

MEDTRONIC PLC
WORLD WIDE REVENUE
(Unaudited)

(in millions)	THIRD QUARTER						THIRD QUARTER YEAR-TO-DATE					
	REPORTED			Currency Impact ⁽²⁾	CONSTANT CURRENCY		REPORTED			Currency Impact ⁽²⁾	COMPARABLE CONSTANT CURRENCY	
	FY19	FY18	Growth		FY19	Growth	FY19	FY18	Growth		Revised FY18 ⁽³⁾	Growth
Cardiac & Vascular Group	\$ 2,786	\$ 2,800	(1)%	\$ (60)	\$ 2,846	2%	\$ 8,455	\$ 8,219	3%	\$ (62)	\$ 8,219	4%
Cardiac Rhythm & Heart Failure	1,397	1,457	(4)	(26)	1,423	(2)	4,295	4,314	—	(25)	4,314	—
Coronary & Structural Heart	913	886	3	(25)	938	6	2,736	2,557	7	(29)	2,557	8
Aortic, Peripheral & Venous	476	457	4	(9)	485	6	1,424	1,348	6	(8)	1,348	6
Minimally Invasive Therapies Group ⁽¹⁾	2,124	2,041	4	(52)	2,176	7	6,223	6,479	(4)	(68)	5,929	6
Surgical Innovations	1,434	1,384	4	(39)	1,473	6	4,224	4,117	3	(53)	4,024	6
Respiratory, Gastrointestinal, & Renal	690	657	5	(13)	703	7	1,999	2,362	(15)	(15)	1,905	6
Restorative Therapies Group	2,026	1,944	4	(25)	2,051	6	5,968	5,616	6	(23)	5,616	7
Spine	655	661	(1)	(6)	661	—	1,963	1,969	—	(5)	1,969	—
Brain Therapies	650	585	11	(12)	662	13	1,867	1,682	11	(13)	1,682	12
Specialty Therapies	407	398	2	(4)	411	3	1,196	1,132	6	(3)	1,132	6
Pain Therapies	314	300	5	(3)	317	6	942	833	13	(2)	833	13
Diabetes Group	610	584	4	(12)	622	7	1,765	1,495	18	(13)	1,495	19
TOTAL	\$ 7,546	\$ 7,369	2 %	\$ (149)	\$ 7,695	4%	\$22,411	\$21,809	3%	\$ (166)	\$ 21,259	6%

(1) In the second quarter of fiscal year 2018, the Company realigned its divisions within the Minimally Invasive Therapies Group, which included a movement of revenue from certain product lines within Surgical Innovations to Respiratory, Gastrointestinal, & Renal. As a result, first quarter fiscal year 2018 results in the year-to-date figures have been recast to adjust for this alignment.

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

(3) Revised revenue excludes revenue related to the divested Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses for the first quarter of fiscal year 2018.

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

(in millions)	THIRD QUARTER			THIRD QUARTER YEAR-TO-DATE				
	REPORTED			REPORTED			COMPARABLE	
	FY19	FY18	Growth	FY19	FY18	Growth	Revised FY18 ⁽³⁾	Growth
Cardiac & Vascular Group	\$ 1,369	\$ 1,395	(2)%	\$ 4,240	\$ 4,151	2%	\$ 4,151	2%
Cardiac Rhythm & Heart Failure	745	806	(8)	2,334	2,395	(3)	2,395	(3)
Coronary & Structural Heart	359	335	7	1,096	986	11	986	11
Aortic, Peripheral & Venous	265	254	4	810	770	5	770	5
Minimally Invasive Therapies Group⁽²⁾	930	862	8	2,659	2,902	(8)	2,492	7
Surgical Innovations	589	560	5	1,706	1,668	2	1,613	6
Respiratory, Gastrointestinal, & Renal	341	302	13	953	1,234	(23)	879	8
Restorative Therapies Group	1,354	1,300	4	4,005	3,779	6	3,779	6
Spine	459	460	—	1,359	1,372	(1)	1,372	(1)
Brain Therapies	367	324	13	1,065	953	12	953	12
Specialty Therapies	303	300	1	895	854	5	854	5
Pain Therapies	225	216	4	686	600	14	600	14
Diabetes Group	348	355	(2)	1,006	856	18	856	18
TOTAL	\$ 4,001	\$ 3,912	2 %	\$ 11,910	\$ 11,688	2%	\$ 11,278	6%

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

(2) In the second quarter of fiscal year 2018, the Company realigned its divisions within the Minimally Invasive Therapies Group, which included a movement of revenue from certain product lines within Surgical Innovations to Respiratory, Gastrointestinal, & Renal. As a result, first quarter fiscal year 2018 results in the year-to-date figures have been recast to adjust for this alignment.

(3) Revised revenue excludes revenue related to the divested Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses for the first quarter of fiscal year 2018.

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

(in millions)	THIRD QUARTER						THIRD QUARTER YEAR-TO-DATE					
	REPORTED			Currency Impact ⁽²⁾	CONSTANT CURRENCY		REPORTED			Currency Impact ⁽²⁾	COMPARABLE CONSTANT CURRENCY	
	FY19	FY18	Growth		FY19	Growth	FY19	FY18	Growth		Revised FY18 ⁽³⁾	Growth
U.S.	\$ 1,369	\$ 1,395	(2)%	\$ —	\$ 1,369	(2)%	\$ 4,240	\$ 4,151	2%	\$ —	\$ 4,151	2%
Non-U.S. Developed	924	934	(1)	(28)	952	2	2,766	2,716	2	(3)	2,716	2
Emerging Markets	493	471	5	(32)	525	11	1,449	1,352	7	(59)	1,352	12
Cardiac & Vascular Group	2,786	2,800	(1)	(60)	2,846	2	8,455	8,219	3	(62)	8,219	4
U.S.	930	862	8	—	930	8	2,659	2,902	(8)	—	2,492	7
Non-U.S. Developed	796	807	(1)	(23)	819	1	2,396	2,455	(2)	(6)	2,344	2
Emerging Markets	398	372	7	(29)	427	15	1,168	1,122	4	(62)	1,093	13
Minimally Invasive Therapies Group	2,124	2,041	4	(52)	2,176	7	6,223	6,479	(4)	(68)	5,929	6
U.S.	1,354	1,300	4	—	1,354	4	4,005	3,779	6	—	3,779	6
Non-U.S. Developed	435	429	1	(12)	447	4	1,275	1,217	5	(4)	1,217	5
Emerging Markets	237	215	10	(13)	250	16	688	620	11	(19)	620	14
Restorative Therapies Group	2,026	1,944	4	(25)	2,051	6	5,968	5,616	6	(23)	5,616	7
U.S.	348	355	(2)	—	348	(2)	1,006	856	18	—	856	18
Non-U.S. Developed	213	185	15	(8)	221	19	619	521	19	(4)	521	20
Emerging Markets	49	44	11	(4)	53	20	140	118	19	(9)	118	26
Diabetes Group	610	584	4	(12)	622	7	1,765	1,495	18	(13)	1,495	19
U.S.	4,001	3,912	2	—	4,001	2	11,910	11,688	2	—	11,278	6
Non-U.S. Developed	2,368	2,355	1	(71)	2,439	4	7,056	6,909	2	(17)	6,798	4
Emerging Markets	1,177	1,102	7	(78)	1,255	14	3,445	3,212	7	(149)	3,183	13
TOTAL	\$ 7,546	\$ 7,369	2%	\$ (149)	\$ 7,695	4%	\$22,411	\$21,809	3%	\$ (166)	\$ 21,259	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 currency impact to revenue measures the change in revenue between current and prior year periods using constant exchange rates.

(3) Revised revenue excludes revenue related to the divested Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses for the first quarter of fiscal year 2018.

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(in millions, except per share data)	Three months ended		Nine months ended	
	January 25, 2019	January 26, 2018	January 25, 2019	January 26, 2018
Net sales	\$ 7,546	\$ 7,369	\$ 22,411	\$ 21,809
Costs and expenses:				
Cost of products sold	2,265	2,194	6,672	6,669
Research and development expense	561	559	1,736	1,664
Selling, general, and administrative expense	2,596	2,523	7,798	7,642
Amortization of intangible assets	436	461	1,327	1,375
Restructuring charges, net	26	7	112	23
Certain litigation charges	63	61	166	61
Gain on sale of businesses	—	—	—	(697)
Other operating expense, net	57	128	278	360
Operating profit	1,542	1,436	4,322	4,712
Other non-operating (income) expense, net	(71)	139	(309)	(67)
Interest expense	243	270	726	829
Income before income taxes	1,370	1,027	3,905	3,950
Income tax provision	99	2,419	437	2,320
Net income (loss)	1,271	(1,392)	3,468	1,630
Net (income) loss attributable to noncontrolling interests	(2)	3	(9)	14
Net income (loss) attributable to Medtronic	\$ 1,269	\$ (1,389)	\$ 3,459	\$ 1,644
Basic earnings (loss) per share	\$ 0.95	\$ (1.03)	\$ 2.57	\$ 1.21
Diluted earnings (loss) per share	\$ 0.94	\$ (1.03)	\$ 2.54	\$ 1.20
Basic weighted average shares outstanding	1,342.8	1,354.0	1,348.1	1,357.2
Diluted weighted average shares outstanding	1,352.7	1,354.0	1,359.5	1,368.9

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended January 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	\$ 7,546	\$ 2,265	70.0%	\$ 1,542	20.4%	\$ 1,370	\$ 1,269	\$ 0.94	7.2%
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(21)	0.3	66	0.9	66	54	0.04	18.2
Acquisition-related items (3)	—	(1)	—	17	0.2	17	12	0.01	29.4
Certain litigation charges	—	—	—	63	0.8	63	51	0.04	19.0
(Gain)/loss on minority investments (4)	—	—	—	—	—	(7)	(6)	—	14.3
IPR&D charges (5)	—	—	—	11	0.1	11	8	0.01	27.3
Exit of businesses (6)	—	—	—	69	0.9	69	56	0.04	18.8
Amortization of intangible assets	—	—	—	436	5.9	436	371	0.27	14.9
Certain tax adjustments, net (7)	—	—	—	—	—	—	(64)	(0.05)	—
Non-GAAP	<u>\$ 7,546</u>	<u>\$ 2,243</u>	<u>70.3%</u>	<u>\$ 2,204</u>	<u>29.2%</u>	<u>\$ 2,025</u>	<u>\$ 1,751</u>	<u>\$ 1.29</u>	<u>13.4%</u>
Currency impact	149	47	(0.1)	(29)	(0.9)	—	—	(0.02)	—
Currency Adjusted	<u>\$ 7,695</u>	<u>\$ 2,290</u>	<u>70.2%</u>	<u>\$ 2,175</u>	<u>28.3%</u>	—	—	<u>\$ 1.27</u>	—

Three months ended January 26, 2018									
(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 (Loss) Income attributable to Medtronic	Diluted (LPS) EPS ⁽¹⁾⁽⁸⁾	Effective Tax Rate
GAAP	\$ 7,369	\$ 2,194	70.2%	\$ 1,436	19.5%	\$ 1,027	\$ (1,389)	\$ (1.03)	235.5%
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(13)	0.2	30	0.4	30	26	0.02	13.3
Acquisition-related items (9)	—	(4)	0.1	13	0.2	30	17	0.01	43.3
Certain litigation charges	—	—	—	61	0.8	61	53	0.04	13.1
Investment loss (10)	—	—	—	—	—	227	228	0.17	(0.4)
IPR&D charges (5)	—	—	—	46	0.6	46	41	0.03	10.9
Amortization of intangible assets	—	—	—	461	6.3	461	374	0.27	18.9
Certain tax adjustments, net (11)	—	—	—	—	—	—	2,242	1.64	—
Non-GAAP	<u>\$ 7,369</u>	<u>\$ 2,177</u>	<u>70.5%</u>	<u>\$ 2,047</u>	<u>27.8%</u>	<u>\$ 1,882</u>	<u>\$ 1,592</u>	<u>\$ 1.17</u>	<u>15.6%</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 include unvested stock option payouts and investment banker and other transaction fees, along with integration-related costs incurred in connection with the Covidien acquisition and changes in the fair value of contingent consideration.
- (4) Effective in fiscal year 2019, 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 were recognized in connection with the impairment of in-process research and development ("IPR&D") assets.
- (6) The net charge relates to business exits and is primarily comprised of intangible asset impairments.
- (7) The net benefit relates to the impact of U.S. tax reform, intercompany legal entity restructuring, and the finalization of certain income tax aspects of the divestiture of the Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses within the Minimally Invasive Therapies Group on July 29, 2017.

- (8) GAAP diluted LPS for the three months ended January 26, 2018 is calculated using diluted weighted average shares outstanding of 1,354.0 million, which is the same as basic weighted average shares, due to the net loss resulting from the tax charge as discussed in footnote (11). Non-GAAP diluted EPS for the respective period is calculated using diluted weighted average shares of 1,364.5 million as the Company had non-GAAP net income for the period.
- (9) The charges primarily include integration-related costs incurred in connection with the Covidien acquisition and changes in the fair value of contingent consideration.
- (10) The charge was recognized in connection with the impairment of certain cost and equity method investments.
- (11) The net charge primarily relates to the impact from U.S. tax reform, inclusive of the transition tax, remeasurement of deferred tax assets and liabilities, and the decrease in the U.S. statutory tax rate.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended January 25, 2019								
(in millions)	Net Sales	SG&A Expense	SG&A Expense as a % of Net Sales	R&D Expense	R&D Expense as a % of Net Sales	Other Operating Expense, net	Other Operating Expense, net as a % of Net Sales	Other Non-Operating Income, net
GAAP	\$ 7,546	\$ 2,596	34.4%	\$ 561	7.4%	\$ 57	0.8%	\$ (71)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(19)	(0.3)	—	—	—	—	—
Acquisition-related items (2)	—	(77)	(1.0)	—	—	61	0.8	—
(Gain)/loss on minority investments (3)	—	—	—	—	—	—	—	7
IPR&D charges (4)	—	—	—	—	—	(11)	(0.2)	—
Exit of businesses (5)	—	—	—	—	—	(69)	(0.9)	—
Non-GAAP	\$ 7,546	\$ 2,500	33.1%	\$ 561	7.4%	\$ 38	0.5%	\$ (64)
Currency impact	149	48	—	2	(0.1)	81	1.0	—
Currency Adjusted	<u>\$ 7,695</u>	<u>\$ 2,548</u>	<u>33.1%</u>	<u>\$ 563</u>	<u>7.3%</u>	<u>\$ 119</u>	<u>1.5%</u>	<u>\$ (64)</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 include unvested stock option payouts and investment banker and other transaction fees, along with integration-related costs incurred in connection with the Covidien acquisition and changes in the fair value of contingent consideration.
- (3) Effective in fiscal year 2019, 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.
- (4) The charges were recognized in connection with the impairment of IPR&D assets.
- (5) The net charge relates to business exits and is primarily comprised of intangible asset impairments.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Nine months ended January 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	\$ 22,411	\$ 6,672	70.2%	\$ 4,322	19.3%	\$ 3,905	\$ 3,459	\$ 2.54	11.2%
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(58)	0.3	256	1.1	256	216	0.16	15.6
Acquisition-related items (3)	—	(5)	—	57	0.3	57	44	0.03	22.8
Certain litigation charges	—	—	—	166	0.7	166	142	0.10	14.5
(Gain)/loss on minority investments (4)	—	—	—	—	—	(92)	(83)	(0.06)	9.8
IPR&D charges (5)	—	—	—	26	0.1	26	23	0.02	11.5
Exit of businesses (6)	—	—	—	149	0.7	149	118	0.09	20.8
Amortization of intangible assets	—	—	—	1,327	5.9	1,327	1,128	0.83	15.0
Certain tax adjustments, net (7)	—	—	—	—	—	—	(35)	(0.03)	—
Non-GAAP	<u>\$ 22,411</u>	<u>\$ 6,609</u>	<u>70.5%</u>	<u>\$ 6,303</u>	<u>28.1%</u>	<u>\$ 5,794</u>	<u>\$ 5,012</u>	<u>\$ 3.69</u>	<u>13.3%</u>
Currency impact	166	132	(0.4)	(117)	(0.7)	—	—	(0.08)	—
Currency Adjusted	<u>\$ 22,577</u>	<u>\$ 6,741</u>	<u>70.1%</u>	<u>\$ 6,186</u>	<u>27.4%</u>	—	—	<u>\$ 3.61</u>	—

Nine months ended January 26, 2018									
(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	\$ 21,809	\$ 6,669	69.4%	\$ 4,712	21.6%	\$ 3,950	\$ 1,644	\$ 1.20	58.7%
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(25)	0.1	62	0.3	62	52	0.04	16.1
Acquisition-related items (8)	—	(24)	0.1	84	0.4	101	66	0.05	34.7
Divestiture-related items (9)	—	—	—	115	0.5	115	103	0.08	10.4
Certain litigation charges	—	—	—	61	0.3	61	53	0.04	13.1
Investment loss (10)	—	—	—	—	—	227	228	0.17	(0.4)
IPR&D charges (11)	—	—	—	46	0.2	46	41	0.03	10.9
Gain on sale of businesses (12)	—	—	—	(697)	(3.2)	(697)	(697)	(0.51)	—
Hurricane Maria (13)	—	(17)	0.1	34	0.2	34	33	0.02	2.9
Contribution to Medtronic Foundation	—	—	—	80	0.4	80	54	0.04	32.5
Amortization of intangible assets	—	—	—	1,375	6.2	1,375	1,134	0.83	17.5
Certain tax adjustments, net (14)	—	—	—	—	—	—	1,877	1.37	—
Non-GAAP	<u>\$ 21,809</u>	<u>\$ 6,603</u>	<u>69.7%</u>	<u>\$ 5,872</u>	<u>26.9%</u>	<u>\$ 5,354</u>	<u>\$ 4,588</u>	<u>\$ 3.35</u>	<u>14.6%</u>

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 include unvested stock option payouts and investment banker and other transaction fees, along with integration-related costs incurred in connection with the Covidien acquisition and changes in the fair value of contingent consideration.
- (4) Effective in fiscal year 2019, 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 represent acquired IPR&D in connection with an asset acquisition and charges recognized in connection with the impairment of IPR&D assets.
- (6) The net charge relates to business exits and is primarily comprised of intangible asset impairments.

- (7) The net benefit relates to the impact of U.S. tax reform, intercompany legal entity restructuring, and the finalization of certain income tax aspects of the divestiture of the Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses within the Minimally Invasive Therapies Group on July 29, 2017.
- (8) The charges primarily include integration-related costs incurred in connection with the Covidien acquisition and changes in the fair value of contingent consideration.
- (9) The transaction expenses incurred in connection with the divestiture of the Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses.
- (10) The charge was recognized in connection with the impairment of certain cost and equity method investments.
- (11) The charge was recognized in connection with the impairment of IPR&D assets.
- (12) The gain on the divestiture of the Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses.
- (13) The charges represent idle facility costs, asset write-downs, and humanitarian efforts related to Hurricane Maria.
- (14) The net charge primarily relates to the impact of U.S. tax reform, inclusive of the transition tax, remeasurement of deferred tax assets and liabilities, and the decrease in the U.S. statutory tax rate. Additionally, the net charge includes the impacts from the divestiture of our Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses, partially offset by the tax effects from the intercompany sale of intellectual property.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Nine months ended January 25, 2019								
(in millions)	Net Sales	SG&A Expense	SG&A Expense as a % of Net Sales	R&D Expense	R&D Expense as a % of Net Sales	Other Operating Expense, net	Other Operating Expense, net as a % of Net Sales	Other Non-Operating Income, net
GAAP	\$ 22,411	\$ 7,798	34.8%	\$ 1,736	7.7%	\$ 278	1.2%	\$ (309)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(86)	(0.4)	—	—	—	—	—
Acquisition-related items (2)	—	(120)	(0.5)	—	—	68	0.3	—
(Gain)/loss on minority investments (3)	—	—	—	—	—	—	—	92
IPR&D charges (4)	—	—	—	—	—	(26)	(0.1)	—
Exit of businesses (5)	—	—	—	—	—	(149)	(0.6)	—
Non-GAAP	\$ 22,411	\$ 7,592	33.9%	\$ 1,736	7.7%	\$ 171	0.8%	\$ (217)
Currency impact	166	62	—	—	—	89	0.4	—
Currency Adjusted	\$ 22,577	\$ 7,654	33.9%	\$ 1,736	7.7%	\$ 260	1.2%	\$ (217)

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 include unvested stock option payouts and investment banker and other transaction fees, along with integration-related costs incurred in connection with the Covidien acquisition and changes in the fair value of contingent consideration.
- (3) Effective in fiscal year 2019, 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.
- (4) The charges represent acquired IPR&D in connection with an asset acquisition and charges recognized in connection with the impairment of IPR&D assets.
- (5) The net charge relates to business exits and is primarily comprised of intangible asset impairments.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

(in millions)	Nine months ended	Fiscal year	Fiscal year
	January 25, 2019	2018	2017
Net cash provided by operating activities	\$ 4,920	\$ 4,684	\$ 6,880
Additions to property, plant, and equipment	(799)	(1,068)	(1,254)
Free Cash Flow (1)	<u>\$ 4,121</u>	<u>\$ 3,616</u>	<u>\$ 5,626</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)	January 25, 2019	April 27, 2018
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,703	\$ 3,669
Investments	5,439	7,558
Accounts receivable, less allowances of \$197 and \$193, respectively	5,854	5,987
Inventories, net	3,866	3,579
Other current assets	2,015	2,187
Total current assets	20,877	22,980
Property, plant, and equipment	10,746	10,259
Accumulated depreciation	(6,153)	(5,655)
Property, plant, and equipment, net	4,593	4,604
Goodwill	40,003	39,543
Other intangible assets, net	20,835	21,723
Tax assets	1,496	1,465
Other assets	926	1,078
Total assets	\$ 88,730	\$ 91,393
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Current debt obligations	\$ 1,356	\$ 2,058
Accounts payable	1,706	1,628
Accrued compensation	1,796	1,988
Accrued income taxes	648	979
Other accrued expenses	3,347	3,431
Total current liabilities	8,853	10,084
Long-term debt	23,674	23,699
Accrued compensation and retirement benefits	1,313	1,425
Accrued income taxes	2,874	3,051
Deferred tax liabilities	1,356	1,423
Other liabilities	719	889
Total liabilities	38,789	40,571
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares— par value \$0.0001, 2.6 billion shares authorized, 1,340,592,569 and 1,354,218,154 shares issued and outstanding, respectively	—	—
Additional paid-in capital	26,518	28,127
Retained earnings	25,769	24,379
Accumulated other comprehensive loss	(2,458)	(1,786)
Total shareholders' equity	49,829	50,720
Noncontrolling interests	112	102
Total equity	49,941	50,822
Total liabilities and equity	\$ 88,730	\$ 91,393

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Nine months ended	
	January 25, 2019	January 26, 2018
Operating Activities:		
Net income	\$ 3,468	\$ 1,630
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,992	1,980
Provision for doubtful accounts	55	36
Deferred income taxes	(205)	(1,042)
Stock-based compensation	228	270
Gain on sale of businesses	—	(697)
Investment loss	—	227
Other, net	111	12
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable, net	(140)	19
Inventories, net	(367)	(318)
Accounts payable and accrued liabilities	211	13
Other operating assets and liabilities	(433)	1,516
Net cash provided by operating activities	4,920	3,646
Investing Activities:		
Acquisitions, net of cash acquired	(1,615)	(111)
Proceeds from sale of businesses	—	6,058
Additions to property, plant, and equipment	(799)	(776)
Purchases of investments	(1,987)	(2,479)
Sales and maturities of investments	4,159	3,060
Other investing activities	(3)	(5)
Net cash (used in) provided by investing activities	(245)	5,747
Financing Activities:		
Change in current debt obligations, net	(696)	(391)
Issuance of long-term debt	3	21
Payments on long-term debt	(29)	(4,167)
Dividends to shareholders	(2,022)	(1,870)
Issuance of ordinary shares	891	333
Repurchase of ordinary shares	(2,728)	(1,964)
Other financing activities	10	(88)
Net cash used in financing activities	(4,571)	(8,126)
Effect of exchange rate changes on cash and cash equivalents	(70)	124
Net change in cash and cash equivalents	34	1,391
Cash and cash equivalents at beginning of period	3,669	4,967
Cash and cash equivalents at end of period	\$ 3,703	\$ 6,358

Supplemental Cash Flow Information

Cash paid for:		
Income taxes	\$ 1,206	\$ 911
Interest	540	651