



NEWS RELEASE

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FOR IMMEDIATE RELEASE

MEDTRONIC REPORTS FOURTH QUARTER AND FISCAL YEAR 2021 FINANCIAL RESULTS; ANNOUNCES 9% DIVIDEND INCREASE

- *Q4 Revenue of \$8.2 Billion Increased 37% Reported and 32% Organic*
- *Q4 GAAP Diluted EPS of \$1.00; Q4 Non-GAAP Diluted EPS of \$1.50*
- *Quarterly Dividend Increased to \$0.63, Annual \$2.52 from Prior \$2.32; 44th Consecutive Year of Dividend Increases*
- *Company Issues FY22 Guidance*
- *Guidance Reflects FY22 Revenue Growth above Street Consensus, Investment Ahead of Major Product Launches, and Largest Planned R&D Increase in Company History*

DUBLIN – May 27, 2021 – Medtronic plc (NYSE:MDT) today announced financial results for its fourth quarter and fiscal year 2021, which ended April 30, 2021. The company reported fourth quarter worldwide revenue of \$8.188 billion, an increase of 37 percent as reported and 32 percent on an organic basis, which adjusts for the \$241 million benefit of foreign currency translation. The company's fourth quarter results reflect a strong recovery from the impact of the COVID-19 pandemic on elective procedures that the company experienced in April 2020. Unless otherwise stated, all quarterly revenue growth rates in this press release are stated on an organic basis, which adjusts for the impact of foreign currency translation.

As reported, fourth quarter GAAP net income and diluted earnings per share (EPS) were \$1.361 billion and \$1.00, respectively. As detailed in the financial schedules included through the link at the end of this release, fourth quarter non-GAAP net income and non-GAAP diluted EPS were \$2.038 billion and \$1.50, respectively, increases of 162 percent and

159 percent, respectively. Adjusting for the negative 4 cent impact from foreign currency, fourth quarter non-GAAP diluted EPS increased 166 percent.

Fourth quarter U.S. revenue of \$4.182 billion represented 51 percent of company revenue and increased 47 percent. Non-U.S. developed market revenue of \$2.672 billion represented 33 percent of company revenue and increased 20 percent as reported and 11 percent organic. Emerging Markets revenue of \$1.334 billion represented 16 percent of company revenue and increased 44 percent as reported and 41 percent organic.

Medtronic's fiscal year 2021 revenue of \$30.117 billion increased 4 percent as reported or approximately 2 percent on an organic basis, which adjusts for the \$331 million benefit of foreign currency translation, the \$15 million inorganic benefit of the company's acquisition of Titan Spine in the Cranial & Spinal Technologies division in the Neuroscience Portfolio, and the approximate \$360 to \$390 million benefit the company received from an extra week in its first quarter compared to the first quarter of fiscal year 2020. Unless otherwise stated, all annual revenue growth rates in this press release are stated on an organic basis, which adjusts for the impact of foreign currency translation, the inorganic benefit of Titan Spine, and the estimated benefit of the extra week.

As reported, fiscal year 2021 net earnings were \$3.606 billion or \$2.66 per diluted share. As detailed in the link at the end of this release, fiscal year 2021 non-GAAP earnings and diluted EPS were \$6.005 billion and \$4.44, respectively, both decreases of 3 percent. Adjusting for the negative 22 cent impact from foreign currency, fiscal year 2021 non-GAAP diluted EPS increased 2 percent.

Fiscal year 2021 cash flow from operations was \$6.240 billion. Fiscal year 2021 free cash flow was \$4.885 billion, representing free cash flow conversion from non-GAAP net earnings of 81 percent.

"We reported a strong end to our fiscal year, with our fourth quarter results demonstrating continued momentum. Our recovery improved throughout the quarter, with most of our markets returning to near normal, pre-COVID growth rates," said Geoff Martha, Medtronic chairman and chief executive officer. "In addition to supporting our employees, customers, and communities during the pandemic, we accomplished important milestones, including launching new products, investing in our pipeline, and changing our operating model, just to name a few. As we look ahead, these actions set us up to drive accelerated revenue growth in the year ahead and over the long term."

Cardiovascular Portfolio

The Cardiovascular Portfolio, formerly reported as the Cardiac and Vascular Group (CVG), includes the Cardiac Rhythm & Heart Failure (CRHF), Structural Heart & Aortic (SHA), and Coronary & Peripheral Vascular (CPV) divisions. Cardiovascular fiscal year 2021 revenue of \$10.772 billion increased 2.9 percent as reported and was approximately flat organic. Cardiovascular fourth quarter revenue of \$2.908 billion increased 45 percent as reported and 41 percent organic, driven by high-fifties organic growth in CRHF and mid-twenties organic growth in both SHA and CPV.

- **Cardiac Rhythm & Heart Failure** fourth quarter revenue of \$1.539 billion increased 64 percent as reported and 59 percent organic. Cardiac Rhythm Management revenue increased in the mid-fifties, driven by mid-seventies growth in Leadless Pacemakers on the continued global adoption of the Micra™ transcatheter pacing system. Cardiac Ablation Solutions revenue more than doubled, with strong growth in Arctic Front Advance™ cryoballoon catheters and consoles. Cardiovascular Diagnostics revenue grew in the mid-eighties on procedure volume recovery. Mechanical Circulatory Support grew in the mid-teens.
- **Structural Heart & Aortic** fourth quarter revenue of \$744 million increased 30 percent as reported and 25 percent organic. Structural Heart grew in the low-fifties, driven by low-fifties growth in transcatheter aortic valves (TAVR), including low-

nineties TAVR growth in the United States. Cardiac Surgery grew in the low-double digits, with broad based growth across the business. Aortic grew in the low-single digits, as the company experienced the financial impact of the previously announced global recall of the Valiant Navion™ thoracic stent graft system.

- **Coronary & Peripheral Vascular** fourth quarter revenue of \$624 million increased 27 percent as reported and 24 percent organic. Coronary & Renal Denervation grew in the mid-teens, including mid-teens growth in drug-eluting stents (DES). Peripheral Vascular Health grew in the mid-thirties, with mid-eighties growth in VenaSeal™ closure systems and low-thirties growth in IN.PACT™ drug-coated balloons.

Medical Surgical Portfolio

The Medical Surgical Portfolio, formerly reported as the Minimally Invasive Therapies Group (MITG), includes the Surgical Innovations (SI) and the Respiratory, Gastrointestinal & Renal (RGR) divisions. Medical Surgical fiscal year 2021 revenue of \$8.737 billion increased 4.6 percent as reported and in the low-single digits organic. Medical Surgical fourth quarter revenue of \$2.338 billion increased 21 percent as reported and 17 percent organic, with high-twenties organic growth in SI and low-single digit organic growth in RGR.

- **Surgical Innovations** fourth quarter revenue of \$1.542 billion increased 32 percent as reported and 27 percent organic. The division had low-thirties growth in both Advanced Stapling and Vessel Sealing, driven by the continued adoption of the company's Tri-Staple™, LigaSure™, and Sonicision™ technologies. Surgical Robotics had first revenue from Hugo™ robotic-assisted surgery system placements at hospitals outside the U.S. during the quarter. These systems will collect clinical data to support regulatory approvals around the world.

- **Respiratory, Gastrointestinal & Renal** fourth quarter revenue of \$796 million increased 4 percent as reported and 1 percent organic. Patient Monitoring increased in the mid-single digits, with high-single digit growth in the company's Nellcor™ pulse oximetry sensors. Respiratory Interventions decreased in the high-teens, with sales of ventilators declining in the high-twenties as demand, particularly in developed markets, is returning to pre-pandemic levels. Gastrointestinal revenue increased in the high-forties, with broad-based growth across the portfolio on procedure recovery. Renal Care Solutions increased in the mid-single digits on strong growth in renal access products.

Neuroscience Portfolio

The Neuroscience Portfolio, formerly reported as the Restorative Therapies Group (RTG), includes the Cranial & Spinal Technologies (CST), Specialty Therapies, and Neuromodulation divisions. Neuroscience fiscal year 2021 revenue of \$8.195 billion increased 6.1 percent as reported and in the mid-single digits organic. Neuroscience fourth quarter revenue of \$2.295 billion increased 54 percent as reported and 51 percent organic, with high-forties growth in CST, low-fifties growth in Specialty Therapies, and low-sixties growth in Neuromodulation, all on an organic basis.

- **Cranial & Spinal Technologies** fourth quarter revenue of \$1.192 billion increased 50 percent as reported and 47 percent organic. Spine & Biologics, as well as Neurosurgery grew in the high-forties, with strong sales of spine implants utilizing Titan nanoLOCK™ surface technology, as well as record sales of StealthStation™ navigation, O-arm™ imaging systems, Midas Rex™ capital, and advanced energy products. CST also delivered strong growth in Mazor™ robotics with the launch of Mazor 5.0, utilizing the company's Midas Rex™ drills, navigated disc prep, and interbodies with the Mazor™ robotic guidance system.
- **Specialty Therapies** fourth quarter revenue of \$654 million increased 56 percent as reported and 52 percent organic. Neurovascular increased in the low-twenties and

ENT increased in the mid-forties. Pelvic Health increased 165%, driven by continued strong adoption of the InterStim™ Micro sacral neuromodulation system.

- **Neuromodulation** fourth quarter revenue of \$449 million increased 65 percent as reported and 61 percent organic. Pain Stim & Early Interventions increased in the mid-seventies, with low-seventies growth in spinal cord stimulation on strong uptake of Intellis™ with DTM™ SCS therapy. Brain Modulation increased in the high-fifties, driven by the launch of the Percept™ PC deep brain stimulation system. Interventional grew in the low-forties, and Targeted Drug Delivery increased in the mid-sixties.

Diabetes

Diabetes fiscal year 2021 revenue of \$2.413 billion increased 1.9 percent as reported and was approximately flat organic. Diabetes fourth quarter revenue of \$647 million increased 14 percent as reported and 9 percent organic. Diabetes quarterly revenue performance was driven by low-sixties growth in durable pumps on the continued launches of the MiniMed™ 780G system in international markets and the MiniMed™ 770G system in the U.S. This was offset by high-single digit declines in consumables, while continuous glucose monitoring (CGM) sales increased in the mid-single digits.

Guidance

The company today issued its fiscal year 2022 revenue and EPS growth guidance.

The company expects revenue growth in its fiscal year 2022 to approximate 9 percent on an organic basis. If current exchange rates hold, revenue growth in fiscal year 2022 would be positively affected by approximately \$400 to \$500 million.

In fiscal year 2022, the company expects diluted non-GAAP EPS in the range of \$5.60 to \$5.75, including an estimated 10 to 15 cent positive impact from foreign currency based on current exchange rates.

“Our fiscal 2022 revenue guidance that we are issuing for the first time today is about a point higher than Street estimates, as we anticipate strong organic revenue growth driven by new product launches and end market recovery from the impact of the pandemic,” said Karen Parkhill, Medtronic chief financial officer. “At the same time, we’re investing at the front end of major product launches, including surgical robotics and renal denervation, to fully realize their potential. We’re also planning for the largest increase in R&D spend in our company’s history, as we invest to accelerate long-term growth and capitalize on a long list of opportunities.”

Dividend Increase

The company today announced that on May 26, 2021, the Medtronic board of directors approved an increase in Medtronic’s cash dividend for the first quarter of fiscal year 2022, raising the quarterly amount to \$0.63 per ordinary share. This would translate into an annual amount of \$2.52 per ordinary share, a 9 percent increase from the prior \$2.32. Medtronic has a long history of dividend growth, and the company is a constituent of the S&P 500 Dividend Aristocrats index. Today’s announcement marks the 44th consecutive year of an increase in the dividend payment. Including today’s increase, Medtronic’s dividend per share has grown 47 percent over the past 5 years and has grown at a 16 percent compounded annual growth rate over the past 44 years.

Medtronic has a strong track record of returning capital to its shareholders, including returning \$3.3 billion in fiscal year 2021. The company remains committed to returning a minimum of 50 percent of its free cash flow to shareholders, primarily through dividends, and to a lesser extent, share repurchases. The dividend is payable on July 16, 2021, to shareholders of record at the close of business on June 25, 2021.

“We’re pleased to be able to increase our dividend by 9% during the pandemic,” said Martha. “Today’s dividend increase is a strong sign of our commitment to providing robust returns for our shareholders and of the confidence that our Board of Directors has in Medtronic’s financial strength and future growth opportunities.”

Webcast Information

Medtronic will host a webcast today, May 27, at 8:00 a.m. EDT (7:00 a.m. CDT) to provide information about its businesses for the public, investors, analysts, and news media. This webcast can be accessed by clicking on the Investor Events link at investorrelations.medtronic.com and this earnings release will be archived at news.medtronic.com. Medtronic will be live tweeting during the webcast on its Newsroom Twitter account, @Medtronic. Within 24 hours of the webcast, a replay of the webcast and transcript of the company’s prepared remarks will be available by clicking on the Investor Events link at investorrelations.medtronic.com.

Medtronic plans to report its fiscal year 2022 first, second, third, and fourth quarter results on August 24, 2021, November 23, 2021, February 22, 2022, and May 26, 2022, respectively. Confirmation and additional details will be provided closer to the specific event.

Financial Schedules

To view the fourth quarter and fiscal year 2021 financial schedules and non-GAAP reconciliations, [click here](#). To view the fourth quarter and fiscal year 2021 earnings presentation, [click here](#). Both documents can also be accessed by visiting news.medtronic.com.

About Medtronic

Medtronic plc (www.medtronic.com), headquartered in Dublin, Ireland, is among the world’s largest medical technology, services and solutions companies – alleviating pain, restoring health and extending life for millions of people around the world. Medtronic

employs more than 90,000 people worldwide, serving physicians, hospitals and patients in more than 150 countries. The company is focused on collaborating with stakeholders around the world to take healthcare Further, Together.

FORWARD LOOKING STATEMENTS

This press release 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. In some cases, you can identify these statements by forward-looking words or expressions, such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "looking ahead," "may," "plan," "possible," "potential," "project," "should," "going to," "will," and similar words or expressions, the negative or plural of such words or expressions and other comparable terminology. 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 press release, including to reflect future events or circumstances.

NON-GAAP FINANCIAL MEASURES

This press release contains financial measures, including adjusted net income, adjusted diluted EPS, and organic revenue, which are considered "non-GAAP" financial measures under applicable SEC rules and regulations. References to quarterly and annual figures increasing, decreasing or remaining flat are in comparison to fiscal year 2020.

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 net income and diluted EPS exclude the effect of certain charges or gains that contribute to or reduce earnings but that result from transactions or events that management believes may or may not recur with similar materiality or impact to operations in future periods (Non-GAAP Adjustments). Medtronic generally uses non-GAAP financial measures to facilitate management's review of the operational performance of the company and as a basis for strategic planning. 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. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the financial schedules accompanying this press release.

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.

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[View Fourth Quarter and FY21 Financial Schedules & Non-GAAP Reconciliations](#)

[View Fourth Quarter and FY21 Earnings Presentation](#)