

Medtronic

Engineering the extraordinary

Investor Handout

September 2022

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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.

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. Starting with the quarter ended April 29, 2022, the Company no longer adjusts non-GAAP financial measures for certain license payments for, or acquisitions of, technology not approved by regulators due to recent guidance from the U.S. Securities and Exchange Commission. Historical non-GAAP financial measures have been recast for comparability. All GAAP to non-GAAP reconciliations are provided on our [website](#).

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.

Committed to accelerating and sustaining higher growth over the long term

Significant changes made and further changes underway; industry-leading technology pipeline coming to fruition



Significant transformational efforts to position Medtronic for durable & accelerated innovation-driven growth

New operating model and enhanced Medtronic Mindset are leveraging scale and accelerating decision making with incentives aligned to create shareholder value. Expect quarterly acceleration through FY23, driven by resolution of acute supply chain issues, easier comparisons, and new product launches



Advancing scientific evidence and significant near-term catalysts in fast-growing MedTech markets

Conducted over 230 clinical trials in FY22; Over 200 product approvals in last 12 months driving upcoming launches to support accelerated growth profile; Continued investments in mid-term programs to deliver durable growth consistent with long-range plan



Committed to Environmental, Social, and Governance

Progressing towards goal of becoming operationally carbon neutral by FY30; Continued focus on Patient Safety & Quality, Inclusion Diversity & Equity, Climate Stewardship, and Product Stewardship; anticipate publishing annual Integrated Performance Report in October 2022



Rigorous portfolio management and capital allocation strategies focused on higher WAMGR and creating shareholder value

Portfolio management process is ongoing: Renal Care Solutions will be part of NewCo with DaVita®; Intersect ENT acquisition closed May 2022; Affera acquisition closed August 2022; expanding our commercial solutions via Acutus* and CathWorks* deals. Dividend Aristocrat; returned \$5.5B to shareholders through share repurchases and dividends, or 92% of FCF in FY22



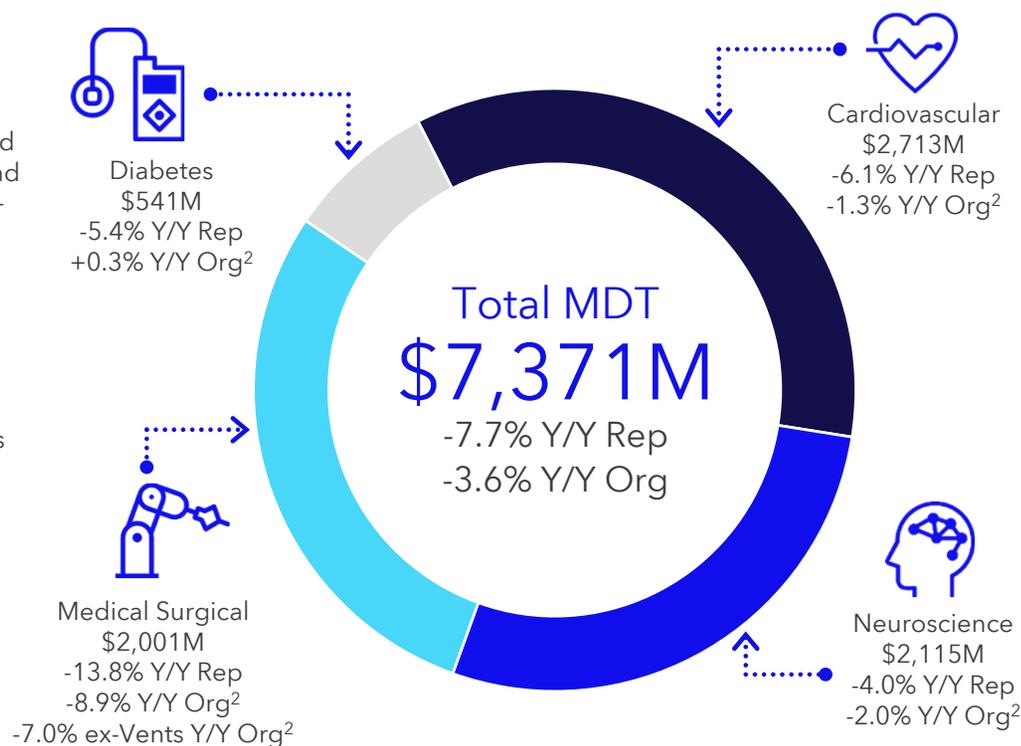
* Announced intention to acquire Acutus' Left-Heart Access Portfolio; Signed a co-promote deal with CathWorks with the option to acquire in the future

Q1FY23 highlights & financial summary following August 23rd earnings report

Key Messages

- **Revenue ahead of guidance:** Quarter played out largely as expected; executed in a challenging environment to deliver revenue ahead of our guidance and EPS in-line with our guidance
- **Navigating macro headwinds; supply chain improving:** Macro factors (supply chain, inflation and FX), along with difficult Y/Y comparisons, resulted in declines to both revenue and EPS growth. However, resins, packaging, and China-based supply continued to improve, consistent with expectations; on-track to resolve acute product availability challenges exiting H1.
- **Several bright spots in the quarter:** Strength in Pacing, Cardiac Surgery, Core Spine in the U.S., Diabetes in Europe, along with many Emerging Markets
- **Several near-term pipeline catalysts approaching to accelerate growth:** Expect organic revenue growth to improve each quarter benefitting from recent/upcoming launches. Completed \$1.3B Intersect acquisition; expands ENT portfolio and leverages our global reach. Making progress on our strategic portfolio review, which is geared to accelerating our WAMGR*.
- **Well positioned to navigate uncertain economic backdrop:** Maintain a robust balance sheet, with strong and growing dividend, and leadership position in many secular growth healthcare technology markets

Revenue¹ by segment



	GAAP	Non-GAAP	
Diluted EPS	\$0.70	\$1.13	Cash flow from operations YTD \$1.1B
Y/Y %	25%	-17%	Free cash flow ³ YTD
CC Y/Y %	N/A	-15%	\$0.7B

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

²Figures represent comparison to Q1 FY22 on an organic basis.

³Operating cash flows less property, plant, and equipment additions.

Q2 outlook with FY23 guidance reiterated (as provided on August 23, 2022)

Expectations reflect unique combination of timebound headwinds while investing in quality and pipeline



Outlook assumes improving fundamentals and easier comps with supply chain headwinds softening

Organic revenue growth

3.0 to 3.5% FX: approximately \$365M to \$415M headwind

Non-GAAP diluted EPS

\$1.26-\$1.30 FX: approximately \$0.02 headwind

FY22 Revenue base	Organic revenue growth guidance	FX ¹	Implied revenue range
\$31,686M	+4 to +5%	-\$1.4B to -\$1.5B	~\$31.6B - \$32.0B
FY22 Non-GAAP EPS base	Implied constant currency growth	FX ¹	EPS guidance
\$5.55	+3% to +6%	-\$0.17 to -\$0.22	\$5.53 - \$5.65

EPS guidance does not include any charges or gains that would be reported as non-GAAP adjustments to earnings during the fiscal year.
¹While FX rates are fluid, assumptions above are based on recent rates near the specific earnings call.

Revenue outlook calls for acceleration through FY23

Driven by easing headwinds as we anniversary COVID and acute supply chain impacts

Q1 FY23 Actual

-3.6% organic growth (ahead of guidance)

Revenue growth impacted by:

- Challenging Y/Y growth comparisons
 - Q1'22 growth +19% included benefit of procedure recovery following 3rd Covid wave and vaccinations
 - Q1'22: US +22% and OUS +15%
- Known supply chain challenges impacted performance most notably in Surgical Innovations; improvement as we exited Q1
- China: slowdown for Spine & Stapling tied to VBP and lockdown impact on procedures

Q2 FY23 Guidance

3.0% to 3.5% organic growth

Expected ramp in Q2 driven by:

- Easing Y/Y growth comparison
 - Q2'22 comparison +2.2%
- Acute supply challenges continue to improve in Q2; on target to resolve headwind as we exit the quarter
- Partially offset by ongoing headwinds in China across Spine and Stapling associated with national and provincial VBP tenders, respectively

FY23 Guidance

+4% to +5% organic growth

H2 implied HSD organic growth:

- Easiest Y/Y comparisons in H2 driven by annualizing large headwinds: Omicron (Q3'22) and acute supply chain (Q4'22)
 - Q3'22 +1.6%; Q4'22 +1.4% organic
- Impact of other headwinds lessens by ~175bps in H2 vs prior year
 - Ventilator sales, Navion recall, LVAD exit, and China VBP for DES, Spine and Stapling

Significant changes underway to accelerate growth and win market share

Initial changes implemented; key learnings and new top talent helping to drive continued improvements

Ongoing Transformation

What we've done ✓

- New operating model established Operating Units
- Enhanced culture
- Further aligned incentives with meaningful changes
- Established technology development centers
- Strategic customer relationships

Key Learnings

Accelerating...

- Operations and supply chain improvements
- Accountability and consistency in patient safety & quality processes
- Portfolio management



Significant changes to accelerate growth and improve competitiveness

New operating model, culture enhancements, and incentives in place



Eliminated group infrastructure and moved to 19 focused and accountable operating units

- ✓ Operating units have full control of P&L, product development, and sales forces in larger geographies
- ✓ More decentralized and delayed
- ✓ Increased transparency and accountability
- ✓ Eliminated bureaucracy, with businesses moving much faster



Injected new traits into our Mission-driven culture

- Act boldly
 - Compete to win
 - Move with speed and decisiveness
 - Foster belonging
 - Deliver results, the right way
- ✓ Employees quickly embracing change with high engagement scores



Meaningful changes to our compensation plans to enhance competitiveness and reward performance

- ✓ Added market share as an annual metric, in addition to revenue growth, profit, and free cash flow
- ✓ Greater differentiation in payout based on individual and business/region/function performance
- ✓ Increased emphasis on equity instead of cash

Significant changes to accelerate growth and improve competitiveness

Leveraging scale with tech development centers and strategic customer relationships



Adding new centralized technology centers to existing battery and microelectronics centers to leverage across multiple operating units:

- Cardiac implantables
- Enabling technologies
- Neuromodulation implantables
- Surgical technologies
- ✓ Example: CRM team helped accelerate trajectory of Neuromod development



Becoming a true partner to our customers and driving strong strategic relationships

- ✓ Single point of contact for large customers such as governments, large healthcare systems, and GPOs to buy across the Medtronic portfolio

Enterprise synergies increase revenue and drive more efficient R&D spend

Attracting top external talent to drive change

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

Attracting
top
external
talent



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



Torod Neptune
SVP, Chief Communications Officer
Previous: Lenovo & Verizon



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



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



Ivan Fong
EVP, General Counsel and Corporate Secretary
Previous: 3M, US DHS, Cardinal Health



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



Mira Sahney
President, Pelvic Health
Previous: Hyalex Orthopaedics, Smith & Nephew



Yarmela Pavlovic
VP, Regulatory Strategy
Previous: Manatt, Phelps & Phillips, LLP, Hogan Lovells



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



Austin L. Chiang, M.D., M.P.H.
Chief Medical Officer, Gastrointestinal
Previous: Sidney Kimmel Medical College, Jefferson Health

Accelerating changes to create value and further leverage enterprise scale

Adding value to our operating units, enabling stronger performance vs smaller competitors

Operations and supply chain

- Consolidating global operations to realize economies of scale, drive lower costs through reduced inventory and obsolete products & materials, and improve quality with Strategic Supplier base
- Investing in automation, digitalization, and Industry 4.0
- Supply management team negotiates contracts across OUs to secure attractive terms and manage through supply chain issues

Patient safety and quality

- Accelerating plans to enhance patient safety and quality as a competitive advantage where we 'play big'
- Design, Reliability, and Manufacturability (DRM) being implemented enterprise-wide to deliver outcomes that are better for patient safety; on track to cover 100% of products
- Elevating quality as part of enhanced M&A due diligence & integration process
- Quality goals aligned with leadership incentives

Portfolio management

- Newly created Capital Allocation Committee driving more decisive capital allocation; includes CEO, CFO, Portfolio Presidents and Head of Strategy
- Announced 9 acquisitions since beginning of FY21 with total combined consideration of >\$3.3B; Announced NewCo with DaVita®
- Deeply committed to driving shareholder value



Medtronic

Allocating capital to generate strong growth and shareholder return

Investments for growth

Organic R&D investments

Increasing our R&D spend broadly across the company to fuel our robust pipeline

\$2.7B
organic
R&D spend in FY22

FY22:
R&D Growth
outpacing
revenue growth

Tuck-in M&A

Increasing our WAMGR, differentiating our portfolio, and accelerating our time to market

9
Acquisitions
announced since the
beginning of FY21

>\$3.3B
in total
consideration

Minority investments & strategic partnerships

Minority investments portfolio to develop and facilitate potential future tuck-in acquisitions
Third-party funding to leverage our own R&D investment and accelerate growth

75+
Companies

\$850M+
Invested as of Q1 FY23

Return to shareholders

Dividend growth

45 Years
of dividend increases
Committed to growing in
line with earnings; raised
dividend by 8% in May 2022

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

Share repurchases

Target offsetting stock-
based compensation
dilution at a minimum,
with opportunistic
repurchases during
share price dislocation
periods

\$2.5B FY22
\$336M Q1 FY23
Shares repurchased

Total return

Target
**Minimum of
50% of
Free Cash Flow**
returned to
shareholders annually

\$5.5B
In net share
repurchases
and dividends
in FY22

92%
of
Free Cash
Flow

*Note: YTD values are as of Q1 FY23.

Broad, robust pipeline to accelerate growth

Visibility into multiple catalysts in fast-growth medical device end-markets; 200+ approvals in the last 12 months

Launched

Just launching / expect in next few quarters

Investing heavily in mid- to long-range pipeline

Cardiovascular

Medical Surgical

Neuroscience

Diabetes

DiamondTemp™ RF Ablation System

Micra™ AV and VR Transcatheter Pacing System

Harmony Transcatheter PV

VenaSeal™ Closure System

Abre™ Self-Expanding Stent

Illumisite Platform

Signia™ Powered Stapler

TriStaple EEA™ Circular Stapler

GI Genius

ProdiGI™

Vanta™ Recharge Free SCS

DTM™ SCS on the Intellis™ platform

Solitaire™ X

SenSight™ Directional Leads

Percept™ PC Deep Brain Stimulator

Guardian Connect™ Standalone Sensor

InPen Smart Diabetes Pen

MiniMed™ 770G Bluetooth Enabled

Evolut™ FX TAVR System

DCB AV Access Indication

LINQ™ II

Onyx Frontier™

Aurora Extravascular ICD (EV-ICD)

Sonicision™ 7mm

Nellcor™ OxySoft Pulse Ox Sensor

Touch Surgery™ Enterprise

Hugo™ RAS System

InterStim™ X primary cell device

SCS treatment for DPN

NuVent™ balloon

Next-gen NIM® Nerve Monitoring System

Pipeline™ Vantage with Shield Technology™ Flow Diverter

Extended Infusion Set

MiniMed™ 780G Advanced Hybrid Closed-Loop System*

Guardian™ 4 Sensor (Zeus) CGM Sensor

Symplicity™ Renal Denervation

Pulsed Field Ablation

Intrepid® Mitral and Tricuspid Valve Replacement

Half Moon Mitral Repair

Signia™ Circular

RespArray™ Monitor

PillCam™ Genius Colon

Vital Sync™

Inceptiv SCS using Closed-Loop (ECAPS)

Hemorrhagic Stroke Intracascular Device

Closed-Loop Deep Brain Stimulator

Next-Gen Spine Enabling Technologies

nutrino

KLUE

Exclusives: Personalization & Meal Handling

Simplera™ CGM Sensor (Synergy)

*MiniMed™ 780G is available OUS and is currently under review with the FDA

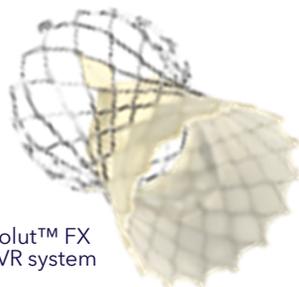
Cardiovascular Portfolio growth drivers

Over the next 12 - 18 months



Transcatheter valves (TAVR)

Continued global market growth and share capture opportunities with the rollout of our new Evolut™ FX system in the US and entry into China



Evolut™ FX TAVR system



Micra™ transcatheter pacing system

Micra leadless pacing

Continued global growth as the only company with devices addressing half the pacing market; global expansion continues

Safety and efficacy endpoints met in EV-ICD pivotal data just presented at ESC 2022; published in NEJM

Extravascular ICD

Expect to disrupt ICD market with Aurora™ EV-ICD, a single device that can pace and shock without any leads in the heart; CE Mark expected in CY22



Aurora™ Extravascular ICD (EV-ICD)

Cardiac Diagnostics

Planned broad US commercialization of LINQ II later in FY23 following manufacturing ramp; meaningful reduction/ elimination of AF and Pause false positives



LINQ™ II

Cardiac Ablation Solutions

Launching disruptive DiamondTemp™ ablation system; ramping awareness and adoption of our Arctic Front Advance Pro™ cryoablation as a first line treatment for paroxysmal AF



DiamondTemp™ Ablation System



Arctic Front Advance Pro™ Cryoballoon

Clinical catalysts

- Full cohort data for ON MED trial in H2 CY22
- EV-ICD pivotal data just presented (Aug. 28) at ESC



Simplicity™ Renal Denervation

Aurora™ Extravascular ICD (EV-ICD)

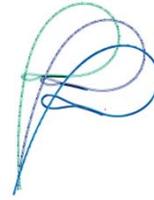
Medical Surgical Portfolio growth drivers

Over the next 12 - 18 months



Surgical Innovations

Surgical procedures are moving from open to minimally invasive along with innovation advancements in advanced energy and stapling; Continuing to address acute supply chain issues, and ongoing management of China VBP;



V-Loc™
Wound Closure
Device - Barbed
Sutures

GI & Patient Monitoring

Investing in long term pipeline; Patient Monitoring received 510(k) clearance for the RespArray™ monitor, which includes Nellcor™ pulse ox technology



Nellcor™
OxySoft Pulse
Ox Sensor



RespArray™ Monitor



GI Genius™

Surgical Robotics

Entering surgical robotics market as second meaningful player; market highly underpenetrated due to cost and utilization barriers

Limited market release of our Hugo™ RAS system continues, combined with our Touch Surgery™ Enterprise AI and image capturing platform; leverages our MIS instrument expertise; customer demand is high

Received CE Mark (Uro/Gyn) in October 2021; previous regulatory approvals in Canada, Australia, and Israel; recent approvals in Brazil and Saudi Arabia

Expanding types of procedures across urology, gynecology, and general surgery including the first bariatric case

Key supply challenges have been addressed and scaling manufacturing production while building robot inventory ahead of installs



Hugo™ RAS System



Touch Surgery™
Enterprise

Neuroscience Portfolio growth drivers

Over the next 12 - 18 months



Pain stim

Above-market growth expected on continued adoption of Intellis™ with DTM™ SCS therapy and recent launch of Vanta™ recharge-free system; FDA approval of Intellis™ and Vanta™ for the treatment of diabetic peripheral neuropathy (DPN)



Vanta™
Recharge
Free SCS



DTM™ SCS on
the Intellis™
platform

Cranial & Spinal Technologies

Continued growth expected of this ~\$4.5B business on the rollout of new spine hardware, adoption of market leading O-arm™ imaging, StealthStation™ navigation, and Mazor™ robotics enabling technology, and surgeon adoption of the UNiD software platform and the Medicrea implant portfolio



Catalyft™
Expandable
Interbody System



Mazor X
Stealth
Edition™



UNiD™
Rods

Pelvic Health

Market leader and launching new technology into fast-growing sacral neuromodulation market; U.S. FDA approval of InterStim™ X recharge-free device granted

InterStim™ X
primary cell device



Neurovascular & ENT

Continued global growth at- or above-market in these two high-growth markets; just added Intersect ENT sinus implants

Pipeline™ Shield
Embolization Device
with Shield Technology™



PROPEL® and SINUVA®
sinus implants



Deep brain stimulation

Continued above-market growth expected on continued adoption of recently launched sensing products



Percept™ PC
DBS



SenSight™
Directional Leads

Clinical catalysts

- Submitted Inceptiv™ SCS using closed-loop (ECAPS) technology to US FDA
- ADAPT-PD US pivotal trial for closed-loop DBS remains on track with enrollment nearing completion

Investing heavily in mid- to long-range pipeline

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

Cardiovascular



Simplicity™
procedure for
hypertension



Pulsed
Field
Ablation for
Afib



Intrepid® Mitral and
Tricuspid Valve
Replacement

Medical Surgical



Hugo™ RAS System
& Touch Surgery™
Enterprise
advancements



PillCam™
Genius Colon



Vital Sync™
patient
monitoring
enhancements

Neuroscience



Next-gen
spine
enabling
technologies



Spinal cord
stim indication
expansion



Closed-loop
deep brain
stimulator



Intrasaccular
device for
hemorrhagic stroke

Diabetes



Simplera™
CGM
Sensor



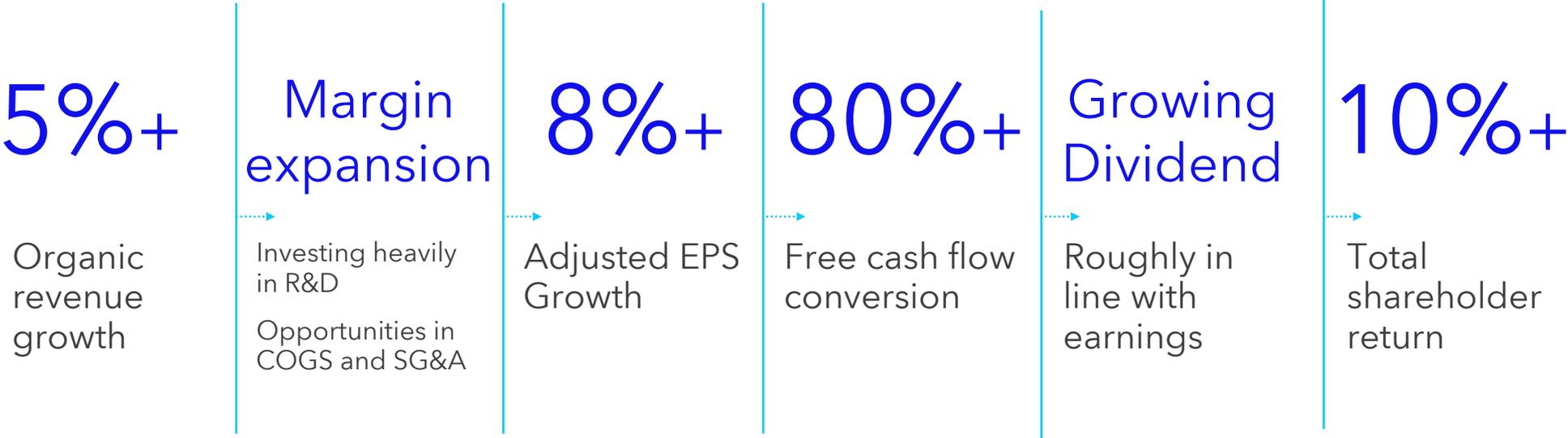
nutrino
KLUE

Exclusives:
Personalization
& Meal Handling

Multiple undisclosed
development programs
to deliver competitive
CGM/patch pump
technology

Long range plan: committed to delivering double digit total shareholder return

Continuing to convert earnings into strong free cash flow generation



Leading ESG practices grounded in our Mission

Focused sustainability areas and targets



Top Priorities

- Innovation & access
- Patient safety & product quality
- Inclusion, diversity & equity

Emerging Priorities

- Climate risk & resilience
- Responsible supply mgmt
- Product stewardship
- Transparency

Additional Priorities

- Integrated Care
- Technology & Device Security
- Data privacy & security
- Ethics in sales & marketing
- Corruption & bribery
- Affordability & fair pricing
- Talent
- Good citizenship

ESG targets

Patient Safety & Product Quality

10%

Reduction in aggregate product complaint rate for identified product families by FY25 vs. FY20

Access & Innovation

20%

MDT revenue from products and therapies released in the prior 36 months by FY25

85M

Patients served annually by FY25

Inclusion, Diversity & Equity

45%

Global management positions held by women by FY26

30%

U.S. management positions held by ethnically diverse talent by FY26

Climate Stewardship

50%

Reduction in greenhouse gas emission intensity by FY25 vs. FY20

50%

Sourced energy from renewable and alternative sources by FY25 vs. FY20

Carbon Neutral

In our operations by FY30

Net Zero Emissions

By 2045

Product Stewardship

25%

Reduction in packaging waste for targeted high-volume products by FY25 vs. FY21

35%

Reduction in paper associated Instructions for Use (IFUs) by FY27 vs. FY21

Appendix: GAAP to non-GAAP reconciliation

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

	Three months ended July 29, 2022								
(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	Effective Tax Rate
GAAP	\$ 7,371	\$ 2,516	65.9 %	\$ 1,125	15.3 %	\$ 1,044	\$ 929	\$ 0.70	10.7 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(20)	0.3	76	1.0	76	60	0.04	21.1
Acquisition-related items (3)	—	(11)	0.1	35	0.5	35	29	0.02	17.1
(Gain)/loss on minority investments (4)	—	—	—	—	—	(4)	(4)	—	—
Medical device regulations (5)	—	(18)	0.2	32	0.4	32	26	0.02	18.8
Amortization of intangible assets	—	—	—	423	5.7	423	359	0.27	15.4
RCS impairments / costs (6)	—	—	—	74	1.0	74	73	0.05	1.4
Debt redemption premium and other charges (7)	—	—	—	—	—	53	42	0.03	20.8
Certain tax adjustments, net (8)	—	—	—	—	—	—	(13)	(0.01)	—
Non-GAAP	\$ 7,371	\$ 2,467	66.5 %	\$ 1,765	23.9 %	\$ 1,734	\$ 1,502	\$ 1.13	13.3 %
Currency impact	351	82	0.5	50	(0.4)	—	—	0.03	—
Currency Adjusted	\$ 7,722	\$ 2,549	67.0 %	\$ 1,815	23.5 %	—	—	\$ 1.16	—

	Three months ended July 30, 2021								
(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	Effective Tax Rate
GAAP	\$ 7,987	\$ 2,598	67.5 %	\$ 859	10.8 %	\$ 833	\$ 763	\$ 0.56	7.7 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(33)	0.4	81	1.0	81	65	0.05	21.0
Acquisition-related items (1) (3)	—	(5)	0.1	19	0.2	19	17	0.01	5.3
Certain litigation charges	—	—	—	26	0.3	26	21	0.02	19.2
(Gain)/loss on minority investments (4)	—	—	—	—	—	(31)	(29)	(0.02)	—
Medical device regulations (5)	—	(11)	0.1	21	0.3	21	17	0.01	19.0
Amortization of intangible assets	—	—	—	436	5.5	436	366	0.27	15.8
MCS impairments / costs (9)	—	(58)	0.7	726	9.1	726	564	0.42	22.3
Certain tax adjustments, net (10)	—	—	—	—	—	—	53	0.04	—
Non-GAAP (1)	\$ 7,987	\$ 2,491	68.8 %	\$ 2,168	27.1 %	\$ 2,111	\$ 1,838	\$ 1.36	12.7 %

See description of non-GAAP financial measures contained in the press release dated August 23, 2022.

- The data in this schedule has been intentionally rounded to the nearest million or \$0.01 for EPS figures, and, therefore, may not sum. Starting with the quarter ended April 29, 2022, the Company will no longer adjust non-GAAP financial measures for certain license payments for, or acquisitions of, technology not approved by regulators due to recent industry guidance from the U.S. Securities and Exchange Commission. Historical non-GAAP financial measures presented in our earnings release have been recast for comparability.
- Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- The charges primarily include business combination costs and changes in fair value of contingent consideration.
- 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.
- The charges represent incremental costs of complying with the new European Union (E.U.) medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses. We consider these costs to be duplicative of previously incurred costs and/or one-time costs, which are limited to a specific time period.
- The charges predominantly include non-cash pre-tax impairments, primarily related to goodwill, as a result of the anticipated sale of half of the Company's Renal Care Solutions (RCS) business related to the May 25, 2022 agreement with DaVita Inc.
- The charges relate to the early redemption of approximately \$2.3 billion of debt and were recorded within *interest expense* within the consolidated statements of income.
- The net benefit is due to a valuation allowance release associated with certain carryover attributes as a result of the anticipated RCS transaction listed above in (6) partially offset by the amortization of previously established deferred tax assets from intercompany intellectual property transactions.
- The charges relate to the Company's June 2021 decision to stop the distribution and sale of the Medtronic HVAD System within the Mechanical Circulatory Support Operating Unit (MCS). The charges included \$515 million of non-cash impairments, primarily related to \$409 million of intangible asset impairments, as well as \$211 million for commitments and obligations in connection with the decision, including customer support obligations, restructuring, and other associated costs. Medtronic is committed to serving the needs of the approximately 3,200 patients currently implanted with the HVAD System.
- The charges are associated with a change in the company's permanently reinvestment assertion on certain historical earnings and the amortization on previously established deferred tax assets from intercompany intellectual property transactions.

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

	Three months ended July 29, 2022	Three months ended July 30, 2021
(in millions)		
Net cash provided by operating activities	\$ 1,083	\$ 1,292
Additions to property, plant, and equipment	(426)	(378)
Free Cash Flow (2)	\$ 657	\$ 914

See description of non-GAAP financial measures contained in the press release dated August 23, 2022.

- The data in this schedule has been intentionally rounded to the nearest million, and, therefore, may not sum.
- Free cash flow represents operating cash flows less property, plant, and equipment additions.

Appendix: GAAP to non-GAAP reconciliation

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

	Three months ended July 29, 2022							
(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 Expense (Income), net	Other Operating Expense, net as a % of Net Sales	Other Non-Operating (Income) Expense, net
GAAP	\$ 7,371	\$ 2,567	34.8 %	\$ 692	9.4 %	\$ 35	0.5 %	\$ (83)
Non-GAAP Adjustments:								
Restructuring and associated costs (2)	—	(41)	(0.6)	—	—	—	—	—
Acquisition-related items (3)	—	—	—	—	—	(24)	(0.3)	—
Medical device regulations (4)	—	—	—	(14)	(0.2)	—	—	—
RCS impairments / costs (5)	—	(7)	(0.1)	—	—	(68)	(0.9)	—
Gain/(loss) on minority investments (6)	—	—	—	—	—	—	—	4
Non-GAAP	\$ 7,371	\$ 2,518	34.2 %	\$ 678	9.2 %	\$ (57)	(0.8)%	\$ (79)
Currency impact	351	95	(0.4)	9	(0.3)	114	1.5	(2)
Currency Adjusted	\$ 7,722	\$ 2,613	33.8 %	\$ 687	8.9 %	\$ 57	0.7 %	\$ (81)

See description of non-GAAP financial measures contained in the press release dated August 23, 2022.

- (1) The data in this schedule has been intentionally rounded to the nearest million, 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 business combination costs and changes in fair value of contingent consideration.
- (4) The charges represent incremental costs of complying with the new European Union (E.U.) medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses. We consider these costs to be duplicative of previously incurred costs and/or one-time costs, which are limited to a specific time period.
- (5) The charges predominantly include non-cash pre-tax impairments, primarily related to goodwill, as a result of the anticipated sale of half of the Company's Renal Care Solutions (RCS) business related to the May 25, 2022 agreement with DaVita Inc.
- (6) 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.