	2.7
<b>Total</b>	<b>\$8,188</b>	<b>36.5</b>	<b>32.5</b>	<b>5.3</b>

U.S.	4,182	46.6	46.6	6.2
Non-U.S. Dev	2,672	20.5	10.9	5.9
EM	1,334	43.6	40.9	1.5
<b>Total</b>	<b>\$8,188</b>	<b>36.5</b>	<b>32.5</b>	<b>5.3</b>

### Other Financial Highlights:

	Diluted EPS	Y/Y	CC <sup>4</sup> Y/Y	YTD Cash Flow from Ops	
GAAP	\$1.00	108.3%	N/A		\$6.2B
Non-GAAP	\$1.50	158.6%	165.5%	YTD Free Cash Flow <sup>5</sup>	\$4.9B

- REVENUE:** Grew 32% Y/Y as we anniversary the beginning of the pandemic; revenue accelerated through the quarter reflecting continued procedure recovery and share gains in an increasing number of our businesses
  - Cardiovascular:** Grew 41%; recent launches driving share gains and market penetration
  - Medical Surgical:** Grew 17%, low-20s excluding ventilators; elective procedure recovery partially offset by ventilator step down
  - Neuroscience:** Grew 51%; new product adoption and procedure recovery driving strong, broad based growth and share gains
  - Diabetes:** Grew 9%; gaining momentum with successful launches of MiniMed™ 770G Insulin Pump System in the U.S. and 780G Insulin Pump System in Europe
  - Geographies:** U.S. grew high-40s Y/Y; Western Europe lagging due to COVID-19 resurgence with HSD growth; Emerging markets grew low-40s with China delivering low-90s growth Y/Y and mid-teens over FY19
- EPS:** Non-GAAP EPS \$1.50 grew 159% Y/Y
- ESG:** Recognized as one of DiversityInc's Top 50 Companies for ESG, including #11 for Diversity in the U.S. and #3 for Supplier Diversity

<sup>1</sup> Data has been intentionally rounded to the nearest million and, therefore, may not sum.

<sup>2</sup> Figures represent comparison to Q4 FY20 after adjusting for significant acquisitions or divestitures and currency.

<sup>3</sup> Figures represent comparison to Q3 FY21 on a reported basis.

<sup>4</sup> Figures represent comparison to Q4 FY20 on a constant currency basis.

<sup>5</sup> Operating cash flows less property, plant, and equipment additions.

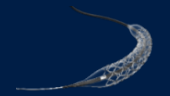
# MDT

FY21: OVER 230 PRODUCT APPROVALS IN KEY GEOGRAPHIES<sup>1</sup>

MAY 2020

APRIL 2021

Resolute Onyx™  
1-month DAPT  
Indication (EU)



MiniMed™  
780G (EU)



Micra™ AV  
(EU)



Extended Wear  
Infusion Set (EU)

Evolut™  
Bicuspid & Low  
Risk Indications  
(EU)



Percept  
PC™ (U.S.)



Arctic Front™  
Advance indication for  
persistent AF (U.S.)



LINQ II™  
(U.S. & EU)



Signia™ Stapler Real  
Time Feedback  
Display (U.S.)

InterStim™  
Micro (U.S.)



Vital Sync™  
remote control  
& access (U.S.)



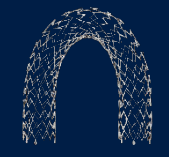
MiniMed™  
770G (U.S.)



Adaptix™  
Interbody  
System (U.S.)



Abre™  
Venous Stent  
(U.S.)



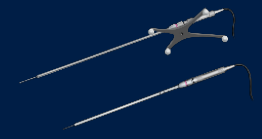
NIM® Vital  
Nerve Integrity  
Monitor (U.S.)



Cobalt™  
XT (U.S.)



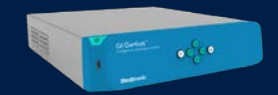
Midas Rex™  
(U.S.)



DiamondTemp™  
Ablation System  
(U.S.)



GI Genius™  
(U.S.)



SenSight™  
Directional  
Leads (EU)



Expanded MRI  
labelling for  
InterStim™  
SureScan MRI  
Leads (U.S.)

<sup>1</sup> Includes U.S., EU, Japan, and China

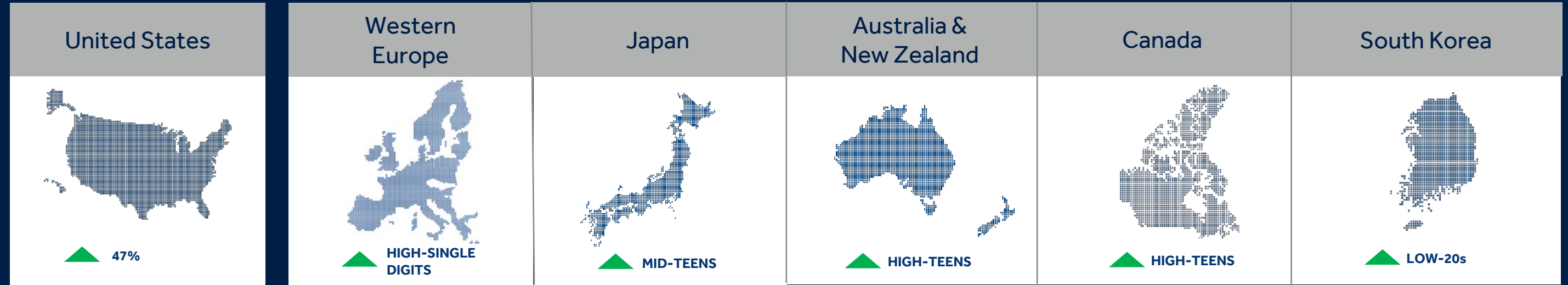
Note: Relative positioning is not intended to signify relative timing.

# MDT

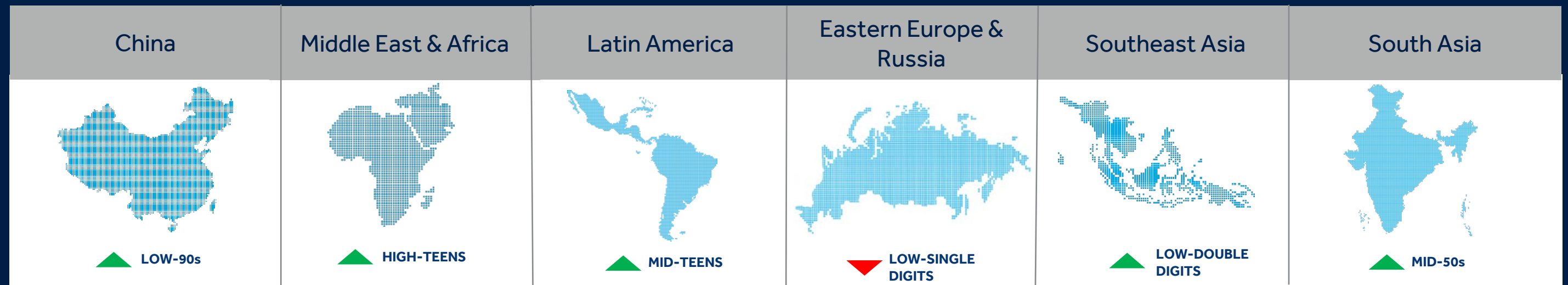
## Q4 FY21 ORGANIC REVENUE GROWTH BY REGION\*

U.S. ▲ 47%

NON-U.S. DEVELOPED ▲ 11%



EMERGING MARKETS ▲ 41%



\*Figures represent comparison to Q4 FY20 after adjusting for significant acquisitions or divestitures and currency.

## Q4 FY21 GAAP TO NON-GAAP SELECT FINANCIAL INFORMATION

### Non-GAAP Adjustments

	Q4 FY21 GAAP	Amortization	Restructuring	Acquisition- Related	Gain/Loss on Minority Investment	Medical Device Regulations	Impairment Charges	IPR&D Charges	Certain Tax Adjustments	Q4 FY21 Non-GAAP	Q4 FY20 Non-GAAP	Y/Y Growth / Change
<b>Net Sales (\$M)</b>	<b>8,188</b>									<b>8,188</b>	<b>5,998</b>	<b>36.5%</b>
Cost of Products Sold	2,652		(33)	(5)		(13)				2,601	2,217	17%
<i>Gross Margin</i>	<i>67.6%</i>									<i>68.2%</i>	<i>63.0%</i>	<i>520bps</i>
SG&A	2,594		(59)							2,535	2,266	12%
<i>% of Sales</i>	<i>31.7%</i>									<i>31.0%</i>	<i>37.8%</i>	<i>680bps</i>
R&D	632					(11)				621	557	11%
<i>% of Sales</i>	<i>7.7%</i>									<i>7.6%</i>	<i>9.3%</i>	<i>170bps</i>
Other Operating Expense, Net	198			(13)			(76)	(11)		98	(5)	-2060%
<i>% of Sales</i>	<i>2.4%</i>									<i>1.2%</i>	<i>-0.1%</i>	<i>-130bps</i>
Amortization of Intangible Assets	446	(446)								0	0	0
Restructuring Charges, Net	59		(59)							0	0	0
<b>Operating Profit</b>	<b>1,607</b>	446	151	18	--	24	76	11		<b>2,333</b>	<b>963</b>	<b>142%</b>
<b>Operating Margin</b>	<b>19.6%</b>									<b>28.5%</b>	<b>16.1%</b>	<b>1,240bps</b>
Other Non-Operating Income, Net	(102)				34					(68)	(81)	-16%
<b>Net Income attributable to MDT (\$M)</b>	<b>1,361</b>	<b>377</b>	<b>131</b>	<b>16</b>	<b>(34)</b>	<b>20</b>	<b>68</b>	<b>9</b>	<b>90</b>	<b>2,038</b>	<b>777</b>	<b>162%</b>
<b>Diluted EPS (\$)</b>	<b>1.00</b>	<b>0.28</b>	<b>0.10</b>	<b>0.01</b>	<b>(0.03)</b>	<b>0.01</b>	<b>0.05</b>	<b>0.01</b>	<b>0.07</b>	<b>1.50</b>	<b>0.58</b>	<b>158.6%</b>

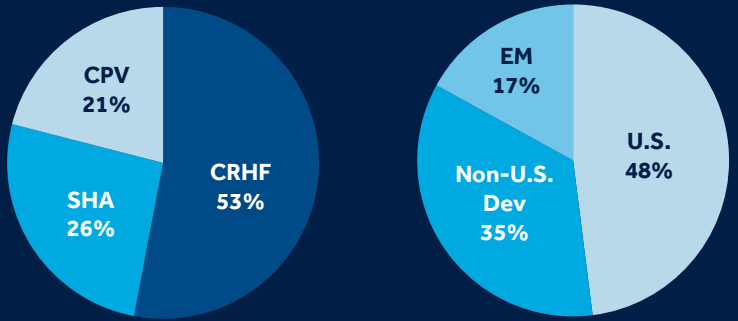
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# CARDIOVASCULAR

## Q4 FY21 RESULTS

# SHARE GAINS CONTINUE IN CRM; PROCEDURE RECOVERY DRIVES STRONG GROWTH

### Strong Growth in CRM, Cardiac Ablation and TAVR



	Revenue \$M <sup>1</sup>	As Rep Y/Y %	Organic <sup>2</sup> Y/Y %	As Rep <sup>3</sup> Q/Q %
CRHF	1,539	63.7	58.5	12.3
SHA	744	29.6	25.1	1.9
CPV	624	27.3	24.1	3.1
<b>Total</b>	<b>2,908</b>	<b>45.1</b>	<b>40.6</b>	<b>7.4</b>

U.S.	1,394	58.4	58.4	9.6
Non-U.S. Dev	1,012	28.9	18.7	7.5
EM	501	47.4	44.4	1.6
<b>Total</b>	<b>2,908</b>	<b>45.1</b>	<b>40.6</b>	<b>7.4</b>

### Cardiac Rhythm & Heart Failure: 59% growth; WW share gains supported by new products and continued adoption of remote capabilities

- Cardiac Rhythm Management:** Mid-50s growth; highest market share in the past decade
  - Cardiac Pacing Therapies: Low-60s growth, including mid-70s Micra leadless pacing growth and low-50s CRT-P growth
  - Defibrillation Solutions: High-40s growth as differentiated technology of Cobalt™/Crome™ drove share increases; CRT-D grew mid-70s; ICDs grew mid-20s with replacement cycle headwinds
  - Procedure Innovations: Low-50s growth driven by strong, continued adoption of TYRX™
- Cardiac Ablation Solutions:** Triple-digit growth; Strength in Arctic Front Advance™ cryoballoon catheters and consoles; PULSED AF pivotal trial underway
- Cardiovascular Diagnostics:** Mid-80s growth; LINQ™ II demand momentum offset by supply constraints; Stroke AF trial shows ICMs detect AF more frequently than SOC among patients with recent ischemic stroke

### Structural Heart & Aortic: 25% growth; TAVR procedure recovery continues

- Structural Heart:** Low-50s gains; low-50s TAVR growth; Evolut™ PRO+ receives CE Mark for Low-Risk TAVR
  - Strong low-risk two-year data at EuroPCR last week
- Cardiac Surgery:** LDD growth; Q/Q share gains across portfolio
- Aortic:** LSD growth; mid-20s AAA growth; TAA high-30s decline due to Valiant Navion™ recall

### Coronary & Peripheral Vascular: 24% growth

- Coronary & Renal Denervation:** Mid-teens growth; continued impact of China national tender
- Peripheral Vascular Health:** Mid-30s growth
  - Peripheral Vascular strengthened by low-30s DCB growth; continued IN.PACT™ AV penetration from 6-month data publication in NEJM
  - Endovenous grew low-50s; mid-80s growth in VenaSeal™ Closure System; Deep Venous triple-digit growth driven by continued Abre™ momentum

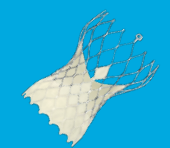
Micra™ AV Transcatheter Pacing System



Cobalt™ & Crome™ ICDs & CRT-Ds



CoreValve™ Evolut™ PRO+



Nautilus™ ECMO Oxygenator



IN.PACT™ AV DCB



VenaSeal™



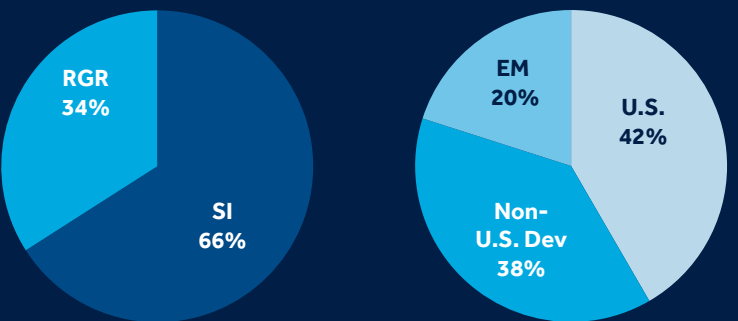
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# MEDICAL SURGICAL

## Q4 FY21 RESULTS

Strong growth in GI, Advanced Stapling, & Advanced Energy



	Revenue \$M <sup>1</sup>	As Rep Y/Y %	Organic <sup>2</sup> Y/Y %	As Rep <sup>3</sup> Q/Q %
SI	1,542	32.0	27.4	8.4
RGR	796	3.9	0.9	(10.6)
<b>Total</b>	<b>\$2,338</b>	<b>20.9</b>	<b>16.9</b>	<b>1.1</b>

U.S.	973	27.5	27.5	1.5
Non-U.S. Dev	895	11.2	2.2	3.1
EM	469	28.1	27.0	(3.5)
<b>Total</b>	<b>\$2,338</b>	<b>20.9</b>	<b>16.9</b>	<b>1.1</b>

# GROWTH DRIVEN BY ELECTIVE PROCEDURE RECOVERY PARTIALLY OFFSET BY VENTILATOR STEP DOWN

- Surgical Innovations (SI): 27% growth as COVID-19 recovery seen across procedure types, driven by U.S. and Emerging Markets**
  - Surgical Innovations:** 28% growth driven by advanced stapling and vessel sealing
    - Strong contribution from new products including Sonicision™ vessel sealer and Illumisite™ Electromagnetic Navigation Bronchoscopy
    - Opportunities to continue to accelerate growth with new procedural indications for LigaSure™ technology in breast and expansion of Tri-Staple™ portfolio to open procedures
    - Lung Health and Visualization: Received FDA Breakthrough designation for Emprint™ Ablation Catheter Kit, a minimally invasive, localized treatment of lung lesions
  - Surgical Robotics:**
    - Submitted Hugo™ soft-tissue robotic system for CE Mark approval and filed for U.S. IDE
    - First placements and installs of Hugo™ RAS system that will collect clinical data for regulatory filings
- Respiratory, Gastrointestinal, & Renal (RGR): 1% (7% excluding vents) growth as ventilator demand continues to decrease from early pandemic peak**
  - Patient Monitoring:** MSD growth driven by Nellcor™ pulse oximetry
    - Nellcor™ competitive study publication shows faster stable oxygen saturation and heart rate readings vs. Masimo in Neonatal transitional care
  - Respiratory Interventions:** High-teens decline as market returning to pre-COVID baseline
    - McGrath™ MAC showing +11% YoY revenue growth demonstrating adoption of Video Laryngoscopy for routine use beyond COVID-19 patients
    - Launched SonarMed® airway monitoring device in U.S., the first and only FDA-cleared device for neonates and infants that uses acoustic technology and verifies position in real-time
  - Gastrointestinal:** High-40s growth, as procedure recovery and PillCam™ drive broad-based growth across products and regions; Partnership with NHS in the UK continues
    - Received FDA approval for GI Genius™, first and only AI system for colonoscopy in the U.S.
  - Renal Care Solutions:** MSD growth driven by renal access and strength in emerging markets
    -

Sonicision™ Curved Jaw



Hugo™ Robotic Assisted Surgery (RAS) Platform



GI Genius™



McGRATH™ Video Laryngoscope

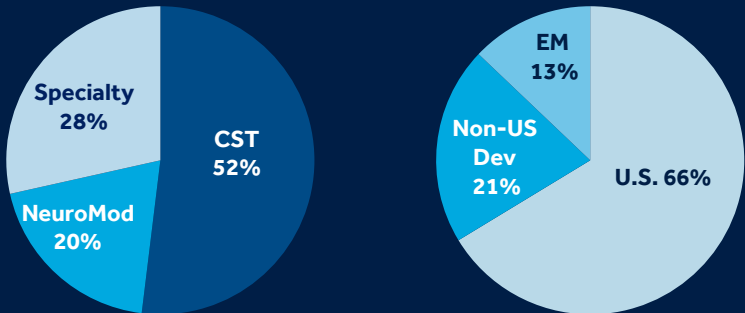


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# NEUROSCIENCE

## Q4 FY21 RESULTS

### New Products from R&D Investments Over Past Several Years Now Driving Growth



	Revenue \$M <sup>1</sup>	As Rep Y/Y %	Organic <sup>2</sup> Y/Y %	As Rep <sup>3</sup> Q/Q %
CST	1,192	49.4	46.7	10.3
Specialty	654	55.7	51.7	5.8
NeuroMod	449	65.1	61.4	5.4
<b>Total</b>	<b>\$2,295</b>	<b>54.0</b>	<b>50.8</b>	<b>7.9</b>

U.S.	1,522	62.8	62.8	8.6
Non-U.S. Dev	477	25.5	16.1	7.4
EM	296	69.1	62.3	5.7
<b>Total</b>	<b>\$2,295</b>	<b>54.0</b>	<b>50.8</b>	<b>7.9</b>

# SHARE GAINS PLUS MARKET RECOVERY LEAD TO STRONG GROWTH

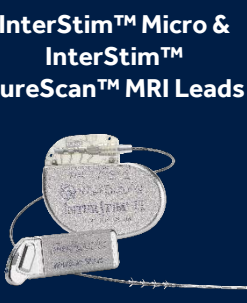
### ■ Cranial & Spinal Technologies: 47% growth; strong capital unit sales

- **Spine:** High-40s growth driven by Core Spine strength in U.S.
- **Neurosurgery:** High-40s growth led by capital strength
  - Record sales of StealthStation™ navigation and O-arm™ imaging systems
  - Launch of Mazor 5.0 utilizing our Midas Rex



### ■ Specialty Therapies: 52% growth driven by Pelvic Health & ENT

- **Pelvic Health:** 165% growth; share gains driven by of InterStim™ Micro, and InterStim™ SureScan™ MRI leads
  - Received FDA approval for expanded MRI labeling of InterStim™ SureScan™ MRI leads
- **Neurovascular:** Low-20s growth, driven by international coils share gains
  - Hemorrhagic: Mid-20s growth driven by coils strength in China
  - Ischemic: Low-teens growth led by React™ aspiration catheter and strength in the U.S. and APAC
  - Received FDA clearance for the Pipeline™ Flex Embolization Device with Shield Technology™
- **ENT:** Mid-40s growth, driven by ENT procedure recovery; continued NIM Vital™ launch momentum



### ■ Neuromodulation: 61% growth driven by new product launches

- **Pain Therapies:** Mid-70s growth; Pain Stim share gains driven by strong adoption of DTM™ SCS, particularly in new implants and in competitive accounts
  - Received U.S. FDA approval for labeling of the Intellis™ platform showing superior back pain relief when using DTM™ SCS compared to conventional SCS
- **Brain Modulation:** High-50s growth; significant sequential DBS share gains from Percept™ with BrainSense™ technology
- **Interventional:** Low-40s growth; with share gains driven by ASC/Office Balloon Kyphoplasty products

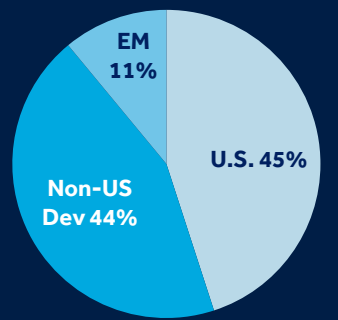


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# DIABETES

## Q4 FY21 RESULTS

Sequential Market Share Gains in Pumps; Continued WW CGM Growth



	Revenue \$M <sup>1</sup>	As Rep Y/Y %	Organic <sup>2</sup> Y/Y %	As Rep <sup>3</sup> Q/Q %
U.S.	293	6.9	6.9	(4.6)
Non-U.S. Dev	287	15.7	5.2	7.1
EM	68	41.7	43.8	23.6
<b>Total</b>	<b>647</b>	<b>13.5</b>	<b>9.1</b>	<b>2.7</b>

# STRONG GROWTH IN INSULIN PUMPS

## OUTSTANDING FEEDBACK FROM SUCCESSFUL 770G AND 780G LAUNCHES

### Achieved Growth In All Regions; Turnaround Strategy On-Track

- International: 11% growth; accounts for approximately half of total sales; driven by MiniMed™ 780G Insulin Pump System launch across over 30 countries and 4 continents and CGM growth
- US: 7% growth; strong pump growth on MiniMed™ 770G Insulin Pump System launch offset by declines in CGM and consumables

### Insulin Pumps: Strong DD growth; WW market share gains Q/Q

- MiniMed™ 770G Insulin Pump System receiving positive feedback with strong patient utilization of smart phone connectivity
- MiniMed™ 780G Insulin Pump System submitted to FDA; review timelines remain uncertain due to FDA resource limitations

### CGM: MSD growth; Driven by increased CGM penetration, partially offset by COVID-19 headwinds; Q/Q Integrated CGM share gains

- Recently received CE Mark approval for Zeus CGM Sensor, now marketed as Guardian™ 4 Sensor; data to be presented next week at virtual ATTD

### Extended Wear Infusion Set (EWIS): First seven-day infusion set in the market; Limited launch in the EU; submitted to FDA

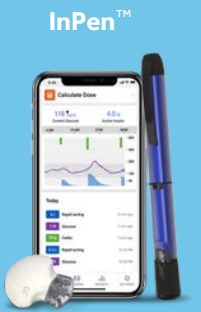
### Companion Medical: CE Mark received for InPen™ compatible with Guardian™ 4 Sensor



MiniMed™ 780G System



Extended Wear Infusion Set



InPen™

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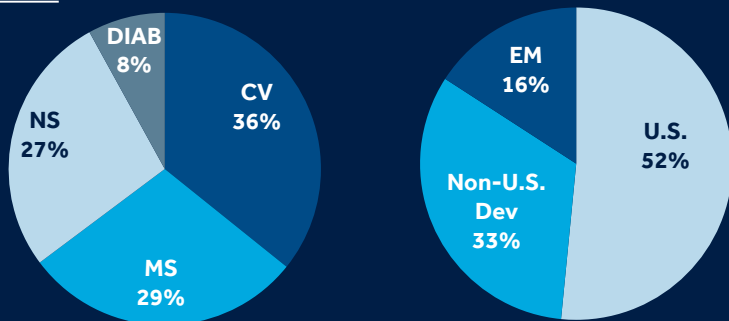
# FY21 HIGHLIGHTS

# MDT

## FY21 HIGHLIGHTS

# STRONG YEAR OF EXECUTION DESPITE PANDEMIC

**Revenue:**



	Revenue \$M <sup>1</sup>	As Rep Y/Y %	CC <sup>2</sup> Y/Y %	Organic <sup>3</sup> Y/Y %
Cardiovascular	10,772	2.9	1.7	Flat
Medical Surgical	8,737	4.6	3.6	LSD
Neuroscience	8,195	6.1	5.1	MSD
Diabetes	2,413	1.9	0.3	Flat
<b>Total</b>	<b>\$30,117</b>	<b>4.2</b>	<b>3.0</b>	<b>Approx. 2%</b>

U.S.	15,526	4.1	4.1	LSD
Non-U.S. Dev	9,815	5.7	1.1	Flat
EM	4,777	1.5	3.6	LSD
<b>Total</b>	<b>\$30,117</b>	<b>4.2</b>	<b>3.0</b>	<b>Approx. 2%</b>

**Other Financial Highlights:**

	Diluted EPS	Y/Y	CC <sup>2</sup> Y/Y	Cash Flow from Ops	Free Cash Flow <sup>4</sup>
GAAP	\$2.66	(24.9%)	N/A	\$6.2B	\$4.9B
Non-GAAP	\$4.44	(3.3%)	0.9%		

- **REVENUE:** Grew approximately 2% organic; gained share in an increasing number of businesses despite pandemic weighing on results
- **EPS:** Non-GAAP EPS \$4.44; grew approx. 1% CC; continued to invest through pandemic
- **FY21 HIGHLIGHTS:** Emerging from pandemic stronger
  - Invested in our employees and pipeline through pandemic; supported our incredible customers who have been on the front lines of fighting the pandemic
  - Significantly increased ventilator production; open-sourced IP to allow others to produce ventilators
  - Contributed \$56 million to COVID-19 efforts, together with Medtronic Foundation
  - Implemented new operating model, removing layers and replacing four groups with twenty, decentralized operating units
  - Instituted new “Medtronic Mindset” culture – including being bold, more competitive, and moving with speed and decisiveness
  - Customers eliminated vast majority of quarter-end bulk purchases, resulting in more balanced orders across the quarter to improve predictability, pricing, reduce stress on operations, and make business easier to manage
  - Advanced our pipeline, with over 230 regulatory approvals in U.S., EU, Japan and China
  - Returned \$3.3B to Shareholders, representing 68% of Free Cash Flow<sup>2</sup>
  - Accelerated tuck-in acquisitions, announced 6 with combined \$1.2B present value total consideration: Companion, RIST, Avenu, SonarMed, Premma, and Medicrea
  - Recognized as a Forbes Best Employer for Diversity and among the best places to work for Disability Inclusion, Hispanic Inclusion, and LGBTQ Equality

1 Data has been intentionally rounded to the nearest million and, therefore, may not sum.  
 2 Figures represent comparison to FY20 on a constant currency basis.  
 3 Figures represent comparison to FY20 after adjusting for significant acquisitions or divestitures, currency, and extra selling week.  
 4 Operating cash flows less property, plant, and equipment additions.



## FY21 GAAP TO NON-GAAP SELECT FINANCIAL INFORMATION

	Non-GAAP Adjustments											FY21 Non-GAAP	FY FY20 Non-GAAP	Y/Y Growth / Change
	FY21 GAAP	Debt tender premium and other charges	Amortization	Restructuring	Litigation	Acquisition-Related	Gain/Loss on Minority Investment	Impairment Charges	Medical Device Regulations	IPR&D Charges	Certain Tax Adjustments			
<b>Net Sales (\$M)</b>	<b>30,117</b>											<b>30,117</b>	<b>28,913</b>	<b>4.2%</b>
Cost of Products Sold	10,483			(128)		(15)			(45)			10,295	9,244	11%
<i>Gross Margin</i>	65.2%											65.8%	68.0%	-220 bps
SG&A	10,148			(196)		(3)			(2)			9,947	9,838	1%
<i>% of Sales</i>	33.7%											33.0%	34.0%	100 bps
R&D	2,493								(35)			2,458	2,303	7%
<i>% of Sales</i>	8.3%											8.2%	8.0%	-20 bps
Other (Income) Expense, Net	315					33		(76)		(31)		241	(37)	-751%
<i>% of Sales</i>	1.0%											0.8%	-0.1%	-90 bps
Amortization of Intangible Assets	1,783		(1,783)									0	0	0
Restructuring Charges, Net	293			(293)								0	0	0
Certain Litigation Charges	118				(118)							0	0	0
<b>Operating Profit</b>	<b>4,484</b>		<b>1,783</b>	<b>617</b>	<b>118</b>	<b>(15)</b>	<b>--</b>	<b>76</b>	<b>83</b>	<b>31</b>	<b>--</b>	<b>7,177</b>	<b>7,565</b>	<b>-5%</b>
<b>Operating Margin</b>	<b>14.9%</b>											<b>23.8%</b>	<b>26.2%</b>	<b>-230 bps</b>
Other Non-Operating Income, Net	(336)						61					(275)	(375)	-27%
<b>Net Income attributable to MDT (\$M)</b>	<b>3,606</b>	<b>248</b>	<b>1,500</b>	<b>489</b>	<b>95</b>	<b>4</b>	<b>(57)</b>	<b>68</b>	<b>68</b>	<b>25</b>	<b>(41)</b>	<b>6,005</b>	<b>6,206</b>	<b>-3%</b>
<b>Diluted EPS (\$)</b>	<b>2.66</b>	<b>0.18</b>	<b>1.11</b>	<b>0.36</b>	<b>0.07</b>	<b>0.00</b>	<b>(0.04)</b>	<b>0.05</b>	<b>0.05</b>	<b>0.02</b>	<b>(0.03)</b>	<b>4.44</b>	<b>4.59</b>	<b>-3.3%</b>

1 The data in this table has been intentionally rounded and, therefore, may not sum.

# FREE CASH FLOW

## COMPONENTS OF FREE CASH FLOW

	FY16	FY17	FY18	FY19	FY20	FY21
<i>\$ Billions</i>						
Operating Cash Flow	\$5.2	\$6.9	\$4.7	\$7.0	\$7.2	\$6.2
CAPEX	(\$1.0)	(\$1.3)	(\$1.1)	(\$1.1)	(\$1.2)	(\$1.3)
<b>Free Cash Flow</b>	<b>\$4.2</b>	<b>\$5.6</b>	<b>\$3.6</b>	<b>\$5.9</b>	<b>\$6.0</b>	<b>\$4.9</b>
<b><i>Included in Operating Cash Flow:</i></b>						
<b>Pre-Tax</b>						
Certain Litigation Payments, net <sup>1,2</sup>	\$0.2	\$0.3	\$0.3	\$0.5	\$0.2	\$0.2
Restructuring Payments <sup>1</sup>	\$0.2	\$0.2	\$0.2	\$0.4	\$0.5	\$0.5
Other Payments <sup>1,3</sup>	\$0.2	\$0.3	\$0.3	\$0.2	\$0.2	\$0.1
Puerto Rico IRS Pre-Payment	--	--	\$1.1	--	--	--
Certain Other Tax Payments	\$0.8	\$0.4	\$0.4	\$0.4	\$0.1	\$0.2

**DELIVERED 81% FREE CASH FLOW CONVERSION<sup>4</sup> IN FY21**

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

<sup>2</sup> Includes payments accrued as "Non-GAAP" charges, as well as COV acquisition opening balance sheet adjustments.

<sup>3</sup> Includes acquisition-related, divestiture-related, and European Union medical device regulations charges, as well as contributions to the Medtronic Foundation.

<sup>4</sup> Free Cash Flow Conversion = Free Cash Flow divided by Non-GAAP Net Income



# FY22 GUIDANCE & OTHER ASSUMPTIONS

	FY21 Base	Organic Growth Guidance	FX <sup>1</sup>	Implied Revenue Range
<b>REVENUE</b>	\$30,117M	<b>9% +/-</b>	\$400 - \$500M	\$33.2 - \$33.3B

	FY21 Base	Implied Constant Currency Growth	FX <sup>1</sup>	EPS Guidance
<b>EPS</b>	\$4.44	23 - 27%	\$0.10 - \$0.15	<b>\$5.60 - \$5.75</b>

<sup>1</sup> While FX rates are fluid, assumptions above are based on recent rates.

# PREVIOUSLY COMMUNICATED CHANGES TO REVENUE REPORTING STRUCTURE

# MDT

## CHANGES TO REVENUE REPORTING STRUCTURE

Key



Revenue will be reported for the 4 segments and at the division levels. Qualitative performance color will be provided at the operating unit level.

### PRE-Q4 FY21

#### CARDIAC & VASCULAR GROUP (CVG)

<b>CARDIAC RHYTHM &amp; HEART FAILURE (CRHF)</b> <ul style="list-style-type: none"> <li>Cardiac Rhythm Management</li> <li>Cardiac Ablation Solutions</li> <li>Cardiac Diagnostics</li> <li>Mechanical Circulatory Support</li> </ul>	<b>CORONARY &amp; STRUCTURAL HEART (CSH)</b> <ul style="list-style-type: none"> <li><b>Coronary &amp; Renal Denervation</b></li> <li>Structural Heart</li> <li>Cardiac Surgery</li> </ul>	<b>AORTIC, PERIPHERAL &amp; VENOUS (APV)</b> <ul style="list-style-type: none"> <li><b>Aortic</b></li> <li>Peripheral &amp; Endovenous</li> </ul>
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**CHANGES:**

- Portfolio name
- Division names
- Aortic moves into SHA
- Coronary & Renal Denervation moves into CPV

#### MINIMALLY INVASIVE THERAPIES GROUP (MITG)

<b>SURGICAL INNOVATIONS (SI)</b> <ul style="list-style-type: none"> <li>Surgical Innovations</li> <li>Surgical Robotics</li> </ul>	<b>RESPIRATORY, GASTROINTESTINAL &amp; RENAL (RGR)</b> <ul style="list-style-type: none"> <li>Respiratory Interventions</li> <li>Patient Monitoring</li> <li>Gastrointestinal</li> <li>Renal Care Solutions</li> </ul>
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**CHANGES:**

- Portfolio name

#### RESTORATIVE THERAPIES GROUP (RTG)

<b>CRANIAL &amp; SPINAL TECHNOLOGIES (CST)</b> <ul style="list-style-type: none"> <li>Cranial &amp; Spinal Technologies</li> </ul>	<b>SPECIALTY THERAPIES</b> <ul style="list-style-type: none"> <li>Neurovascular</li> <li>Ear/Nose/Throat (ENT)</li> <li>Pelvic Health</li> </ul>	<b>NEUROMODULATION</b> <ul style="list-style-type: none"> <li>Neuromodulation</li> </ul>
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**CHANGES:**

- Portfolio name

#### DIABETES GROUP

No changes

### Q4 FY21

#### CARDIOVASCULAR PORTFOLIO

<b>CARDIAC RHYTHM &amp; HEART FAILURE (CRHF)</b> <ul style="list-style-type: none"> <li>Cardiac Rhythm Management</li> <li>Cardiac Ablation Solutions</li> <li>Cardiovascular Diagnostics</li> <li>Mechanical Circulatory Support</li> </ul>	<b>STRUCTURAL HEART &amp; AORTIC (SHA)</b> <ul style="list-style-type: none"> <li>Structural Heart &amp; <b>Aortic</b></li> <li>Cardiac Surgery</li> </ul>	<b>CORONARY &amp; PERIPHERAL VASCULAR (CPV)</b> <ul style="list-style-type: none"> <li><b>Coronary &amp; Renal Denervation</b></li> <li>Peripheral Vascular Health</li> </ul>
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*See next slide for restated Cardiovascular Portfolio historical revenue*

#### MEDICAL SURGICAL PORTFOLIO

<b>SURGICAL INNOVATIONS (SI)</b> <ul style="list-style-type: none"> <li>Surgical Innovations</li> <li>Surgical Robotics</li> </ul>	<b>RESPIRATORY, GASTROINTESTINAL &amp; RENAL (RGR)</b> <ul style="list-style-type: none"> <li>Respiratory Interventions</li> <li>Patient Monitoring</li> <li>Gastrointestinal</li> <li>Renal Care Solutions</li> </ul>
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#### NEUROSCIENCE PORTFOLIO

<b>CRANIAL &amp; SPINAL TECHNOLOGIES (CST)</b> <ul style="list-style-type: none"> <li>Cranial &amp; Spinal Technologies</li> </ul>	<b>SPECIALTY THERAPIES</b> <ul style="list-style-type: none"> <li>Neurovascular</li> <li>Ear/Nose/Throat (ENT)</li> <li>Pelvic Health</li> </ul>	<b>NEUROMODULATION</b> <ul style="list-style-type: none"> <li>Neuromodulation</li> </ul>
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#### DIABETES OPERATING UNIT

- Diabetes

## CARDIOVASCULAR PORTFOLIO – RESTATED HISTORICAL REVENUE

Recast to reflect new Cardiovascular Portfolio reporting structure

All figures in \$millions<sup>1</sup>

World Wide		Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21
	Cardiac Rhythm & Heart Failure (CRHF)	1,382	1,426	1,393	940	5,141	1,247	1,426	1,371	1,539	5,584
Structural Heart & Aortic (SHA)	747	764	757	574	2,842	627	733	730	744	2,834	
Coronary & Peripheral Vascular (CPV)	662	665	669	490	2,486	558	567	605	624	2,354	
<b>Cardiovascular Portfolio</b>	<b>2,790</b>	<b>2,855</b>	<b>2,819</b>	<b>2,004</b>	<b>10,468</b>	<b>2,433</b>	<b>2,725</b>	<b>2,707</b>	<b>2,908</b>	<b>10,772</b>	

U.S.		Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21
	Cardiac Rhythm & Heart Failure (CRHF)	729	785	739	436	2,689	672	760	701	794	2,926
Structural Heart & Aortic (SHA)	338	365	335	225	1,263	274	328	304	308	1,214	
Coronary & Peripheral Vascular (CPV)	293	305	292	218	1,109	260	289	267	293	1,108	
<b>Cardiovascular Portfolio</b>	<b>1,361</b>	<b>1,455</b>	<b>1,366</b>	<b>880</b>	<b>5,062</b>	<b>1,206</b>	<b>1,377</b>	<b>1,272</b>	<b>1,394</b>	<b>5,248</b>	

**NOTE:** There are no changes to CRHF revenue or to overall Cardiovascular Portfolio revenue. Only SHA & CPV are restated.

# APPENDIX

## ACRONYMS / ABBREVIATIONS

Growth	
HSD	High-Single Digit
LDD	Low-Double Digit
LSD	Low-Single Digit
MSD	Mid-Single Digit
DD	Double Digit
Other	
\$M	Millions of Dollars
AI	Artificial Intelligence
APAC	Asia Pacific
ASC	Ambulatory Surgery Center
B	Billion
Bps	Basis Points
CAPEX	Capital Expenditures
CC	Constant Currency
CE	Conformité Européenne
COVID-19	Coronavirus Disease 2019
Dev	Developed
EM	Emerging Markets
ESG	Environmental, Social, & Governance
EPS	Earnings Per Share
EU	European Union
FDA	Food and Drug Administration
FX	Foreign Exchange

Other	
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
IDE	Investigational Device Exemption
IP	Intellectual Property
IPR&D	In-Process Research & Development
IRS	Internal Revenue Service
LGBTQ	Lesbian, Gay, Bisexual, Transgender, Questioning
N/A	Not Applicable
NEJM	New England Journal of Medicine
Ops	Operations
PLC	Public Limited Company
Q	Quarter
Q/Q	Quarter-over-Quarter
R&D	Research & Development
Rep	Reported
SEC	U.S. Securities & Exchange Commission
SG&A	Selling, General & Administrative
SOC	Standard of Care
Tech	Technology
U.S.	United States
WW	Worldwide
YTD	YTD
Y/Y	Year-over-Year

Business Specific	
AAA	Abdominal Aortic Aneurysm
APV	Aortic, Peripheral & Venous
ATTD	Advanced Technologies and Treatment for Diabetes
CGM	Continuous Glucose Monitoring
CPV	Coronary & Peripheral Vascular
CRHF	Cardiac Rhythm & Heart Failure
CRM	Cardiac Rhythm Management
CRT-D	Cardiac Resynchronization Therapy – Defibrillator
CRT-P	Cardiac Resynchronization Therapy – Pacemaker
CSH	Coronary & Structural Heart
CST	Cranial & Spinal Technologies
CV	Cardiovascular
CVG	Cardiac & Vascular Group
DAPT	Dual Antiplatelet Therapy
DBS	Deep Brain Stimulation
DCB	Drug Coated Balloon
DIAB	Diabetes
DTM	Differential Target Multiplexed Waveform

Business Specific	
ECMO	Extracorporeal Membrane Oxygenation
ENT	Ear, Nose, & Throat
GI	Gastrointestinal
ICD	Implantable Cardioverter Defibrillator
ICM	Implantable Cardiac Monitor
MDT	Medtronic
Med	Medical
MITG	Minimally Invasive Therapies Group
MRI	Magnetic Resonance Imaging
MS	Medical Surgical
NS	Neuroscience
RAS	Robot-Assisted Surgery
RGR	Respiratory, Gastrointestinal, & Renal
RTG	Restorative Therapies Group
SCS	Spinal Cord Stimulation
SHA	Structural Heart & Aortic
SI	Surgical Innovations
TAA	Thoracic Aortic Aneurysm
TAVR	Transcatheter Aortic Valve Replacement