

# Medtronic

Engineering the extraordinary

# Medtronic plc

## Q2 FY24

Earnings presentation

November 21, 2023



Medtronic

## 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, geopolitical conflicts, 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. 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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## 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. References to sequential revenue changes are made on an "as reported" 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.



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# Q2 FY24 Executive Summary

# Q2 FY24 Key messages

## Solid execution results in MSD revenue growth driven by broad-based strength across multiple businesses and geographies; Major innovative product approvals; Raising FY24 guidance

**Broad-based performance across businesses and major geographies**  
Sustained end-market health, innovative product launches and commercial focus drove Q2 results; broad strength - Cardiovascular, Neuroscience & Medical Surgical all grew MSD with Diabetes accelerating to HSD; transformational efforts and cost management drove outperformance on Q2 margins and EPS.

**Material innovation: numerous major launches and approvals reinforce durability thesis**  
Expect product launches to ramp and contribute to H2 revenue growth and beyond:  
- Cardiovascular: PFA systems, Aurora EV-ICD™, Evolut™ FX, Micra™ AV2 and VR2, and Symplicity Spyral™ RDN system  
- Neuroscience: Inceptiv™ SCS closed loop sensing and Percept™ featuring BrainSense™ technology  
- Medical Surgical: Hugo™ Robotics-Assisted Surgery and GI Genius™ AI-driven endoscopy  
- Diabetes: 780G™ system with Guardian™ 4 Sensor and Simplera™ stand-alone CGM

**Raising FY24 revenue and EPS guidance**  
Following H1 outperformance, raising FY24 organic revenue growth guidance to 4.75% [vs. prior +4.5%]. EPS now \$5.13 - \$5.19, 4 cent raise at the midpoint and includes incremental 3 cent H2 headwind for FX/tax

**Comprehensive transformation and capital allocation**  
Executing comprehensive transformation; enhancing global operations, quality and supply chain; decisive capital allocation geared toward next-gen technologies across Robotics, AI and Closed Loop systems

**Confident in delivering durable revenue growth and shareholder value**  
Focused on translating durable revenue growth to leveraged earnings power with ongoing efforts to stabilize and then expand margins; committed to making our scale an advantage as the world's largest med tech company, all aimed at creating value for our shareholders.

// We're delivering a track record of durable, mid-single digit revenue growth. The underlying fundamentals are strong, and our solid results were broad-based across our businesses and geographies.

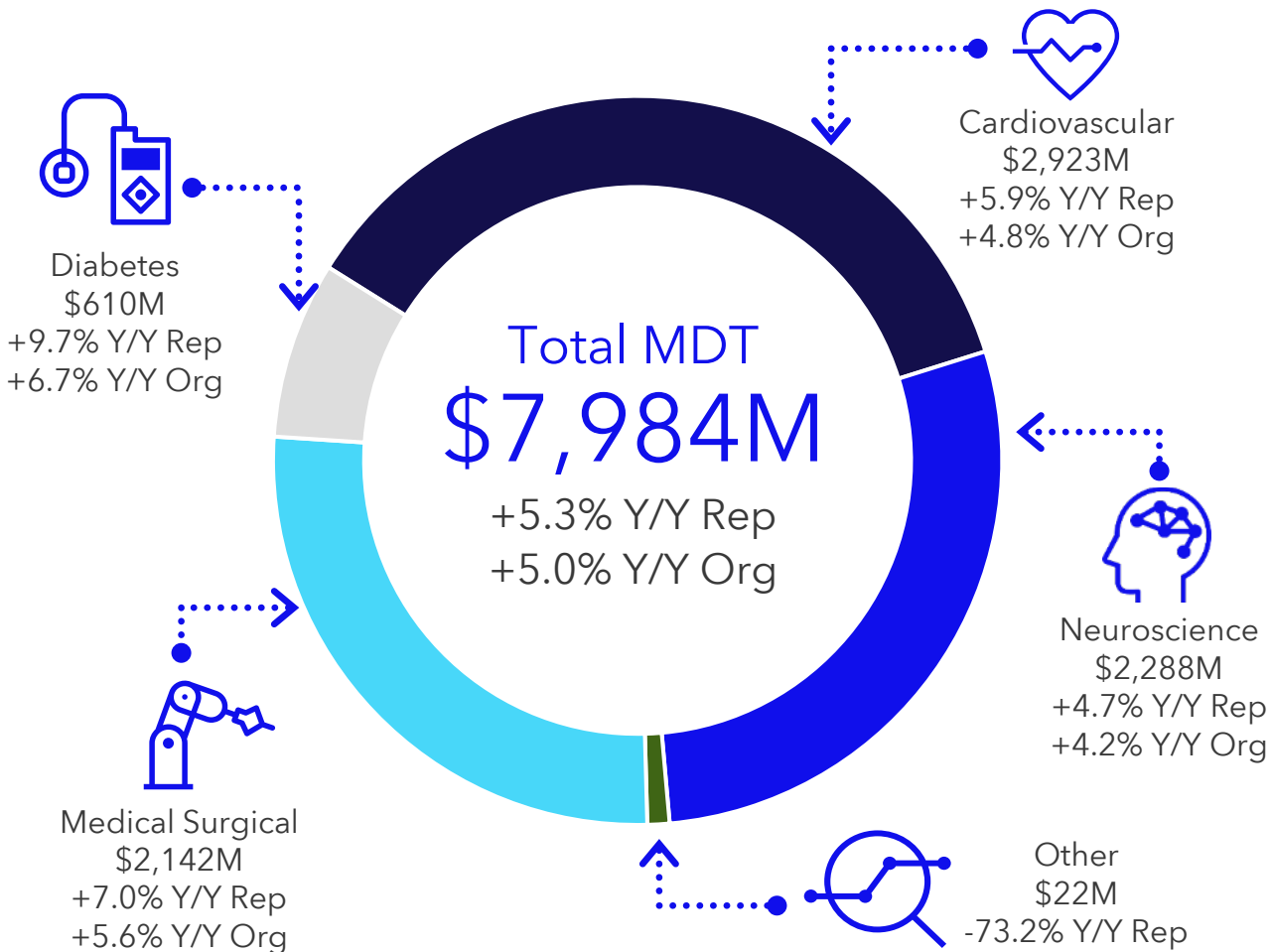
We're bringing game changing innovation to market, with numerous recent regulatory approvals and major product launches, which give us confidence in our ability to continue delivering dependable growth"

**GEOFF MARTHA,  
CHAIRMAN & CEO**

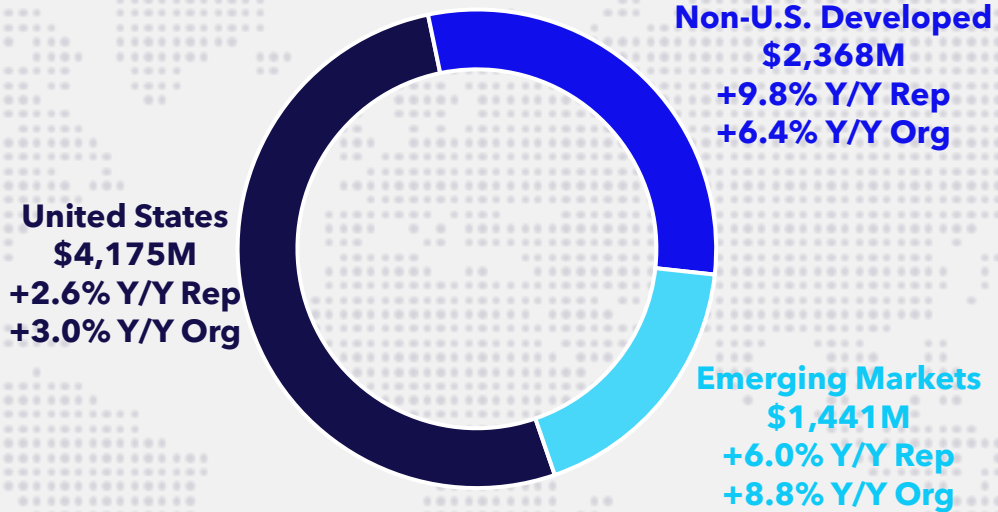


# Q2 FY24 Financial summary

## Revenue<sup>1</sup> by segment



## Revenue<sup>1</sup> by geography



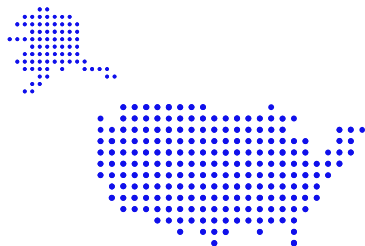
	GAAP	Non-GAAP	Cash flow from operations YTD
Diluted EPS	\$0.68	\$1.25	<b>\$1.5B</b>
Y/Y %	+112.5%	(3.8%)	Free cash flow <sup>2</sup> YTD
CC Y/Y %	N/A	+2.3%	<b>\$0.7B</b>

1) Data has been intentionally rounded to the nearest million and, therefore, may not sum.  
 2) Operating cash flows less property, plant, and equipment additions.

# Q2 FY24 Regional organic revenue growth

5.0% WW growth benefited from MSD growth in Non-U.S. Developed markets; rebound in China helped offset Russia headwinds

**United States** **Non-U.S. Developed** ▲ 6.4%



▲ 3.0%

**Western Europe**



▲ High-single digits

**Japan**



▲ Mid-single digits

**Australia & New Zealand**



▲ Low-single digits

**Canada**



▲ Low-single digits

**South Korea**



▲ Mid-single digits

**Emerging Markets** ▲ 8.8%

**China**



▲ High-single digits

**Middle East & Africa**



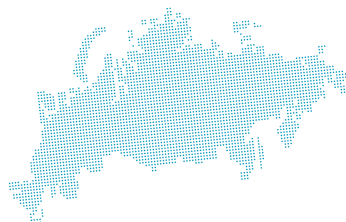
▲ Low-20's

**Latin America**



▲ Low-double digits

**Eastern Europe**



▼ Low-20's

**Southeast Asia**



▲ Mid-teens

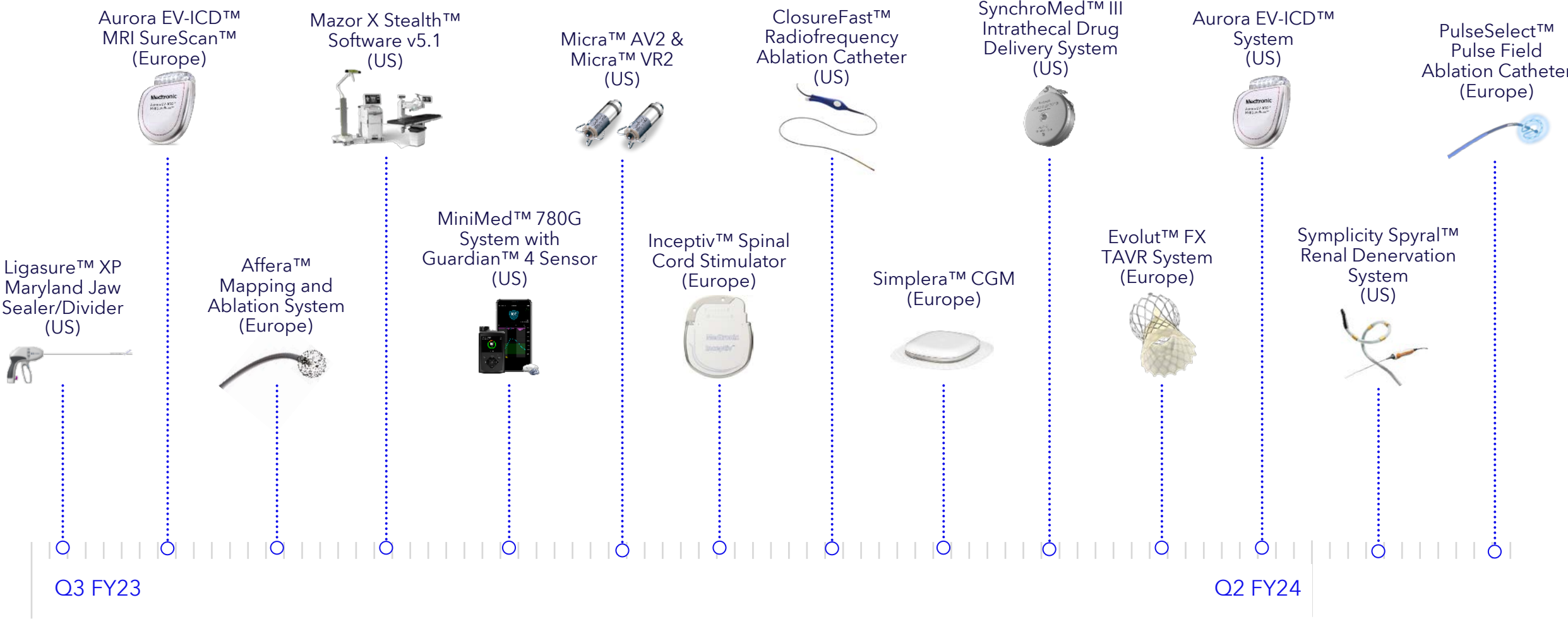
**South Asia**



▲ High-teens

# Key product approvals

Last 12 months: ~130 product approvals in key geographies<sup>1</sup>



Note: Relative positioning is not intended to signify relative timing  
 1) Includes U.S., EU, Japan and China. Does not include all indication or partner approvals, though select additional approvals are displayed  
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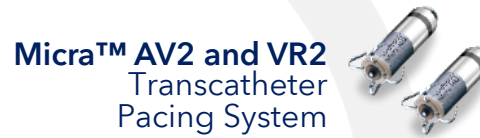
# Q2 FY24 Portfolio Highlights

# Cardiovascular

5% growth driven by strong performance in Pacing, Diagnostics, Aortic, Cardiac Surgery and Coronary

## Cardiac Rhythm & Heart Failure (CRHF)

- Cardiac Pacing Therapies: HSD growth; LDD WW Micra™ growth driven by OUS adoption and U.S. launch of Micra AV2 and VR2; high-30s WW SelectSure™ 3830 lead growth, the only lead approved for conduction system pacing in the U.S.
- Defibrillation Solutions: LSD decline; Aurora EV-ICD™ received FDA approval
- Diagnostics: HSD growth driven by LINQ II™; U.S. launch of AccuRhythm™ AI 2.0
- CAS: MSD growth driven by Arctic Front™ cryoablation catheters; expanding Affera™ mapping and focal ablation system LMR in Europe; received CE Mark for single-shot PulseSelect™ PFA catheter (PMA submission under FDA review)



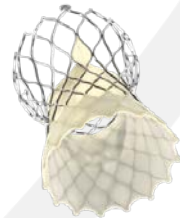
Micra™ AV2 and VR2 Transcatheter Pacing System



Aurora EV-ICD™ System



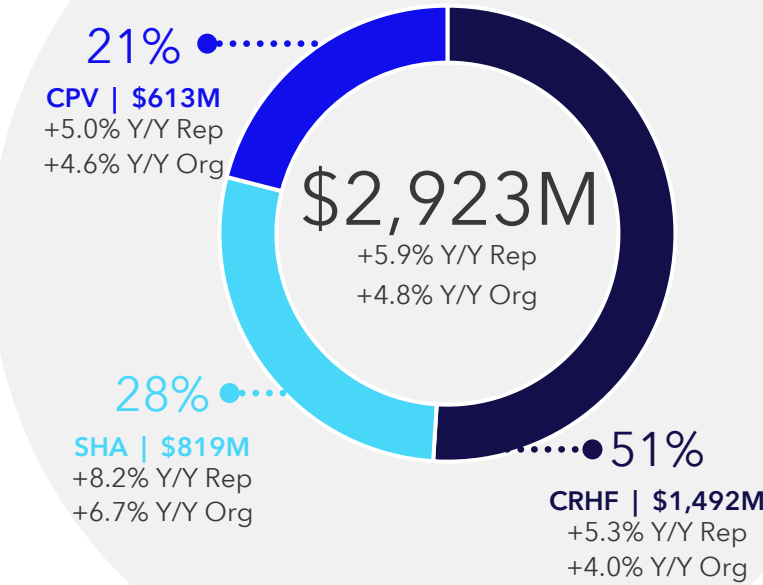
PulseSelect™ and Affera Sphere9™ Pulse Field Ablation (PFA) Catheters



Evolut™ FX TAVR System



Simplicity Spyral™ Renal Denervation System



## Structural Heart & Aortic (SHA)

- Structural Heart (TAVR): MSD growth on difficult US comp due to Evolut™ FX launch last year and delayed purchases in EU ahead of Evolut™ FX launch
  - Evolut Low Risk Trial 4-year results show Evolut TAVR system demonstrated exceptional outcomes and sustained valve performance, proven by significantly better hemodynamics and continued separation in death and disabling stroke vs. SAVR
- Aortic: HSD growth on supply; LDD AAA growth aided by 10-year Endurant data release
- Cardiac Surgery: High-teens U.S. growth driven by strength in Cannula & Perfusion

## Coronary and Peripheral Vascular (CPV)

- Coronary: Y/Y DES share gains driven by Onyx Frontier™ launch; HSD growth in Balloons and MSD growth in Guide Catheters
  - Received FDA approval for Simplicity Spyral™ RDN system
- Peripheral Vascular Health: Mid-teens growth in DCBs driven by strength of IN.PACT™ 018 DCB; HSD growth in Vascular Embolization and MSD growth in Superficial Venous

### Operating Unit Growth

Cardiac Rhythm Management	▲	MSD
Cardiac Ablation Solutions	▲	MSD
Structural Heart & Aortic	▲	MSD
Cardiac Surgery	▲	HSD
Coronary	▲	MSD
Peripheral Vascular Health	▲	LSD

Affera™ and PulseSelect™ are not commercially available in the U.S.

# Neuroscience

4% growth benefitting from strength in Core Spine & Neurosurgery

## Cranial & Spinal Technologies (CST)

- Core Spine: HSD growth, including MSD in the U.S., driven by AiBLE™ ecosystem pull-through
- Neurosurgery: MSD growth overall, with double digit growth in StealthStation™ navigation and O-arm™ Surgical Imaging System in both the U.S. and OUS
  - Mazor™ robotic system is the first and only solution to incorporate AI-based alignment planning with 3D hardware construct design tools and bone cutting technology
- Continued adoption of the AiBLE™ Spinal Ecosystem with its AI enabled surgical planning, implants, navigation, robotics, interoperative imaging, and surgical tools



**AiBLE™**  
Surgical Ecosystem

## Specialty Therapies (ST)

- Neurovascular: HSD growth (ex China) driven by low-20s growth in Flow Diversion and strong adoption of Shield Technology™
- Ear, Nose & Throat: Results impacted by TriVantage™ backorder, offset by mid-teens growth for Intersect™ and high-teens growth in Power disposables backorder recovery
- Pelvic Health: MSD ex-Enterra driven by low-20s growth in WE on cont'd InterStim™ X adoption; Completed 6-month primary endpoint of TITAN 2 pivotal trial for less-invasive Tibial implant



**Pipeline™ Shield**  
Embolization Device  
with Shield Technology™

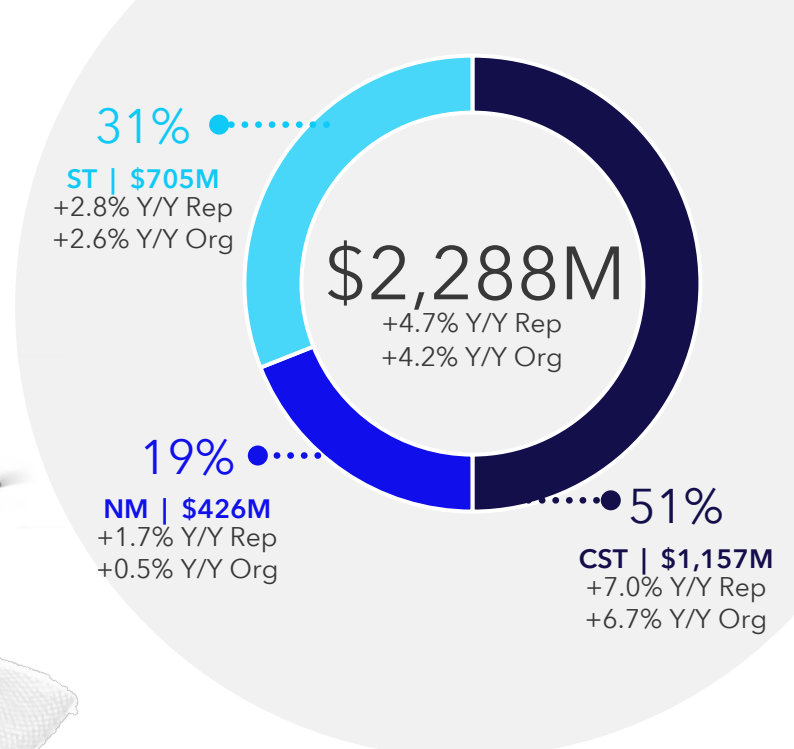
## Neuromodulation (NM)

- Spinal Cord Stimulation: LSD growth with HSD growth in U.S. driven by increasing trialing and implanting rates of our differentiated DTM™ on Intellis™ platform
  - Completed first European implants of Inceptiv™, our next-generation SCS with closed-loop sensing
- Brain Modulation: LSD declines; MSD U.S. new implant growth, driven by Percept™ PC with BrainSense™ technology

**DTM™ SCS**  
on the Intellis™  
Platform



**Inceptiv™ SCS**  
with Closed-  
Loop Sensing



### Operating Unit Growth

Cranial & Spinal Technologies	▲	HSD
Neurovascular	▲	MSD
ENT	▲	LSD
Pelvic Health	▲	LSD
Neuromodulation	▲	LSD

# Medical Surgical

6% growth driven by Advanced Surgical; GI Genius™ momentum continues

## Surgical & Endoscopy (SE)

- Surgical: MSD Y/Y growth driven by supply expansion within Signia™ powered stapler, LigaSure™ vessel sealing, and V-Loc™ barbed sutures
  - Advanced Stapling WW MSD growth driven Signia™ stapling; WW Energy grew MSD sequentially
  - Hernia LDD growth on ProGrip™ and Dextile™ mesh sales; Wound Management MSD growth driven by V-loc™ barbed suture and supply expansion
  - Hugo™<sup>1</sup> RAS installed base increase, and the Expand URO U.S. pivotal trial continues; received FDA approval to move forward with an IDE for Hernia indication
- Endoscopy: LDD WW growth driven by procedure volumes strength and contributions from GI Genius™ Intelligent Endoscopy, Barrx™ Radiofrequency Ablation System, and Nexpowder™ Endoscopic Hemostasis System; Launched next-gen Endoflip™ 300 Impedance Planimetry System
  - Clinical benefits of AI-powered GI Genius™ bolstered by 5<sup>th</sup> RCT: COLO-DETECT results presented at UEG Week, which validate improved adenoma detection rate



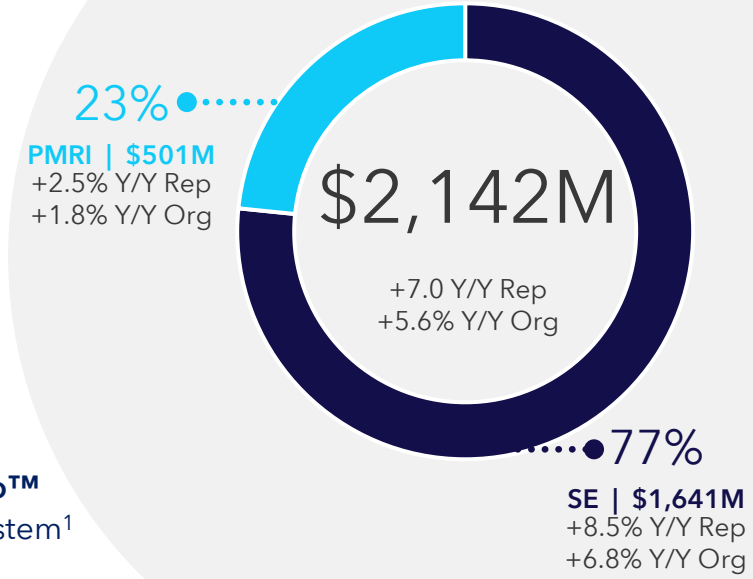
## Patient Monitoring & Respiratory Interventions (PMRI)

- Patient Monitoring: LSD growth driven by high-20s growth in Nellcor™ pulse oximetry monitors, including RespArray™ patient monitor; Respiratory Compromise grew LDD
- Respiratory Interventions: Flat growth supported by HSD Airways performance; Won multiple key U.S. accounts with McGRATH™ MAC Video Laryngoscope



**Operating Unit Growth**

Surgical	▲ MSD
Endoscopy	▲ LDD
Patient Monitoring	▲ LSD
Respiratory Interventions	▬ Flat



1) Hugo™ is not commercially available in the U.S.

# Diabetes

**7% growth fueled by exceptional U.S. adoption of MiniMed™ 780G system and continued double digit international growth**

## United States

Low 30s Q/Q revenue growth in 1<sup>st</sup> full quarter of MiniMed™ 780G system launch; new patient adds surpassed 3-year highs

- Leading indicators point to strong recovery; outlook calls for return to Y/Y growth in H2 FY24
- Installed base grew in Q2 FY24; new patient growth >60% Y/Y benefitting from increasing MDI share gain
- >20% Q/Q growth in unique 780G prescribers; driving competitive conversions with \$499 in-warranty upgrade program
- Experiencing lift for Guardian™ 4 sensor CGM attachment rates; adds confidence to recurring revenue stream

## International

Consistent mid-teens growth driven by MiniMed™ 780G system expansion and CGM growth

- WE: Medtronic remains the market leader with mid-teens growth; HCP's first choice in AID therapy<sup>2</sup>
- Other International: Launched MinMed™ 780G system in Korea with Japan anticipated Q3 FY24
- NICE guidelines established AID as standard of care in UK; totality of evidence continues to drive diabetes care towards system-first approach, reinforcing CGM alone is not enough to drive outcomes

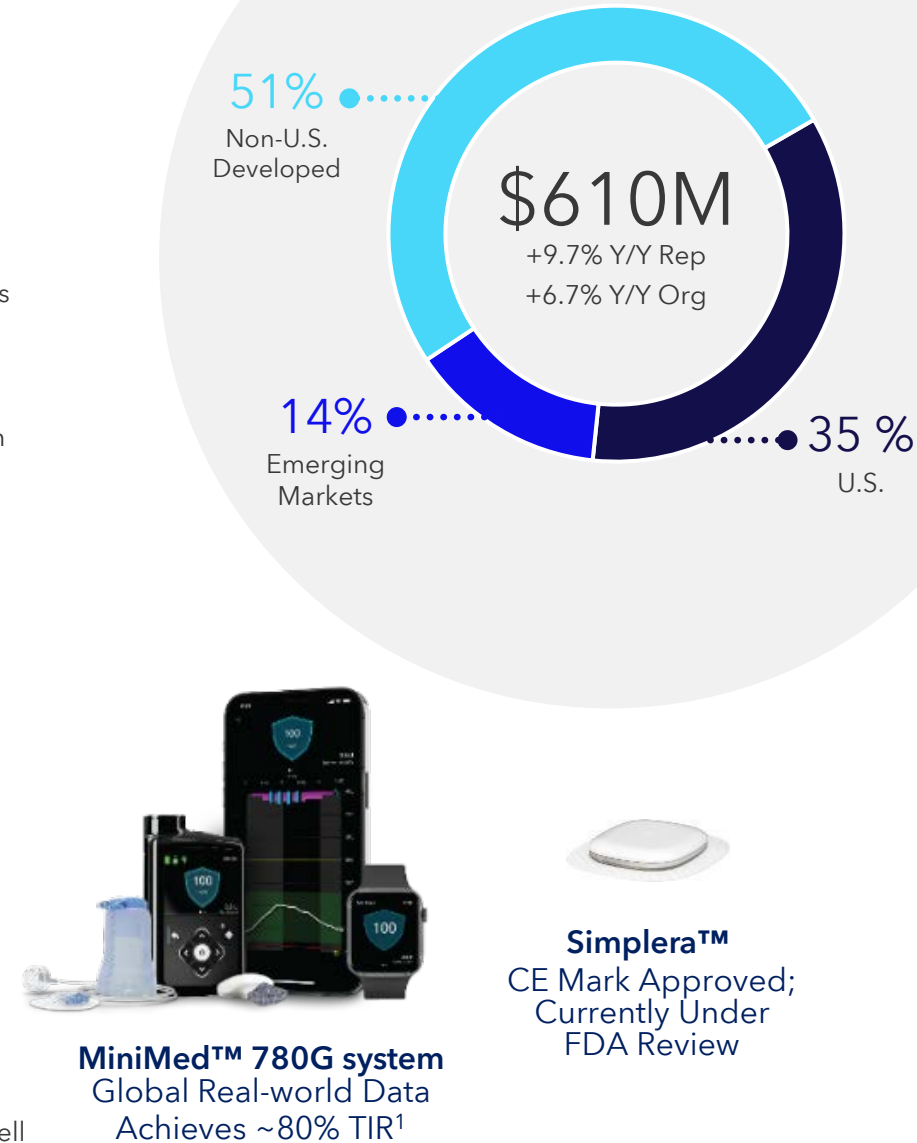
## Pipeline

Advancing next-gen pipeline to offer the largest portfolio of diabetes solutions

- MiniMed 780G™ system with Simplera™: Filed for CE Mark; Fully enrolled U.S. pivotal (ages 7-80) with final study completion expected in FY24Q4; followed by 780G+Simplera FDA submission expected in H1 CY24
- Secured CE Mark for next-gen CGM, Simplera, access 30+ EMEA countries; first commercial patients started in October with expanded rollout in 2H; 50% smaller fully disposable with 2-step insertion and no fingersticks
- On track to bring a differentiated patch system to U.S. with our next-gen sensor and Meal Detection™ Technology, as well as next generation durable pump system

1) 79% Time In Range using recommended settings as shown in real-world evidence for MM780G system (n=5,762)

2) Seagrove Partners 2023 survey (N=330) of European HCPs perspective on AID systems



# Q2 FY24 Financial Highlights

# Q2 FY24 Income statement

## GAAP<sup>1</sup>

(\$ in millions)	Q2 FY23	Q2 FY24	Y/Y
Revenue	\$7,585	\$7,984	5.3%
Gross Margin	66.6%	65.4%	-120 bps
SG&A % of Sales	34.5%	33.6%	-90 bps
R&D % of Sales	8.9%	8.7%	-20 bps
Operating Margin	18.5%	16.8%	-170 bps
Net Income	\$427	\$909	112.9%
Diluted EPS	\$0.32	\$0.68	112.5%

Full GAAP to non-GAAP reconciliation in Appendix

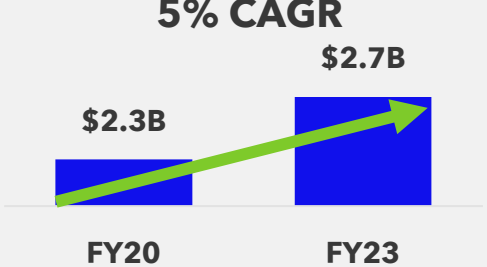


## Non-GAAP<sup>1</sup>

(\$ in millions)	Q2 FY23	Q2 FY24	Y/Y
Revenue	\$7,585	\$7,984	5.3%
Gross Margin	67.6%	65.9%	-170 bps
SG&A % of Sales	33.8%	32.9%	-90 bps
R&D % of Sales	8.7%	8.6%	-10 bps
Operating Margin	26.6%	25.2%	-140 bps
Net Income	\$1,725	\$1,667	-3.4%
Diluted EPS	\$1.30	\$1.25	-3.8%

1) The data in this table has been intentionally rounded and, therefore, may not sum; Dollars in millions except for EPS.

# Exercising decisive capital allocation

Prioritizing innovation-driven growth investments while delivering consistent dividends to shareholders

Investments for Growth	<b>Research &amp; Development</b> Target R&D growth at/above revenue growth	<b>5% CAGR</b> 	<b>Minority investments, strategic partnerships, &amp; incubators</b> Add to traditional investment
	<b>Smart M&amp;A &amp; Divestitures</b> Focus on tuck-in M&A and reinvest proceeds from divestitures to add exposure to high-growth markets and streamline portfolio	<b>10</b> acquisitions announced for <b>&gt;\$4.0B</b> in total consideration since FY21 	 <b>\$1.5B</b> invested as of Q2 FY24 → <b>75+</b> companies
Return to Shareholders	<b>Dividend &amp; Share Repurchase</b> Target minimum of 50% of Free Cash Flow returned to shareholders annually; prioritizing dividends	FY23 <b>\$4.0B</b> Net share repurchases & dividends <b>86%</b> of Free Cash Flow	<b>46 Years</b> of dividend increases Member of <b>S&amp;P 500 Dividend Aristocrats</b> <b>\$4.2B</b> shares repurchased since FY21



# Guidance & Assumptions

# Guidance and assumptions

FY24 REVENUE	FY23 base <sup>1</sup>	Organic revenue growth guidance	FX <sup>2</sup>	Inorganic	Other <sup>3</sup>	Implied reported revenue range
Q4 Earnings Call May 25, 2023	FY23 Reported \$31,227M	<b>4.0% to 4.5%</b>	+\$110M to +\$210M	\$0	~\$50M	~\$32.0B to \$32.3B
	Less IP Agreement (\$265M)					
Q1 Earnings Call August 22, 2023	Less Other <sup>2</sup> (\$300M)	<b>4.5%</b>	(\$25M) to +\$75M	\$0	~\$50M	~\$32.1B to \$32.2B
Q2 Earnings Call November 21, 2023	FY23 base <b>\$30,662M</b>	<b>4.75%</b>	(\$200M) to (\$100M)	\$0	~\$65M	~\$32.0B to \$32.1B

FY24 EPS	FY23 base	Implied constant currency growth	FX <sup>2</sup>	FY24 EPS guidance
Q4 Earnings Call May 25, 2023		+1% to +3%	~(6%)	\$5.00 to \$5.10
Q1 Earnings Call August 22, 2023	\$5.29	+2% to +3%	~(6%)	\$5.08 to \$5.16
Q2 Earnings Call November 21, 2023		+3% to +4%	~(6%)	<b>\$5.13 to \$5.19</b>

Note: EPS guidance does not include any charges or gains that would be reported as non-GAAP adjustments to earnings during the fiscal year

1) FY23 reported revenue of \$31,227 less IP Agreement of \$265M and less Other of \$300M

2) While FX rates are fluid, assumptions above are based on rates as of November 2023

3) Other includes Mozarc Medical and Cardinal Health Manufacturing Agreements



# Sustainability

# Sustainability

## Leading in engagement, citizenship and innovation



DiversityInc

#2 in Diversity Top 50, #2 for Mentorship, #7 for Supplier Diversity, #5 for ESG, #1 for Top company for executive women, #1 for Latino executives, #4 for Asian American executives



2022 Great Place To Work® And Fortune Magazine  
#12 Worlds Best Workplaces™



Great Place to Work® certified awarded to Medtronic in Australia, Greater China, Spain, and 20 other countries



Human Rights Campaign  
100% Corporate Equality Index Human Rights Campaign - Best Places to Work for LGBTQ+ in South America - Medtronic Chile



U.S. Chamber of Commerce Foundation  
Best Corporate Citizens Awards  
Named Best Corporate Steward - Large Business



Top Employers Institute certified  
Awarded to Medtronic in the U.K., Egypt, South Africa, and 6 other countries



Ethisphere  
One of the 2023 Worlds Most Ethical Companies®



2023 Disability:IN and the American Association of People with Disabilities Disability Equality Index® Best Places to Work™ – 100% Score 6<sup>th</sup> consecutive year with top score



2023 Hispanic Association on Corporate Responsibility  
5-star awards across all 4 pillars – Employment, Philanthropy, Procurement, & Governance – 2<sup>nd</sup> consecutive year

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

Dow Jones Sustainability Index  
DJSI World Index for 2 consecutive years  
DJSI North American Index for 15 consecutive years

Named one of America's 2022  
**Best Employers for Veterans**  
by Forbes

Forbes  
America's Best Employers for Veterans 2022



Glassdoor  
Best Places to Work 2022



Just Capital  
Named one of America's Most JUST Companies by JUST Capital



2022 India's Best Workplaces for Women Medtronic Engineering and Innovation Centre in Hyderabad



IR Magazine  
2023 Best IR Website; Runner-up for Best IR in Healthcare

# Near and long-term sustainability objectives

## Robust governance structures and processes underpin our sustainability strategy



Carbon neutral in Operations (scope 1 and 2)



Net-zero emissions

Sustainability targets and progress		Baseline	End date	FY23 status
Climate stewardship	Reduce greenhouse gas emissions intensity by 50%	FY20	FY25	<b>35%</b>
	Reduce energy intensity by 20%	FY20	FY25	<b>6%</b>
	Source 50% of energy from renewable and alternative sources	FY20	FY25	<b>31%<sup>1</sup></b>
	Reduce water usage intensity by 15%	FY20	FY25	<b>9%</b>
	Reduce waste intensity by 15%	FY20	FY25	<b>17%</b>
	Become carbon neutral in our operations (scope 1 and 2)	N/A	FY30	<b>On track</b>
	Reach net-zero emissions	N/A	FY45	<b>On track</b>
Product stewardship	Reduce packaging waste by 25% for four <sup>2</sup> targeted high-volume product families <sup>3</sup>	FY21	FY25	<b>7%</b>
	Minimize impact of instructions for use (IFU) through a 35% paper reduction	FY21	FY27	<b>1%</b>
	Publish partial life cycle assessments (LCA) for 100% of products and full LCAs for 50% of products	N/A	FY30	<b>New in FY23</b>
	Convert 50% of eligible product codes to electronic IFUs within applicable regions	N/A	FY30	<b>New in FY23</b>
	Integrate circularity and eco-design criteria into the New Product Development process	N/A	FY30	<b>New in FY23</b>
	Achieve one of the following for 95% of eligible plastic packaging: is industrially recyclable, contains postindustrial recycled content, demonstrates optimized design	N/A	FY30	<b>New in FY23</b>
	Reduce packaging for 20 additional high-volume products for a total of 50% reduction	N/A	FY30	<b>New in FY23</b>
Access and Innovation	Flow 20% of revenue from products released in the prior 36 months (vitality index)	N/A	FY25	<b>16%</b>
	Serve 79 million patients annually through strategies that increase healthcare access <sup>4</sup>	N/A	FY25	<b>74 million +</b>
Product quality	Reduce aggregate product complaint rate by 10% for identified product families <sup>5</sup>	FY20	FY25	<b>39%</b>
ID&E	Reach 45% representation of women in manager-and-above roles globally	N/A	FY26	<b>43%</b>
	Reach 30% representation of ethnically diverse groups in manager-and-above roles in the U.S.	N/A	FY26	<b>28%</b>
	Increase spend with U.S. diverse-owned suppliers by 5% Y/Y through FY26	FY22	FY23	<b>37%</b>

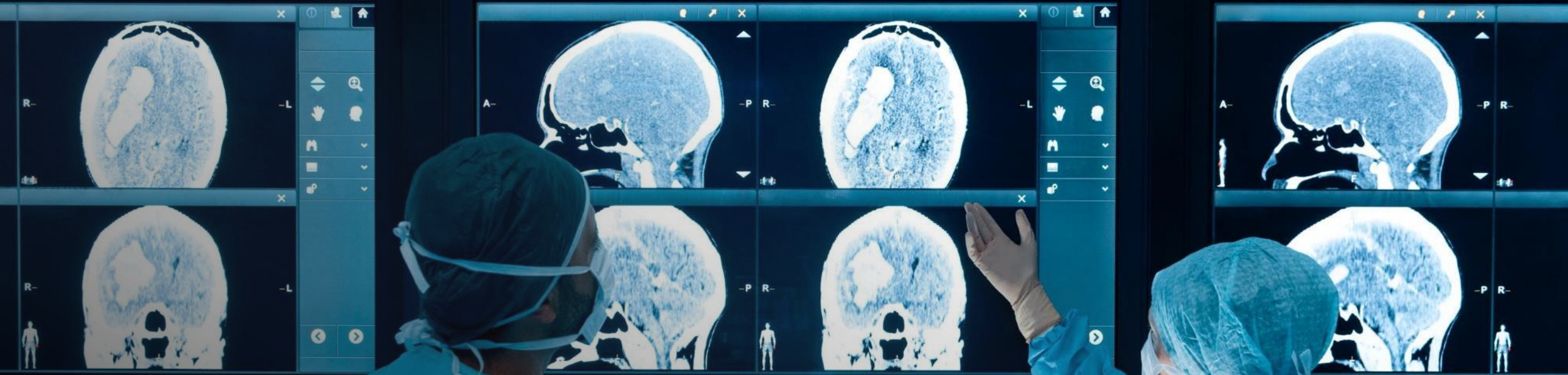
1. Annual progress is cumulative and represented as the growth in sourcing over the FY20 baseline year. Value includes purchases renewable electricity credits.

2. Four product families include: Tri-staple, Polysorb, Absorbatack, Spinal Implants

3. High-volume product families identified based on weight, material selection, and sourcing

4. Target was adjusted in FY23 after announcement of plans to divest the PMRI businesses

5. For more information see page 17 of the FY23 Sustainability Report found on the Medtronic [Investor Relations website](#)



# Appendix

# Q2 FY24 Revenue by portfolio and geography

	Worldwide			U.S.			Non-U.S. Developed			Emerging Markets		
	Revenue (\$M) <sup>1</sup>	As reported Y/Y%	Organic Y/Y%	Revenue (\$M) <sup>1</sup>	As reported Y/Y%	Organic Y/Y%	Revenue (\$M) <sup>1</sup>	As reported Y/Y%	Organic Y/Y%	Revenue (\$M) <sup>1</sup>	As reported Y/Y%	Organic Y/Y%
<b>Cardiovascular</b>	<b>2,923</b>	<b>5.9</b>	<b>4.8</b>	<b>1,427</b>	<b>1.2%</b>	<b>1.2%</b>	<b>912</b>	<b>13.7%</b>	<b>8.4%</b>	<b>584</b>	<b>7.0%</b>	<b>9.2%</b>
Cardiac Rhythm & Heart Failure	1,492	5.3%	4.0%									
Structural Heart & Aortic	819	8.2%	6.7%									
Coronary & Peripheral Vascular	613	5.0%	4.6%									
<b>Neuroscience</b>	<b>2,288</b>	<b>4.7%</b>	<b>4.2%</b>	<b>1,560</b>	<b>3.2%</b>	<b>3.2%</b>	<b>399</b>	<b>4.5%</b>	<b>0.8%</b>	<b>329</b>	<b>12.7%</b>	<b>14.0%</b>
Cranial & Spinal Technologies	1,157	7.0%	6.7%									
Specialty Therapies	705	2.8%	2.6%									
Neuromodulation	426	1.7%	0.5%									
<b>Medical Surgical</b>	<b>2,142</b>	<b>7.0%</b>	<b>5.6%</b>	<b>963</b>	<b>7.6%</b>	<b>7.6%</b>	<b>740</b>	<b>8.0%</b>	<b>4.1%</b>	<b>438</b>	<b>4.0%</b>	<b>3.8%</b>
Surgical & Endoscopy	1,641	8.5%	6.8%									
Patient Monitoring & Respiratory Interventions	501	2.5%	1.8%									
<b>Diabetes</b>	<b>610</b>	<b>9.7%</b>	<b>6.7%</b>	<b>217</b>	<b>-4.8%</b>	<b>-4.8%</b>	<b>310</b>	<b>22.0%</b>	<b>15.0%</b>	<b>84</b>	<b>13.5%</b>	<b>14.9%</b>
<b>Other</b>	<b>22</b>	<b>-73.2%</b>	<b>-</b>	<b>8</b>	<b>-65.2%</b>	<b>-</b>	<b>7</b>	<b>-78.8%</b>	<b>-</b>	<b>7</b>	<b>-72.0%</b>	<b>-</b>
<b>Total Medtronic</b>	<b>7,984</b>	<b>5.3%</b>	<b>5.0%</b>	<b>4,175</b>	<b>2.6%</b>	<b>3.0%</b>	<b>2,368</b>	<b>9.8%</b>	<b>6.4%</b>	<b>1,441</b>	<b>6.0%</b>	<b>8.8%</b>

1) Data has been intentionally rounded to the nearest million and, therefore, may not sum  
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# Q2 FY24 GAAP to non-GAAP reconciliations

	Q2 FY24 GAAP	Amortization	Restructuring	Certain Litigation	Acquisition and Divestiture- Related Items	(Gain)/ Loss on Minority Investment	Medical Device Regulations	Certain Tax Adjustments	Q2 FY24 Non-GAAP	Q2 FY23 Non-GAAP	Y/Y Growth / Change
<b>Net Sales</b>	<b>7,984</b>	-	-	-	-	-	-	-	<b>7,984</b>	<b>7,585</b>	<b>5.3%</b>
Cost of Products Sold	2,761	-	(15)	-	(6)	-	(21)	-	2,720	2,454	10.8%
<b>Gross Margin</b>	<b>65.4%</b>	-	<b>0.2%</b>	-	<b>0.1%</b>	-	<b>0.3%</b>	-	<b>65.9%</b>	<b>67.6%</b>	<b>-170 bps</b>
SG&A	2,686	-	(36)	-	(26)	-	-	-	2,623	2,563	2.3%
% of Sales	33.6%	-	(0.5%)	-	(0.3%)	-	-	-	32.9%	33.8%	-90 bps
R&D	698	-	-	-	-	-	(9)	-	688	659	4.4%
% of Sales	8.7%	-	-	-	-	-	(0.1)%	-	8.6%	8.7%	-10 bps
Other Operating Expense (Income), Net	(31)	-	-	-	(26)	-	-	-	(57)	(112)	(49.1%)
% of Sales	(0.4%)	-	-	-	(0.3)%	-	-	-	(0.7%)	(1.5%)	-80 bps
Amortization of Intangible Assets	425	(425)	-	-	-	-	-	-	-	-	-
Restructuring Charges, Net	40	-	(40)	-	-	-	-	-	-	-	-
Certain Litigation Charges	65	-	-	(65)	-	-	-	-	-	-	-
<b>Operating Profit</b>	<b>1,340</b>	<b>425</b>	<b>91</b>	<b>65</b>	<b>58</b>	-	<b>30</b>	-	<b>2,009</b>	<b>2,020</b>	<b>(0.5%)</b>
<b>Operating Margin</b>	<b>16.8%</b>	<b>5.3%</b>	<b>1.1%</b>	<b>0.8%</b>	<b>0.7%</b>	-	<b>0.4%</b>	-	<b>25.2%</b>	<b>26.6%</b>	<b>-140 bps</b>
Other Non-Operating Income, Net	(154)	-	-	-	-	(25)	-	-	(179)	(98)	82.7%
<b>Net Income Attributable to MDT (\$M)</b>	<b>909</b>	<b>360</b>	<b>76</b>	<b>50</b>	<b>51</b>	<b>21</b>	<b>24</b>	<b>176</b>	<b>1,667</b>	<b>1,725</b>	<b>(3.4%)</b>
<b>Diluted EPS (\$)<sup>(1)</sup></b>	<b>0.68</b>	<b>0.27</b>	<b>0.06</b>	<b>0.04</b>	<b>0.04</b>	<b>0.02</b>	<b>0.02</b>	<b>0.13</b>	<b>1.25</b>	<b>1.30</b>	<b>(3.8%)</b>

1) Data has been intentionally rounded to the nearest million or \$0.01 for EPS figures and, therefore, may not sum  
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# FY24 Medtronic business structure



## Cardiovascular

[Learn more](#)

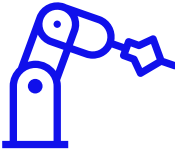
- Cardiac Rhythm & Heart Failure**
  - Cardiac Rhythm Management\*
  - Cardiac Ablation Solutions
- Structural Heart & Aortic**
  - Structural Heart & Aortic
  - Cardiac Surgery
- Coronary & Peripheral Vascular**
  - Coronary & Renal Denervation
  - Peripheral Vascular Health



## Neuroscience

[Learn more](#)

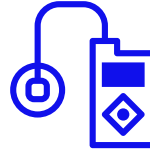
- Cranial & Spinal Technologies**
- Specialty Therapies**
  - Neurovascular
  - Ears, Nose & Throat (ENT)
  - Pelvic Health
- Neuromodulation**



## Medical Surgical

[Learn more](#)

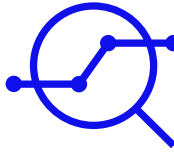
- Surgical & Endoscopy**
  - Surgical
  - Endoscopy
- Patient Monitoring & Respiratory Interventions**
  - Patient Monitoring\*
  - Respiratory Interventions



## Diabetes

[Learn more](#)

Therapies and services for insulin-dependent people who have Type 1 and Type 2



## Other

[Learn more](#)

- Mozarc Medical Manufacturing & Servicing Agreements
- Cardinal Health Manufacturing Agreements\*\*

\* Medtronic Care Management Services reported as part of Cardiac Rhythm Management in FY23 moved to Patient Monitoring for FY24

\*\* Previously included within Medical Surgical Portfolio

# Abbreviations & acronyms

Growth		Business specific		Business specific		Other	
▼	Revenue Decreased Y/Y Organic	AAA	Abdominal Aortic Aneurysm	ICD	Implantable Cardioverter Defibrillator	ADA	American Diabetes Association
—	Revenue flat Y/Y Organic	AID	Automated Insulin Delivery	MDI	Multiple Daily Injections	Ex-Vent	Excluding Ventilator
▲	Revenue Increased Y/Y Organic	CAS	Cardiac Ablation Solutions	PFA	Pulse Field Ablation	HCP	Health Care Provider
WAMGR	Weighted Average Market Growth Rate	CGM	Continuous Glucose Monitoring	RAS	Robot-Assisted Surgery	IDE	Investigational Device Exemption
		CRM	Cardiac Rhythm Management	RDN	Renal Denervation	ID&E	Inclusion, Diversity and Equity
		CRT-D	Cardiac Resynchronization Therapy - Defibrillator	SAVR	Surgical Aortic Valve Replacement	NICE	National Institute for Health and Care Excellence
		DBS	Deep Brain Stimulation	SCS	Spinal Cord Stimulation	OU	Operating Unit
		DCB	Drug Coated Balloon	SVD	Structural Valve Deterioration	RCT	Randomized Controlled Trial
		DES	Drug Eluting Stent	TAA	Thoracic Aortic Aneurysm	UEG	United European Gastroenterology
		DTM	Differential Target Multiplexed Waveform	TAVR	Transcatheter Aortic Valve Replacement	VBP	Volume-Based Procurement
		ENT	Ear, Nose, & Throat	TIR	Time In Range	WE	Western Europe
		EV-ICD	Extravascular Implantable Cardioverter Defibrillator	URO	Urology	WW	World Wide
		GI	Gastrointestinal				

# Medtronic

Engineering the extraordinary

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