

MEDTRONIC PLC
WORLD WIDE REVENUE⁽¹⁾
(Unaudited)

(in millions)	FIRST QUARTER ⁽²⁾					
	REPORTED			Currency Impact ⁽⁴⁾	CONSTANT CURRENCY	
	FY21	FY20	Growth		FY21	Growth
Cardiac & Vascular Group	\$ 2,433	\$ 2,790	(12.8)%	\$ (39)	\$ 2,472	(11.4)%
Cardiac Rhythm & Heart Failure	1,247	1,382	(9.8)	(16)	1,263	(8.6)
Coronary & Structural Heart	780	941	(17.1)	(18)	798	(15.2)
Aortic, Peripheral, & Venous	405	467	(13.3)	(6)	411	(12.0)
Minimally Invasive Therapies Group	1,801	2,100	(14.2)	(37)	1,838	(12.5)
Surgical Innovations	1,080	1,417	(23.8)	(25)	1,105	(22.0)
Respiratory, Gastrointestinal, & Renal	720	683	5.4	(12)	732	7.2
Restorative Therapies Group⁽³⁾	1,712	2,012	(14.9)	(17)	1,729	(14.1)
Cranial & Spinal Technologies	944	1,050	(10.1)	(7)	951	(9.4)
Specialty Therapies	453	563	(19.5)	(7)	460	(18.3)
Neuromodulation	314	398	(21.1)	(3)	317	(20.4)
Diabetes Group	562	592	(5.1)	(11)	573	(3.2)
TOTAL	\$ 6,507	\$ 7,493	(13.2)%	\$ (104)	\$ 6,611	(11.8)%

(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 first quarter results. While it is difficult to calculate the impact of the extra week, the Company estimates the extra week benefited first quarter constant currency growth by approximately \$360 to \$390 million. The first quarter of 2021 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, first quarter 2021 revenue declined approximately 17 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)	FIRST QUARTER		
	REPORTED		
	FY21	FY20	Growth
Cardiac & Vascular Group	\$ 1,206	\$ 1,361	(11.4)%
Cardiac Rhythm & Heart Failure	672	729	(7.8)
Coronary & Structural Heart	306	376	(18.6)
Aortic, Peripheral, & Venous	228	256	(10.9)
Minimally Invasive Therapies Group	722	913	(20.9)
Surgical Innovations	400	573	(30.2)
Respiratory, Gastrointestinal, & Renal	322	340	(5.3)
Restorative Therapies Group⁽³⁾	1,136	1,338	(15.1)
Cranial & Spinal Technologies	692	742	(6.7)
Specialty Therapies	242	336	(28.0)
Neuromodulation	202	261	(22.6)
Diabetes Group	287	306	(6.2)
TOTAL	\$ 3,351	\$ 3,918	(14.5)%

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

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(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)	FIRST QUARTER ⁽³⁾					
	REPORTED			Currency Impact ⁽⁴⁾	CONSTANT CURRENCY	
	FY21	FY20	Growth		FY21	Growth
U.S.	\$ 1,206	\$ 1,361	(11.4)%	\$ —	\$ 1,206	(11.4)%
Non-U.S. Developed	853	930	(8.3)	(15)	868	(6.7)
Emerging Markets	374	499	(25.1)	(24)	398	(20.2)
Cardiac & Vascular Group	2,433	2,790	(12.8)	(39)	2,472	(11.4)
U.S.	722	913	(20.9)	—	722	(20.9)
Non-U.S. Developed	719	791	(9.1)	(11)	730	(7.7)
Emerging Markets	359	396	(9.3)	(26)	385	(2.8)
Minimally Invasive Therapies Group	1,801	2,100	(14.2)	(37)	1,838	(12.5)
U.S.	1,136	1,338	(15.1)	—	1,136	(15.1)
Non-U.S. Developed	376	426	(11.7)	(6)	382	(10.3)
Emerging Markets	199	248	(19.8)	(11)	210	(15.3)
Restorative Therapies Group	1,712	2,012	(14.9)	(17)	1,729	(14.1)
U.S.	287	306	(6.2)	—	287	(6.2)
Non-U.S. Developed	226	231	(2.2)	(6)	232	0.4
Emerging Markets	48	55	(12.7)	(5)	53	(3.6)
Diabetes Group	562	592	(5.1)	(11)	573	(3.2)
U.S.	3,351	3,918	(14.5)	—	3,351	(14.5)
Non-U.S. Developed	2,175	2,377	(8.5)	(37)	2,212	(6.9)
Emerging Markets	981	1,198	(18.1)	(67)	1,048	(12.5)
TOTAL	\$ 6,507	\$ 7,493	(13.2)%	\$ (104)	\$ 6,611	(11.8)%

(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.

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(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)

Three months ended

(in millions, except per share data)

	July 31, 2020	July 26, 2019
Net sales	\$ 6,507	\$ 7,493
Costs and expenses:		
Cost of products sold	2,505	2,366
Research and development expense	621	587
Selling, general, and administrative expense	2,417	2,543
Amortization of intangible assets	440	440
Restructuring charges, net	53	47
Certain litigation charges, net	(88)	47
Other operating income, net	(114)	(22)
Operating profit	<u>673</u>	<u>1,485</u>
Other non-operating income, net	(82)	(101)
Interest expense	171	609
Income before income taxes	<u>584</u>	<u>977</u>
Income tax provision	<u>93</u>	<u>100</u>
Net income	<u>491</u>	<u>877</u>
Net income attributable to noncontrolling interests	<u>(4)</u>	<u>(13)</u>
Net income attributable to Medtronic	<u>\$ 487</u>	<u>\$ 864</u>
Basic earnings per share	<u>\$ 0.36</u>	<u>\$ 0.64</u>
Diluted earnings per share	<u>\$ 0.36</u>	<u>\$ 0.64</u>
Basic weighted average shares outstanding	1,341.9	1,340.8
Diluted weighted average shares outstanding	1,350.0	1,351.9

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended July 31, 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	\$ 6,507	\$ 2,505	61.5 %	\$ 673	10.3 %	\$ 584	\$ 487	\$ 0.36	15.9 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(27)	0.4	128	2.0	128	106	0.08	17.2
Acquisition-related items (3)	—	(2)	—	(105)	(1.6)	(105)	(75)	(0.06)	28.6
Certain litigation charges	—	—	—	(88)	(1.4)	(88)	(70)	(0.05)	20.5
(Gain)/loss on minority investments (4)	—	—	—	—	—	(10)	(10)	(0.01)	—
IPR&D charges (5)	—	—	—	10	0.2	10	8	0.01	20.0
Medical device regulations (6)	—	(10)	0.2	18	0.3	18	16	0.01	11.1
Amortization of intangible assets	—	—	—	440	6.8	440	370	0.27	15.9
Certain tax adjustments, net	—	—	—	—	—	—	4	—	—
Non-GAAP	<u>\$ 6,507</u>	<u>\$ 2,466</u>	<u>62.1 %</u>	<u>\$ 1,076</u>	<u>16.5 %</u>	<u>\$ 977</u>	<u>\$ 836</u>	<u>\$ 0.62</u>	<u>14.0 %</u>
Currency impact	104	39	—	71	0.8	—	—	0.04	—
Currency Adjusted	<u>\$ 6,611</u>	<u>\$ 2,505</u>	<u>62.1 %</u>	<u>\$ 1,147</u>	<u>17.3 %</u>	<u>\$ 977</u>	<u>\$ 836</u>	<u>\$ 0.66</u>	<u>14.0 %</u>
Three months ended July 26, 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	\$ 7,493	\$ 2,366	68.4 %	\$ 1,485	19.8 %	\$ 977	\$ 864	\$ 0.64	10.2 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(35)	0.5	124	1.7	124	109	0.08	12.1
Acquisition-related items (7)	—	—	—	19	0.3	19	17	0.01	10.5
Certain litigation charges	—	—	—	47	0.6	47	43	0.03	8.5
(Gain)/loss on minority investments (4)	—	—	—	—	—	1	1	—	—
Debt tender premium and other charges (8)	—	—	—	(7)	(0.1)	406	320	0.24	21.2
Medical device regulations (6)	—	(3)	—	8	0.1	8	7	0.01	12.5
Amortization of intangible assets	—	—	—	440	5.9	440	372	0.28	15.5
Certain tax adjustments, net (9)	—	—	—	—	—	—	(30)	(0.02)	—
Non-GAAP	<u>\$ 7,493</u>	<u>\$ 2,328</u>	<u>68.9 %</u>	<u>\$ 2,116</u>	<u>28.2 %</u>	<u>\$ 2,022</u>	<u>\$ 1,703</u>	<u>\$ 1.26</u>	<u>15.1 %</u>

See description of non-GAAP financial measures at the end of the earnings press release. Fiscal year 2021 is a 53-week fiscal year, with the extra week occurring in the first fiscal month of the quarter and included in the reported first quarter results. While it is difficult to calculate the exact impact of the extra week, the Company estimates that it resulted in a benefit of approximately \$360-\$390 million to reported revenue and a benefit of \$0.06 to \$0.10 to non-GAAP diluted EPS.

- (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 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.
- (8) The charges, which include \$413 million recognized in interest expense and (\$7 million) recognized in other operating (income) expense, net, primarily related to the early redemption of approximately \$5.2 billion of debt in the first quarter of fiscal year 2020.
- (9) The net benefit relates to the impact of the U.S. tax reform resulting from final U.S. Treasury regulations in the first quarter of fiscal year 2020.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended July 31, 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	\$ 6,507	\$ 2,417	37.1 %	\$ 621	9.5 %	\$ (114)	(1.8)%	\$ (82)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(48)	(0.7)	—	—	—	—	—
Acquisition-related items (2)	—	—	—	—	—	108	1.7	—
(Gain)/loss on minority investments (3)	—	—	—	—	—	—	—	10
IPR&D charges (4)	—	—	—	—	—	(10)	(0.2)	—
Medical device regulations (5)	—	(1)	—	(8)	(0.1)	—	—	—
Non-GAAP	\$ 6,507	\$ 2,368	36.4 %	\$ 613	9.4 %	\$ (16)	(0.2)%	\$ (72)
Currency impact	104	30	(0.1)	2	(0.1)	(37)	(0.6)	—
Currency Adjusted	<u>\$ 6,611</u>	<u>\$ 2,398</u>	<u>36.3 %</u>	<u>\$ 615</u>	<u>9.3 %</u>	<u>\$ (53)</u>	<u>(0.8)%</u>	<u>\$ (72)</u>

See description of non-GAAP financial measures at the end of the earnings press release. Fiscal year 2021 is a 53-week fiscal year, with the extra week occurring in the first fiscal month of the quarter and included in the reported first quarter results. While it is difficult to calculate the exact impact of the extra week, the Company estimates that it resulted in a benefit of approximately \$360-\$390 million to reported revenue.

- (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.
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- (4) The charges relate to certain license payments for unapproved technology.
- (5) 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.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

(in millions)	Three months ended	Three months ended	Fiscal year	Fiscal year
	July 31, 2020	July 26, 2019	2020	2019
Net cash provided by operating activities	\$ 278	\$ 1,510	\$ 7,234	\$ 7,007
Additions to property, plant, and equipment	(334)	(301)	(1,213)	(1,134)
Free Cash Flow (1)	<u>\$ (56)</u>	<u>\$ 1,209</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)	July 31, 2020	April 24, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,499	\$ 4,140
Investments	6,513	6,808
Accounts receivable, less allowances and credit losses of \$276 and \$208, respectively	4,876	4,645
Inventories, net	4,551	4,229
Other current assets	2,070	2,209
Total current assets	24,509	22,031
Property, plant, and equipment	11,952	11,644
Accumulated depreciation	(7,070)	(6,816)
Property, plant, and equipment, net	4,882	4,828
Goodwill	40,714	39,841
Other intangible assets, net	18,670	19,063
Tax assets	2,988	2,832
Other assets	2,143	2,094
Total assets	\$ 93,906	\$ 90,689
LIABILITIES AND EQUITY		
Current liabilities:		
Current debt obligations	\$ 5,823	\$ 2,776
Accounts payable	1,720	1,996
Accrued compensation	1,815	2,099
Accrued income taxes	390	502
Other accrued expenses	3,338	2,993
Total current liabilities	13,086	10,366
Long-term debt	22,867	22,021
Accrued compensation and retirement benefits	1,962	1,910
Accrued income taxes	2,719	2,682
Deferred tax liabilities	1,231	1,174
Other liabilities	1,598	1,664
Total liabilities	43,463	39,817
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares— par value \$0.0001, 2.6 billion shares authorized, 1,343,318,623 and 1,341,074,724 shares issued and outstanding, respectively	—	—
Additional paid-in capital	26,261	26,165
Retained earnings	27,817	28,132
Accumulated other comprehensive loss	(3,782)	(3,560)
Total shareholders' equity	50,296	50,737
Noncontrolling interests	147	135
Total equity	50,443	50,872
Total liabilities and equity	\$ 93,906	\$ 90,689

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Three months ended	
	July 31, 2020	July 26, 2019
Operating Activities:		
Net income	\$ 491	\$ 877
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	669	657
Provision for doubtful accounts	37	25
Deferred income taxes	3	18
Stock-based compensation	70	61
Loss on debt extinguishment	—	406
Other, net	68	58
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable, net	(142)	319
Inventories, net	(235)	(122)
Accounts payable and accrued liabilities	(541)	(629)
Other operating assets and liabilities	(142)	(160)
Net cash provided by operating activities	278	1,510
Investing Activities:		
Acquisitions, net of cash acquired	—	(145)
Additions to property, plant, and equipment	(334)	(301)
Purchases of investments	(2,045)	(1,669)
Sales and maturities of investments	2,403	1,569
Other investing activities	(16)	(5)
Net cash provided by (used in) investing activities	8	(551)
Financing Activities:		
Change in current debt obligations, net	(16)	88
Proceeds from short-term borrowings (maturities greater than 90 days)	2,789	—
Issuance of long-term debt	—	5,567
Payments on long-term debt	(11)	(5,035)
Dividends to shareholders	(778)	(724)
Issuance of ordinary shares	26	210
Repurchase of ordinary shares	—	(333)
Other financing activities	(51)	(47)
Net cash provided by (used in) financing activities	1,959	(274)
Effect of exchange rate changes on cash and cash equivalents	114	2
Net change in cash and cash equivalents	2,359	687
Cash and cash equivalents at beginning of period	4,140	4,393
Cash and cash equivalents at end of period	\$ 6,499	\$ 5,080
Supplemental Cash Flow Information		
Cash paid for:		
Income taxes	\$ 72	\$ 198
Interest	72	86