

MEDTRONIC PLC
WORLD WIDE REVENUE⁽¹⁾
(Unaudited)

(in millions)	SECOND QUARTER						SECOND QUARTER YEAR-TO-DATE ⁽²⁾					
	REPORTED			CONSTANT CURRENCY			REPORTED			CONSTANT CURRENCY		
	FY21	FY20	Growth	Currency Impact ⁽⁴⁾	FY21	Growth	FY21	FY20	Growth	Currency Impact ⁽⁴⁾	FY21	Growth
Cardiac & Vascular Group	\$ 2,725	\$ 2,855	(4.6)%	\$ 27	\$ 2,698	(5.5)%	\$ 5,158	\$ 5,645	(8.6)%	\$ (12)	\$ 5,170	(8.4)%
Cardiac Rhythm & Heart Failure	1,426	1,426	—	18	1,408	(1.3)	2,673	2,807	(4.8)	2	2,671	(4.8)
Coronary & Structural Heart	831	955	(13.0)	6	825	(13.6)	1,611	1,896	(15.0)	(12)	1,623	(14.4)
Aortic, Peripheral, & Venous	468	474	(1.3)	3	465	(1.9)	873	942	(7.3)	(3)	876	(7.0)
Minimally Invasive Therapies Group	2,285	2,142	6.7	11	2,274	6.2	4,086	4,242	(3.7)	(27)	4,113	(3.0)
Surgical Innovations	1,393	1,454	(4.2)	10	1,383	(4.9)	2,473	2,871	(13.9)	(15)	2,488	(13.3)
Respiratory, Gastrointestinal, & Renal	893	688	29.8	1	892	29.7	1,613	1,371	17.7	(11)	1,624	18.5
Restorative Therapies Group⁽³⁾	2,063	2,112	(2.3)	13	2,050	(2.9)	3,774	4,124	(8.5)	(4)	3,778	(8.4)
Cranial & Spinal Technologies	1,071	1,117	(4.1)	5	1,066	(4.6)	2,015	2,167	(7.0)	(2)	2,017	(6.9)
Specialty Therapies	581	575	1.0	4	577	0.3	1,035	1,138	(9.1)	(3)	1,038	(8.8)
Neuromodulation	411	420	(2.1)	4	407	(3.1)	725	818	(11.4)	1	724	(11.5)
Diabetes Group	574	596	(3.7)	8	566	(5.0)	1,136	1,188	(4.4)	(3)	1,139	(4.1)
TOTAL	\$ 7,647	\$ 7,706	(0.8)%	\$ 59	\$ 7,588	(1.5)%	\$ 14,154	\$ 15,199	(6.9)%	\$ (46)	\$ 14,200	(6.6)%

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

(2) Fiscal year 2021 is a 53-week fiscal year, with the extra week occurring in the first fiscal month of the first quarter and included in reported second quarter year-to-date results. While it is difficult to calculate the impact of the extra week, the Company estimates the extra week benefited second quarter year-to-date constant currency growth by approximately \$360 to \$390 million. Second quarter year-to-date revenue also includes \$15 million of inorganic revenue related to the Titan Spine acquisition, which is included in the reported results of the Cranial & Spinal Technologies division of the Restorative Therapies Group. When excluding the impact of currency, inorganic Titan Spine revenue, and the estimated impact of the extra week, second quarter year-to-date revenue for fiscal year 2021 declined approximately 9 percent organic.

(3) In the first quarter of fiscal year 2021, the Company realigned its divisions within the Restorative Therapies Group. As a result, fiscal year 2020 results have been recast to adjust for this realignment.

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

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

(in millions)	SECOND QUARTER			SECOND QUARTER YEAR-TO-DATE		
	REPORTED			REPORTED		
	FY21	FY20	Growth	FY21	FY20	Growth
Cardiac & Vascular Group	\$ 1,377	\$ 1,455	(5.4)%	\$ 2,582	\$ 2,816	(8.3)%
Cardiac Rhythm & Heart Failure	760	785	(3.2)	1,431	1,514	(5.5)
Coronary & Structural Heart	357	403	(11.4)	663	779	(14.9)
Aortic, Peripheral, & Venous	260	267	(2.6)	488	523	(6.7)
Minimally Invasive Therapies Group	996	922	8.0	1,718	1,835	(6.4)
Surgical Innovations	560	584	(4.1)	960	1,157	(17.0)
Respiratory, Gastrointestinal, & Renal	436	338	29.0	758	679	11.6
Restorative Therapies Group⁽³⁾	1,397	1,440	(3.0)	2,533	2,778	(8.8)
Cranial & Spinal Technologies	770	802	(4.0)	1,462	1,544	(5.3)
Specialty Therapies	346	351	(1.4)	588	687	(14.4)
Neuromodulation	281	287	(2.1)	483	548	(11.9)
Diabetes Group	284	311	(8.7)	572	618	(7.4)
TOTAL	\$ 4,054	\$ 4,129	(1.8)%	\$ 7,405	\$ 8,046	(8.0)%

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

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

(3) In the first quarter of fiscal year 2021, the Company realigned its divisions within the Restorative Therapies Group. As a result, fiscal year 2020 results have been recast to adjust for this realignment.

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

(in millions)	SECOND QUARTER						SECOND QUARTER YEAR-TO-DATE ⁽³⁾					
	REPORTED			Currency Impact ⁽⁴⁾	CONSTANT CURRENCY		REPORTED			Currency Impact ⁽⁴⁾	CONSTANT CURRENCY	
	FY21	FY20	Growth		FY21	Growth	FY21	FY20	Growth		FY21	Growth
U.S.	\$ 1,377	\$ 1,455	(5.4)%	\$ —	\$ 1,377	(5.4)%	\$ 2,582	\$ 2,816	(8.3)%	\$ —	\$ 2,582	(8.3)%
Non-U.S. Developed	945	890	6.2	41	904	1.6	1,798	1,820	(1.2)	27	1,771	(2.7)
Emerging Markets	404	510	(20.8)	(15)	419	(17.8)	778	1,009	(22.9)	(39)	817	(19.0)
Cardiac & Vascular Group	2,725	2,855	(4.6)	27	2,698	(5.5)	5,158	5,645	(8.6)	(12)	5,170	(8.4)
U.S.	996	922	8.0	—	996	8.0	1,718	1,835	(6.4)	—	1,718	(6.4)
Non-U.S. Developed	837	782	7.0	31	806	3.1	1,556	1,573	(1.1)	20	1,536	(2.4)
Emerging Markets	452	438	3.2	(21)	473	8.0	811	834	(2.8)	(47)	858	2.9
Minimally Invasive Therapies Group	2,285	2,142	6.7	11	2,274	6.2	4,086	4,242	(3.7)	(27)	4,113	(3.0)
U.S.	1,397	1,440	(3.0)	—	1,397	(3.0)	2,533	2,778	(8.8)	—	2,533	(8.8)
Non-U.S. Developed	426	416	2.4	17	409	(1.7)	802	842	(4.8)	11	791	(6.1)
Emerging Markets	240	256	(6.3)	(4)	244	(4.7)	439	504	(12.9)	(15)	454	(9.9)
Restorative Therapies Group	2,063	2,112	(2.3)	13	2,050	(2.9)	3,774	4,124	(8.5)	(4)	3,778	(8.4)
U.S.	284	311	(8.7)	—	284	(8.7)	572	618	(7.4)	—	572	(7.4)
Non-U.S. Developed	238	226	5.3	12	226	—	465	457	1.8	6	459	0.4
Emerging Markets	51	59	(13.6)	(4)	55	(6.8)	100	113	(11.5)	(9)	109	(3.5)
Diabetes Group	574	596	(3.7)	8	566	(5.0)	1,136	1,188	(4.4)	(3)	1,139	(4.1)
U.S.	4,054	4,129	(1.8)	—	4,054	(1.8)	7,405	8,046	(8.0)	—	7,405	(8.0)
Non-U.S. Developed	2,446	2,315	5.7	101	2,345	1.3	4,621	4,692	(1.5)	64	4,557	(2.9)
Emerging Markets	1,147	1,262	(9.1)	(43)	1,190	(5.7)	2,128	2,460	(13.5)	(110)	2,238	(9.0)
TOTAL	\$ 7,647	\$ 7,706	(0.8)%	\$ 59	\$ 7,588	(1.5)%	\$ 14,154	\$ 15,199	(6.9)%	\$ (46)	\$ 14,200	(6.6)%

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

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

(3) Fiscal year 2021 is a 53-week fiscal year, with the extra week occurring in the first fiscal month of the first quarter and included in reported second quarter year-to-date results. While it is difficult to calculate the impact of the extra week, the Company estimates the extra week benefited second quarter year-to-date constant currency growth by approximately \$360 to \$390 million. Second quarter year-to-date revenue also includes \$15 million of inorganic revenue related to the Titan Spine acquisition, which is included in the reported results of the Cranial & Spinal Technologies division of the Restorative Therapies Group. When excluding the impact of currency, inorganic Titan Spine revenue, and the estimated impact of the extra week, second quarter year-to-date revenue for fiscal year 2021 declined approximately 9 percent organic.

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

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(in millions, except per share data)	Three months ended		Six months ended	
	October 30, 2020	October 25, 2019	October 30, 2020	October 25, 2019
Net sales	\$ 7,647	\$ 7,706	\$ 14,154	\$ 15,199
Costs and expenses:				
Cost of products sold	2,705	2,394	5,209	4,760
Research and development expense	639	603	1,260	1,190
Selling, general, and administrative expense	2,600	2,620	5,017	5,163
Amortization of intangible assets	443	441	884	881
Restructuring charges, net	97	27	150	74
Certain litigation charges, net	84	121	(4)	168
Other operating expense, net	149	149	35	127
Operating profit	930	1,351	1,603	2,836
Other non-operating income, net	(65)	(108)	(147)	(209)
Interest expense	470	165	641	774
Income before income taxes	525	1,294	1,109	2,271
Income tax provision (benefit)	31	(77)	124	23
Net income	494	1,371	985	2,248
Net income attributable to noncontrolling interests	(5)	(7)	(9)	(20)
Net income attributable to Medtronic	\$ 489	\$ 1,364	\$ 976	\$ 2,228
Basic earnings per share	\$ 0.36	\$ 1.02	\$ 0.73	\$ 1.66
Diluted earnings per share	\$ 0.36	\$ 1.01	\$ 0.72	\$ 1.65
Basic weighted average shares outstanding	1,344.4	1,340.8	1,343.1	1,340.8
Diluted weighted average shares outstanding	1,352.1	1,351.4	1,351.1	1,351.6

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended October 30, 2020									
(in millions, except per share data)	Net Sales	Cost of Products Sold	Gross Margin Percent	Operating Profit	Operating Profit Percent	Income Before Income Taxes	Net Income Attributable to Medtronic	Diluted EPS ⁽¹⁾	Effective Tax Rate
GAAP	\$ 7,647	\$ 2,705	64.6 %	\$ 930	12.2 %	\$ 525	\$ 489	\$ 0.36	5.9 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(32)	0.4	179	2.3	179	135	0.10	24.6
Acquisition-related items (3)	—	(2)	—	37	0.5	37	31	0.02	16.2
Certain litigation charges	—	—	—	84	1.1	84	63	0.05	25.0
(Gain)/loss on minority investments (4)	—	—	—	—	—	1	1	—	—
IPR&D charges (5)	—	—	—	10	0.1	10	8	0.01	20.0
Medical device regulations (6)	—	(11)	0.1	19	0.2	19	16	0.01	15.8
Amortization of intangible assets	—	—	—	443	5.8	443	373	0.28	15.8
Debt tender premium (7)	—	—	—	—	—	308	248	0.18	19.5
Certain tax adjustments, net (8)	—	—	—	—	—	—	16	0.01	—
Non-GAAP	<u>\$ 7,647</u>	<u>\$ 2,660</u>	<u>65.2 %</u>	<u>\$ 1,702</u>	<u>22.3 %</u>	<u>\$ 1,606</u>	<u>\$ 1,380</u>	<u>\$ 1.02</u>	<u>13.8 %</u>
Currency impact	(59)	(47)	0.4	66	1.0	—	—	0.04	—
Currency Adjusted	<u>\$ 7,588</u>	<u>\$ 2,613</u>	<u>65.6 %</u>	<u>\$ 1,768</u>	<u>23.3 %</u>	—	—	<u>\$ 1.06</u>	—
Three months ended October 25, 2019									
(in millions, except per share data)	Net Sales	Cost of Products Sold	Gross Margin Percent	Operating Profit	Operating Profit Percent	Income Before Income Taxes	Net Income Attributable to Medtronic	Diluted EPS ⁽¹⁾	Effective Tax Rate
GAAP	\$ 7,706	\$ 2,394	68.9 %	\$ 1,351	17.5 %	\$ 1,294	\$ 1,364	\$ 1.01	(6.0) %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(32)	0.4	94	1.2	94	78	0.06	17.0
Acquisition-related items (9)	—	—	—	27	0.4	27	23	0.02	14.8
Certain litigation charges	—	—	—	121	1.6	121	93	0.07	23.1
(Gain)/loss on minority investments (4)	—	—	—	—	—	(12)	(10)	(0.01)	16.7
Medical device regulations (6)	—	(4)	0.1	10	0.1	10	9	0.01	10.0
Exit of businesses (10)	—	—	—	41	0.5	41	35	0.03	14.6
Contribution to Medtronic Foundation	—	—	—	80	1.0	80	62	0.05	22.5
Amortization of intangible assets	—	—	—	441	5.7	441	374	0.28	15.2
Certain tax adjustments, net (11)	—	—	—	—	—	—	(251)	(0.19)	—
Non-GAAP	<u>\$ 7,706</u>	<u>\$ 2,358</u>	<u>69.4 %</u>	<u>\$ 2,165</u>	<u>28.1 %</u>	<u>\$ 2,096</u>	<u>\$ 1,777</u>	<u>\$ 1.31</u>	<u>14.9 %</u>

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

- (1) The data in this schedule has been intentionally rounded to the nearest \$0.01 and, therefore, may not sum.
- (2) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (3) The charges primarily include business combination costs and changes in fair value of contingent consideration.
- (4) We exclude unrealized and realized gains and losses on our minority investments as we do not believe that these components of income or expense have a direct correlation to our ongoing or future business operations.
- (5) The charges relate to certain license payments for unapproved technology.
- (6) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.

- (7) The charges relate to the early redemption of approximately \$6.0 billion of debt.
- (8) Relates to the amortization of previously established deferred tax assets from intercompany intellectual property transactions.
- (9) The charges primarily include costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related costs, and changes in the fair value of contingent consideration.
- (10) The net charge relates to the exit of businesses and is primarily comprised of intangible asset impairments.
- (11) The benefit relates to the impact of tax reform in Switzerland.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Six months ended October 30, 2020									
(in millions, except per share data)	Net Sales	Cost of Products Sold	Gross Margin Percent	Operating Profit	Operating Profit Percent	Income Before Income Taxes	Net Income attributable to Medtronic	Diluted EPS ⁽¹⁾	Effective Tax Rate
GAAP	\$14,154	\$ 5,209	63.2 %	\$ 1,603	11.3 %	\$ 1,109	\$ 976	\$ 0.72	11.2 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(59)	0.4	307	2.2	307	241	0.18	21.5
Acquisition-related items (3)	—	(5)	—	(68)	(0.5)	(68)	(44)	(0.03)	35.3
Certain litigation charges	—	—	—	(4)	—	(4)	(6)	—	(50.0)
(Gain)/loss on minority investments (4)	—	—	—	—	—	(9)	(10)	(0.01)	(11.1)
IPR&D charges (5)	—	—	—	19	0.1	19	16	0.01	15.8
Medical device regulations (6)	—	(20)	0.1	37	0.3	37	32	0.02	13.5
Amortization of intangible assets	—	—	—	884	6.2	884	743	0.55	16.0
Debt tender premium and other charges (7)	—	—	—	—	—	308	248	0.18	19.5
Certain tax adjustments, net	—	—	—	—	—	—	20	0.01	—
Non-GAAP	\$14,154	\$ 5,125	63.8 %	\$ 2,778	19.6 %	\$ 2,583	\$ 2,216	\$ 1.64	13.9 %
Currency impact	46	(8)	0.2	137	0.9	—	—	0.08	—
Currency Adjusted	\$14,200	\$ 5,117	64.0 %	\$ 2,915	20.5 %	—	—	\$ 1.72	—

Six months ended October 25, 2019									
(in millions, except per share data)	Net Sales	Cost of Products Sold	Gross Margin Percent	Operating Profit	Operating Profit Percent	Income Before Income Taxes	Net Income attributable to Medtronic	Diluted EPS ⁽¹⁾	Effective Tax Rate
GAAP	\$15,199	\$ 4,760	68.7 %	\$ 2,836	18.7 %	\$ 2,271	\$ 2,228	\$ 1.65	1.0 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(67)	0.4	218	1.4	218	187	0.14	14.2
Acquisition-related items (8)	—	—	—	46	0.3	46	40	0.03	13.0
Certain litigation charges	—	—	—	168	1.1	168	136	0.10	19.0
(Gain)/loss on minority investments (4)	—	—	—	—	—	(11)	(9)	(0.01)	18.2
Debt tender premium and other charges (9)	—	—	—	(7)	—	406	320	0.24	21.2
Medical device regulations (6)	—	(7)	—	18	0.1	18	16	0.01	11.1
Exit of business (10)	—	—	—	41	0.3	41	35	0.03	14.6
Contribution to Medtronic Foundation	—	—	—	80	0.5	80	62	0.05	25.5
Amortization of intangible assets	—	—	—	881	5.8	881	746	0.55	15.3
Certain tax adjustments, net (11)	—	—	—	—	—	—	(281)	(0.21)	—
Non-GAAP	\$15,199	\$ 4,686	69.2 %	\$ 4,281	28.2 %	\$ 4,118	\$ 3,480	\$ 2.57	15.0 %

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

- (1) The data in this schedule has been intentionally rounded to the nearest \$0.01 and, therefore, may not sum.
- (2) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (3) The charges primarily include business combination costs, changes in fair value of contingent consideration, and a change in amounts accrued for certain contingent liabilities for recent acquisitions.
- (4) We exclude unrealized and realized gains and losses on our minority investments as we do not believe that these components of income or expense have a direct correlation to our ongoing or future business operations.
- (5) The charges relate to certain license payments for unapproved technology.

- (6) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.
- (7) The charges relate to the early redemption of approximately \$6.0 billion of debt.
- (8) The charges primarily include costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related costs, and changes in fair value of contingent consideration.
- (9) The charges, which include \$413 million recognized in interest expense and (\$7 million) recognized in other operating expense, net, primarily relate to the early redemption of approximately \$5.2 billion of debt.
- (10) The net charges relate to the exit of businesses and are primarily comprised of intangible asset impairments.
- (11) The net benefit primarily relates to the impact of tax reform in Switzerland and the United States.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended October 30, 2020								
(in millions)	Net Sales	SG&A Expense	SG&A Expense as a % of Net Sales	R&D Expense	R&D Expense as a % of Net Sales	Other Operating (Income) Expense, net	Other Operating Expense, net as a % of Net Sales	Other Non-Operating Income, net
GAAP	\$ 7,647	\$ 2,600	34.0 %	\$ 639	8.4 %	\$ 149	1.9 %	\$ (65)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(49)	(0.6)	—	—	—	—	—
Acquisition-related items (2)	—	(2)	—	—	—	(33)	(0.4)	—
IPR&D charges (3)	—	—	—	—	—	(10)	(0.1)	—
Medical device regulations (4)	—	—	—	(9)	(0.1)	—	—	—
Gain/(loss) on minority investments (5)	—	—	—	—	—	—	—	(1)
Non-GAAP	\$ 7,647	\$ 2,549	33.3 %	\$ 630	8.2 %	\$ 106	1.4 %	\$ (66)
Currency impact	(59)	(13)	0.1	(2)	0.1	(63)	(0.8)	—
Currency Adjusted	<u>\$ 7,588</u>	<u>\$ 2,536</u>	<u>33.4 %</u>	<u>\$ 628</u>	<u>8.3 %</u>	<u>\$ 43</u>	<u>0.6 %</u>	<u>\$ (66)</u>

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

- (1) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (2) The charges primarily include business combination costs and changes in fair value of contingent consideration.
- (3) The charges relate to certain license payments for unapproved technology.
- (4) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.
- (5) 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.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Six months ended October 30, 2020

(in millions)	Net Sales	SG&A Expense	SG&A Expense as a % of Net Sales	R&D Expense	R&D Expense as a % of Net Sales	Other Operating (Income) Expense, net	Other Operating Expense, net as a % of Net Sales	Other Non- Operating Income, net
GAAP	\$ 14,154	\$ 5,017	35.4 %	\$ 1,260	8.9 %	\$ 35	0.2 %	\$ (147)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(98)	(0.7)	—	—	—	—	—
Acquisition-related items (2)	—	(2)	—	—	—	75	0.5	—
IPR&D charges (3)	—	—	—	—	—	(19)	(0.1)	—
Medical device regulations (4)	—	—	—	(17)	(0.1)	—	—	—
Gain/(loss) on minority investments (5)	—	—	—	—	—	—	—	9
Non-GAAP	\$ 14,154	\$ 4,917	34.7 %	\$ 1,243	8.8 %	\$ 91	0.6 %	\$ (138)
Currency impact	46	17	—	—	—	(100)	(0.7)	—
Currency Adjusted	<u>\$ 14,200</u>	<u>\$ 4,934</u>	<u>34.7 %</u>	<u>\$ 1,243</u>	<u>8.8 %</u>	<u>\$ (9)</u>	<u>(0.1)%</u>	<u>\$ (138)</u>

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

- (1) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (2) The charges primarily include business combination costs, changes in fair value of contingent consideration, and a change in amounts accrued for certain contingent liabilities for recent acquisitions.
- (3) The charges relate to certain license payments for unapproved technology.
- (4) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.
- (5) 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.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

(in millions)	Six months ended	Three months ended	Three months ended	Fiscal year	Fiscal year
	October 30, 2020	October 30, 2020	October 25, 2019	2020	2019
Net cash provided by operating activities	\$ 2,139	\$ 1,861	\$ 1,867	\$ 7,234	\$ 7,007
Additions to property, plant, and equipment	(615)	(281)	(283)	(1,213)	(1,134)
Free Cash Flow (1)	<u>\$ 1,524</u>	<u>\$ 1,580</u>	<u>\$ 1,584</u>	<u>\$ 6,021</u>	<u>\$ 5,873</u>

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

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

MEDTRONIC PLC
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	October 30, 2020	April 24, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,420	\$ 4,140
Investments	7,857	6,808
Accounts receivable, less allowances and credit losses of \$312 and \$208, respectively	5,348	4,645
Inventories, net	4,484	4,229
Other current assets	1,927	2,209
Total current assets	26,036	22,031
Property, plant, and equipment	12,198	11,644
Accumulated depreciation	(7,260)	(6,816)
Property, plant, and equipment, net	4,938	4,828
Goodwill	41,212	39,841
Other intangible assets, net	18,412	19,063
Tax assets	3,176	2,832
Other assets	2,112	2,094
Total assets	\$ 95,886	\$ 90,689
LIABILITIES AND EQUITY		
Current liabilities:		
Current debt obligations	\$ 4,041	\$ 2,776
Accounts payable	1,902	1,996
Accrued compensation	2,133	2,099
Accrued income taxes	406	502
Other accrued expenses	3,589	2,993
Total current liabilities	12,071	10,366
Long-term debt	25,967	22,021
Accrued compensation and retirement benefits	2,024	1,910
Accrued income taxes	2,569	2,682
Deferred tax liabilities	1,251	1,174
Other liabilities	1,688	1,664
Total liabilities	45,570	39,817
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares— par value \$0.0001, 2.6 billion shares authorized, 1,345,547,814 and 1,341,074,724 shares issued and outstanding, respectively	—	—
Additional paid-in capital	26,481	26,165
Retained earnings	27,526	28,132
Accumulated other comprehensive loss	(3,843)	(3,560)
Total shareholders' equity	50,164	50,737
Noncontrolling interests	152	135
Total equity	50,316	50,872
Total liabilities and equity	\$ 95,886	\$ 90,689

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Six months ended	
	October 30, 2020	October 25, 2019
Operating Activities:		
Net income	\$ 985	\$ 2,248
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,340	1,328
Provision for doubtful accounts	86	44
Deferred income taxes	(69)	(245)
Stock-based compensation	210	169
Loss on debt extinguishment	308	406
Other, net	112	119
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable, net	(669)	39
Inventories, net	(145)	(267)
Accounts payable and accrued liabilities	108	(294)
Other operating assets and liabilities	(127)	(170)
Net cash provided by operating activities	2,139	3,377
Investing Activities:		
Acquisitions, net of cash acquired	(370)	(201)
Additions to property, plant, and equipment	(615)	(584)
Purchases of investments	(5,360)	(4,226)
Sales and maturities of investments	4,337	3,260
Other investing activities	(4)	(16)
Net cash used in investing activities	(2,012)	(1,767)
Financing Activities:		
Change in current debt obligations, net	(57)	42
Proceeds from short-term borrowings (maturities greater than 90 days)	2,789	—
Issuance of long-term debt	7,172	5,568
Payments on long-term debt	(6,336)	(5,594)
Dividends to shareholders	(1,558)	(1,447)
Issuance of ordinary shares	119	432
Repurchase of ordinary shares	(68)	(962)
Other financing activities	(70)	(54)
Net cash provided by (used in) financing activities	1,991	(2,015)
Effect of exchange rate changes on cash and cash equivalents	162	(26)
Net change in cash and cash equivalents	2,280	(431)
Cash and cash equivalents at beginning of period	4,140	4,393
Cash and cash equivalents at end of period	\$ 6,420	\$ 3,962
Supplemental Cash Flow Information		
Cash paid for:		
Income taxes	\$ 384	\$ 494
Interest	321	322