

Medtronic

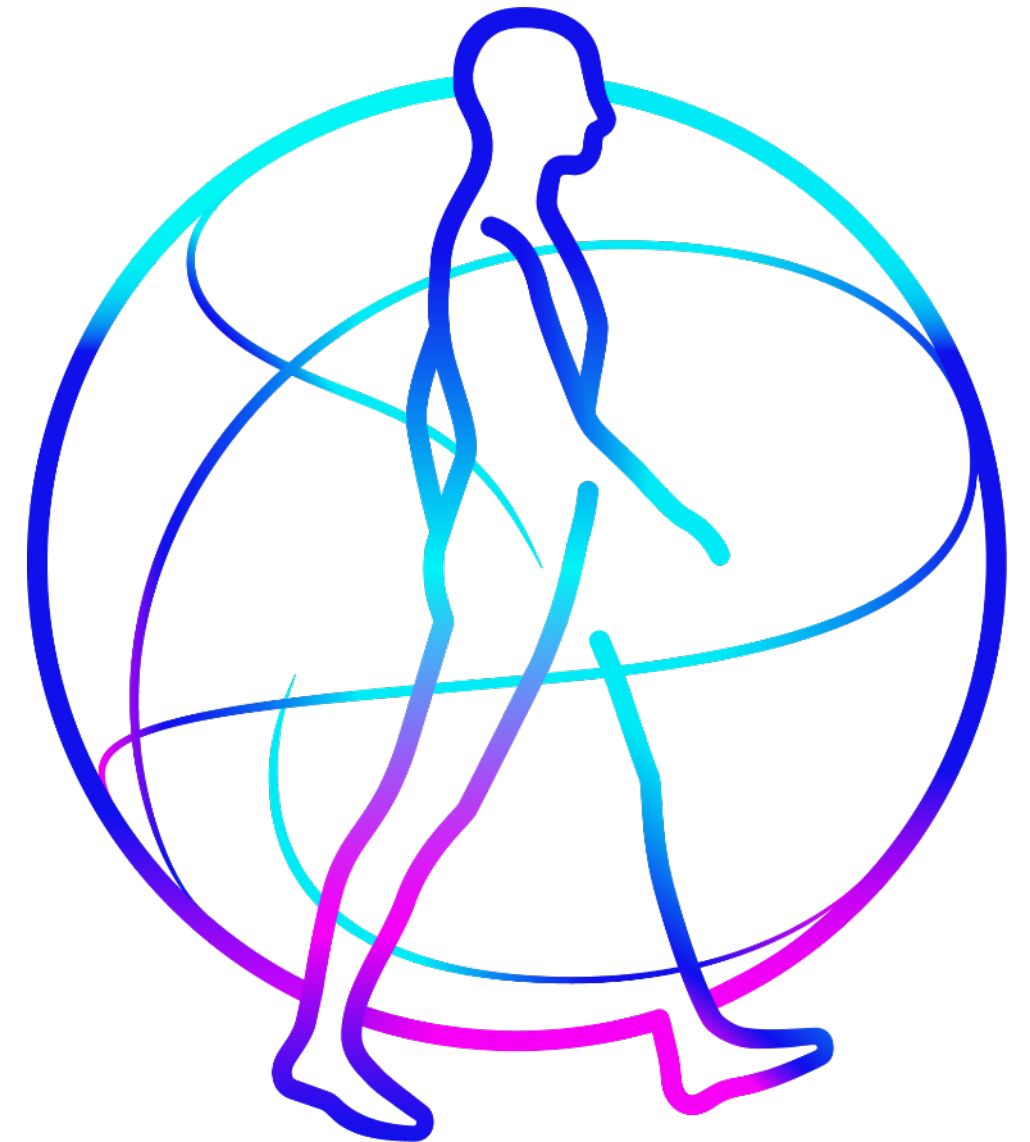
Engineering the extraordinary

41st annual J.P. Morgan healthcare conference

Geoff Martha, Chairman and CEO

January 9, 2023

San Francisco



Forward-looking statements, non-GAAP financial measures, and comparisons

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.

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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.

Unapproved devices

The following presentation includes discussion of devices that are not cleared or approved in the United States or the European Union. The safety and effectiveness of these devices have not been established and features and performance of future technologies may vary. Information provided during this presentation may also include products that may not be available or distributed in regions or countries outside the U.S. or E.U. Access to these products are contingent upon regulatory approval or clearance. Approval or clearance timelines are subject to the regulatory process of individual countries and regions and are not guaranteed.

Urgently forging the path to durable growth

Moving with resolve to drive execution and create shareholder value



Aggressive transformation underway; proof points emerging

Have enacted massive changes to our op model, incentives, and culture which are showing good early results, but masked by recent acute product availability headwinds



Improving operational health; making scale and synergies count

Implementing enterprise-wide operations, supply chain, & quality changes to get at the issues that have held us back; driving synergies to realize scale advantages in operations, technology, and sales to large customers



Exercising decisive capital allocation and portfolio management

Devoting more capital to high growth opportunities; divesting non-core assets to achieve faster durable growth



Focusing on large, higher growth opportunities in profitable markets

Mid-single digit organic revenue growth target driven by strong positions in many large, fast-growth MedTech markets, with a durable base of profitable, cash generating businesses



Expecting accelerated revenue growth in our second half

Focus on offsetting significant headwinds on P&L

Aggressive transformation underway; addressing root causes

Reducing complexity, enhancing capabilities, and improving capital allocation

Root Cause

Decisive Action

Expected Benefits

Structure & culture

Reduce complexity and enhance culture

- ✓ Eliminated Group and Region structures
- ✓ Empowered business leaders with P&L responsibility
- ✓ Added new, external leaders in multiple businesses & functions
- ✓ Implemented new performance-based incentive system

Durable revenue

- Consistent execution
- Supply chain resiliency
- Higher WAMGR

Market selection

Improve capital allocation

- ✓ Capital Allocation Committee ensuring prioritized investments
- ✓ Announced Renal Care Solutions joint venture and Patient Monitoring + Respiratory Interventions separation
- ✓ Expanding into high-growth markets; Intersect ENT and Affera acquisitions

Profitable growth

- Realize benefits of Scale

Quality & operations challenges

Enhance capabilities

- ✓ Deployed Design for Reliability and Manufacturability (DRM) enterprise-wide
- ✓ Centralized global operations and brought in industry leading talent
- ✓ Employing integrated business planning to improve supply chain mgmt
- ✓ Implementing new IT systems and digitization to drive efficiencies

Drive shareholder value

Attracting and re-deploying top talent to drive change

Bringing outside-in thinking, new skills and capabilities, and diverse perspectives to our already talented leadership team

Operations & Quality



Greg Smith
EVP, Global Operations & Supply Chain
Previous: Walmart & Goodyear



Scott Cundy
SVP, Chief Quality Officer
Previous: Danaher, Medtronic



Ken Verhulst
SVP, Global Manufacturing
Previous: Keurig Dr. Pepper, GE, Ingersoll Rand



Valerie Finarty
VP, Ops Transformation
Previous: GE Healthcare, Hill-Rom

Businesses



Harry "Skip" Kiil
President, Cranial & Spinal Technologies
Previous: Smith & Nephew, NuVasive



Mike Marinaro
President, Surgical Robotics
Previous: Medtronic - Cardiac Rhythm Management



Que Dallara
EVP, President of Diabetes
Previous: CEO of Honeywell Connected Enterprise



Dr. Kweli Thompson
President, Cardiac Rhythm Management
Previous: Medtronic - Cardiac Resynchronization and Defib. Solutions

Functions



Bob Hopkins
Head of Global Strategy
Previous: Bank of America Merrill Lynch



Rashmi Kumar
SVP, Chief Information Officer
Previous: Hewlett Packard Enterprise, McKesson



Mei Jiang
Head of Global Digital Innovation
Previous: Iron Mountain, HP, Cisco



Gary Corona
SVP, Global Financial Planning and Analysis
Previous: General Mills

Turning our scale into an advantage

Continuous improvement mindset geared toward leveraging scale and long-term competitive advantages

Leveraging our scale in
3 key areas

Global Operations &
Supply Chain

Technology
development

Sales to healthcare
systems

Build critical
capabilities
at scale

- ✓ Consolidation - 13 supply chain and manufacturing organizations down to 2
- ✓ Manufacturing - one best way across all sites with standardized planning & key metric reporting
- ✓ Mold management - strategic program to manage critical manufacturing infrastructure
- ✓ Sterilization - optimizing network, balancing internal/external capacity

Minimize backorders

Realize efficiencies to reinvest in R&D

Planning
systems

- ✓ Designed & deploying new forecasting with Sales Inventory & Operations Planning (SIOP) capabilities to proactively identify future supplier risks
 - Designing improved manufacturing scheduling capabilities to better manage raw materials supply to improve efficiency and working capital

Build redundancy

Establish transformational capabilities

Strategic
supplier
management

- ✓ Strengthening relations and visibility with current suppliers down to Tier 2-3
- ✓ Executing Phase I of supplier consolidation with RFQs including planned investment to ensure aligned incentives across our network
- ✓ Implementing SIOP across suppliers
 - Planning for next phases of supplier consolidation

Drive competitive advantages

Exercising decisive capital allocation

Prioritizing innovation-driven growth investments while delivering consistent dividend returns to shareholders

Investments for Growth

Research & Development

Target **R&D growth at/above revenue growth**

Smart M&A

Focus on **tuck-in M&A** with heightened focus on market selection

5% CAGR; +10% in FY22

Fiscal Year	R&D Spending
FY18	\$2.2
FY19	\$2.3
FY20	\$2.3
FY21	\$2.4
FY22	\$2.7

Minority investments, strategic partnerships, and incubators add to traditional investment

Blackstone

New
Neurovascular Co-Lab™ Platform

\$900M+ invested as of Q2 FY23

75+ companies

Return to Shareholders

Dividend & Share Repurchase

Target **minimum of 50% of Free Cash Flow** returned to shareholders annually; **prioritizing dividends**

9 Acquisitions since FY21

>\$3.3B in total consideration since FY21

\$5.5B Net share repurchases & dividends

FY22

92% of Free Cash Flow

45 Years of dividend increases
Raised **8%** in May 2022

Member of **S&P 500 Dividend Aristocrats**

\$3.7B shares repurchased since FY21

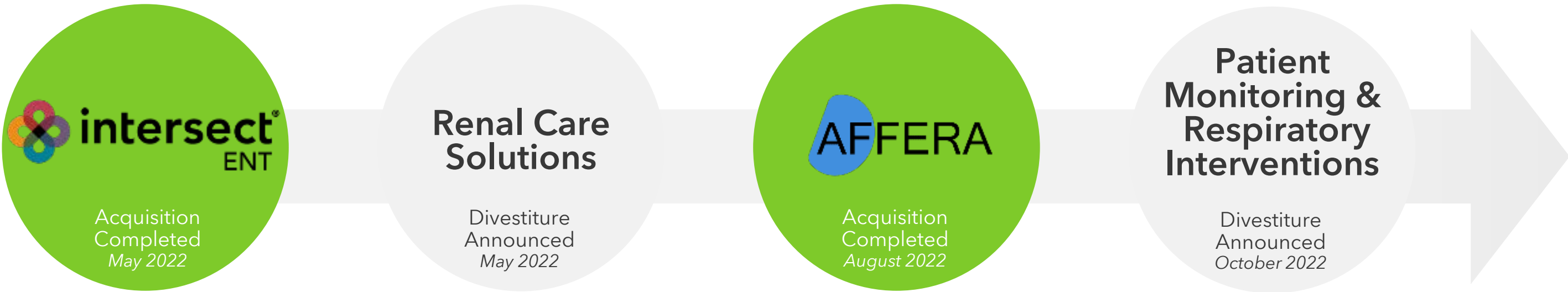
Ongoing portfolio management to drive durable growth in attractive markets

Cadence of moves to streamline the company and prioritize our investments where we can benefit from our scale

Additions:
Tuck-ins with heightened attention to market selection

Subtractions:
Streamlining businesses

Higher growth with added scale benefits



Early proof point:
Cardiac Ablation Solutions
Using additions to create scale in high-growth market

Arctic Front™ Cryoblation DiamondTemp™ RF catheter PulseSelect™ PFA catheter Left-heart access portfolio Affera™ Mapping and Ablation System

Proof points: seeing early impact of transformation in key businesses

Two case studies with Neurovascular and CST



Improving our
Operational Health

Decisive Action

- Hiring/empowering new leaders
- Capital Allocation
- Leveraging Data/AI

Realizing Benefits

- Building defensible share positions
- Investing to drive share/growth
- Generating scale benefits

Reduce complexity

- Full P&L responsibility to accelerate key decisions
- Standardized US sales team on single commercial platform; global expansion underway

Enhanced capabilities and capital allocation

- Revised incentives to promote portfolio breadth & elevate impact of new products
- Launched Medtronic Neurovascular Co-Lab™; accelerate timing for novel therapies
- Leveraging cross-MDT capabilities and data to monetize pre/post hospital adjacencies

Outcome

- Entering new high-growth intrasaccular device product category with Artisse™
- Increasingly positioned to defend #1 global share leveraging our scale

Rolling 4Q global DD growth with +110bps share gain

Neurovascular

Cranial &
Spinal
Technologies

- Combined Core Spine & Biologics with Neurosurgery into single business
- Created newly integrated commercial structure

- Hired new leader from outside Medtronic
- Sustained critical R&D and M&A activities:
 - Navigation and robotic workflow
 - Added data/AI capabilities from Medicrea acquisition

- Realizing commercial and technology synergies from Aible™ spinal surgical suite
- Accelerating adoption of MIS technologies
- Establishing new digital business models

Rolling 4Q US core spine MSD growth with +80bps share gain

We recognize recent headwinds have held back growth

Combined impact has obscured underlying improvement toward more durable performance

		H1 FY23 Impact (approx.)	H2 FY23 Outlook
Near-term resolution	Ventilator sales	WW Vent sales ex-China (60 bps)	<ul style="list-style-type: none"> At current levels, headwinds become significantly lower in H2
	SI supply	WW SI sales ex-China (40 bps)	<ul style="list-style-type: none"> Acute supply chain packaging issue resolved Expect to regain contracted lost share as we move through H2
	ICD replacements	WW DS sales ex-China (30 bps)	<ul style="list-style-type: none"> Expect ICD replacement headwinds to subside
Ongoing	China VBP	China sales (70 bps)	<ul style="list-style-type: none"> Past coronary and spine national tenders; in process surgical stapling, EP, and neurovascular provincial tenders 50%+ China revenue impacted by VBP thru FY23; ~80% by FY24
	Diabetes warning letter	US Diabetes sales (50 bps)	<ul style="list-style-type: none"> Completed 100% of warning letter commitments Invited the FDA for reinspection

Combined impact of (250bps)

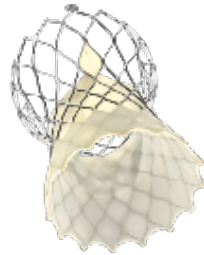
Expecting accelerated growth in H2 FY23

Several key growth drivers through FY24

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

Cardiovascular

Evolut™ FX
TAVR System
FMR in U.S. now
underway



Aurora™
Extravascular
ICD expect CE Mark
approval in H2 FY23
& FDA approval in
H1 CY23

PulseSelect™
Pulse Field Ablation (PFA)
pivotal data at ACC'23



**Affera™ Mapping and
Ablation System**
PFA with Map/Nav;
Sphere-9 catheter IDE
enrollment completed

Symplicity Spyral™ *
for hypertension under
FDA review



Medical Surgical



Hugo™ RAS System
US IDE enrollment and
geography/indication
expansion



LigaSure™
XP Maryland Jaw
Sealer/Divider



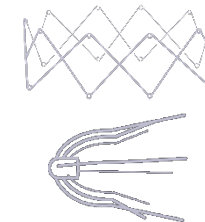
Sonicision™ 7mm
Ultrasonic curved
jaw

Neuroscience

Aible™
Continued adoption of spinal
surgical suite seamless
connected platform



**Propel™ &
Sinuva™ Sinus
Implants**
Organic growth
starts in May



**Percept™ PC &
Sensight™ Lead System**
Driving new implant
growth



Inceptiv™ SCS
Closed Loop (ECAPS);
submitted late 2021 for
FDA approval

Diabetes

Completed 100% of warning
letter commitments; Welcomed
the FDA for reinspection



Extended™
Infusion set
global rollout

**MiniMed™ 780G
system** International
expansion continues;
remains in active
review with U.S. FDA.



Simplera™
CGM Sensor
submitted for CE
Mark in July 2022



Early considerations for FY24

Expecting higher revenue growth; working to offset significant EPS headwinds



Inflation

Interest

Foreign Exchange*

FY23: Rev (\$1.44B to \$1.54B) | EPS (\$0.19)
Q3: Rev (\$360M to \$410M) | EPS (\$0.06)
FY24: Rev \$0 to \$100M | EPS ~(\$0.32)

MDT FY24

- Too early to give FY24 guidance
- Macro factors currently create EPS headwinds
- Invest in Research & Development for the long-term
- Working to partially mitigate through significant expense reduction

*While FX rates are fluid, assumptions above are based on rates as of the beginning of the month

On the path to durable organic revenue growth

Focusing on large, higher growth opportunities in profitable markets

Secular, fast growth markets accretive to corporate average

- Structural Heart
- Neurovascular
- Diabetes
- Cardiac Ablation Solutions
- Surgical Robotics

Combining leading therapy innovation with Data, AI and Customer Solutions to establish defensible competitive advantages in attractive surgery and chronic disease markets

Largest durable growth businesses
50% of MDT in FY22

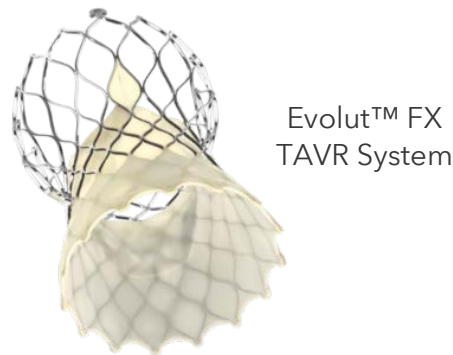
- Cardiac Rhythm Management
- Cranial & Spinal Technologies (CST) and ENT
- Surgical Innovations

Meaningful positions in secular, fast-growth MedTech markets

 Accelerate innovation-driven growth

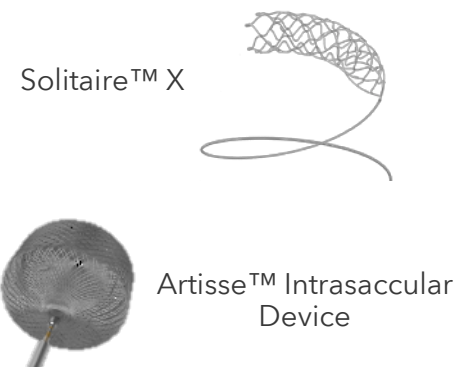
- **Investing disproportionately in high growth markets** to capture share and expand therapies
- **Leveraging AI and data analytics** to complement and build out our offerings
- **Creating defensible ecosystems** leveraging commercial scale, portfolio breadth and technology

Structural Heart



Evolut™ FX in full U.S. market release; combines established industry leading **durability** with improved **deliverability**. Targeting share gain in **LDD growth market**.

Neurovascular



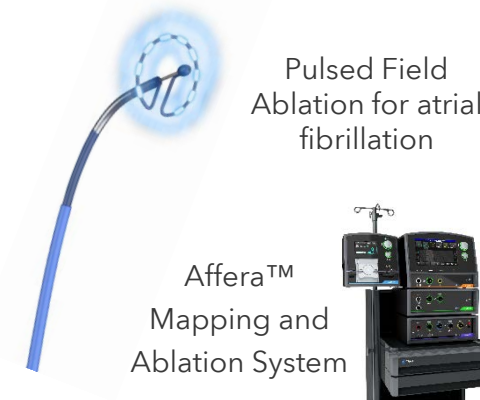
Continued share gains in **underpenetrated DD growth markets** treating acute ischemic stroke and hemorrhagic stroke fueled by innovation.

Diabetes



Consistent **mid-teens International growth in attractive DD growth market** driven by 780G in OUS markets. Recently completed 100% of Warning Letter commitments and ready for FDA reinspection.

Cardiac Ablation Solutions



Elevating competitive position in a HSD growth market with addition of Affera mapping system, Sphere-9™ focal mapping and PF/RF ablation catheter; on path to be among 1st PFA single-shot catheters in the U.S. with PulseSelect™.

Surgical Robotics



Expanding geographies and specialty indications. Recently announced enrollment for EXPAND URO U.S. clinical trial start. **Multi-billion market growing mid-teens.**

Strong, established leadership positions in largest businesses

New innovation driving advantages in durable growth businesses

Cardiac Rhythm Management

- Winning share with Micra™ family of leadless pacemakers, conduction system pacing in the transvenous space, and TYRX™ absorbable antibacterial envelopes
- Anticipate CE Mark for Aurora™ EV-ICD in H2 FY23 and FDA approval for H1 CY23
- Expect ICD replacement headwinds to subside



Micra™



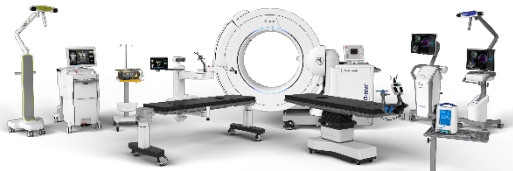
TYRX™



Cobalt™ ICDs & CRT-Ds

Cranial & Spinal Technologies ENT

- Winning share: CST grew 5%, U.S. Core Spine grew in the mid-teens in FQ2
- Expect continued strong growth driven by Aible™ enabling tech ecosystem and pull thru of best-in-class implants & biologics
- ENT and CST benefitting from shared platforms to provide differentiated and synergistic offerings



Aible™ Spinal Surgical Suite



StealthStation FlexENT™ & Integrated Power Console

Surgical Innovations

- Largely resolved acute supply chain challenges impacting last 3 quarters
 - Expect to regain lost Energy/Stapling share as we move through H2
 - Supply keeping pace with demand
- Outlook remains solid driven by continued innovation and shift to minimally invasive surgery



Signia Powered Stapling



LigaSure™ Maryland

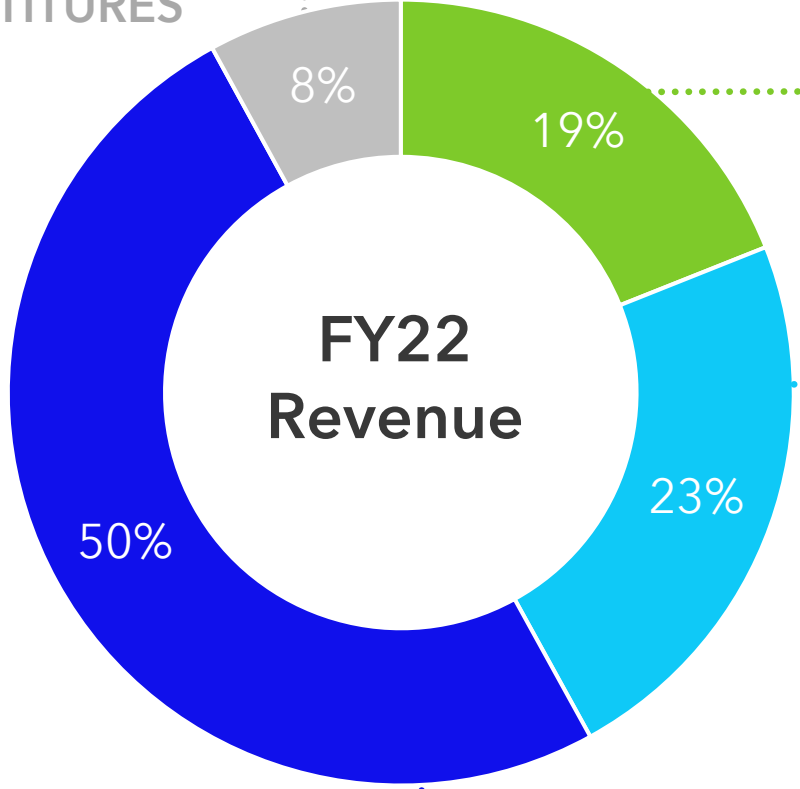


Sonicision™ 7mm curved jaw

Combined portfolio is increasingly well-positioned to deliver growth

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

ANNOUNCED
DIVESTITURES



HIGHEST GROWTH

SYNERGISTIC

ESTABLISHED MARKET LEADERS

Pre-COVID MDT Growth

Market Outlook

Share Position

10%+
Average

HSD+
Average

#1-3
Most 1-2 position

3-4%
Average

MSD
Range: LSD to LDD

#1-2
#1 in majority

3-4%
Average

3-4%
Average

#1-2
Current position

Urgently forging the path to durable growth



- Assembling a **sustainable growth engine**, as we undertake an **aggressive transformation agenda** to reduce complexity, enhance capabilities, and improve capital allocation
- **Accelerating revenue growth** as we overcome our near-term headwinds; several pipeline catalysts are now here
- Working to turn our **scale into an advantage**
- Expecting to drive **improved execution** and **create shareholder value** over long-term as we deliver on our operating initiatives and growth drivers

GAAP to non-GAAP reconciliations

MEDTRONIC PLC GAAP TO NON-GAAP RECONCILIATIONS⁽¹⁾ (Unaudited)

(in millions)	Sales Growth as a % of Total Worldwide Revenue		
	Six months ended October 28, 2022		
	GAAP growth as a % of total worldwide revenue as compared to the six months ended October 29, 2021	Currency Impact ⁽²⁾	Currency Adjusted
Worldwide Surgical Innovations, excluding China	(1.4)%	(1.1)%	(0.4)%
China	(1.1)%	(0.3)%	(0.7)%
U.S. Diabetes	(0.5)%	— %	(0.5)%
Worldwide Vents, excluding China	(0.6)%	— %	(0.6)%
Worldwide Defibrillation Solutions, excluding China	(0.6)%	(0.3)%	(0.3)%
Combined impact	(4.2)%	(1.7)%	(2.5)%

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

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