

MEDTRONIC PLC
WORLD WIDE REVENUE
(Unaudited)

(in millions)	FIRST QUARTER						
	REPORTED				COMPARABLE CONSTANT CURRENCY		
	FY19	FY18	Growth	Currency Impact ⁽²⁾	Revised ⁽³⁾ FY18	Growth	
Cardiac & Vascular Group	\$ 2,811	\$ 2,646	6 %	\$ 34	\$ 2,646	5%	
Cardiac Rhythm & Heart Failure	1,426	1,390	3	17	1,390	1	
Coronary & Structural Heart	917	817	12	11	817	11	
Aortic, Peripheral & Venous	468	439	7	6	439	5	
Minimally Invasive Therapies Group⁽¹⁾	2,052	2,486	(17)	22	1,936	5	
Surgical Innovations	1,397	—	—	15	1,306	6	
Respiratory, Gastrointestinal, & Renal	655	—	—	7	630	3	
Restorative Therapies Group	1,949	1,809	8	17	1,809	7	
Spine	652	649	—	5	649	—	
Brain Therapies	599	522	15	6	522	14	
Specialty Therapies	384	369	4	3	369	3	
Pain Therapies	314	269	17	3	269	16	
Diabetes Group	572	449	27	5	449	26	
TOTAL	\$ 7,384	\$ 7,390	— %	\$ 78	\$ 6,840	7%	

(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 have been recast to adjust for this realignment.

(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)	FIRST QUARTER				
	REPORTED			COMPARABLE	
	FY19	FY18	Growth	Revised ⁽³⁾ FY18	Growth
Cardiac & Vascular Group	\$ 1,389	\$ 1,333	4 %	\$ 1,333	4%
Cardiac Rhythm & Heart Failure	764	765	—	765	—
Coronary & Structural Heart	362	316	15	316	15
Aortic, Peripheral & Venous	263	252	4	252	4
Minimally Invasive Therapies Group⁽²⁾	857	1,245	(31)	835	3
Surgical Innovations	556	—	—	531	5
Respiratory, Gastrointestinal, & Renal	301	—	—	304	(1)
Restorative Therapies Group	1,294	1,221	6	1,221	6
Spine	444	454	(2)	454	(2)
Brain Therapies	336	294	14	294	14
Specialty Therapies	285	280	2	280	2
Pain Therapies	229	193	19	193	19
Diabetes Group	324	243	33	243	33
TOTAL	\$ 3,864	\$ 4,042	(4)%	\$ 3,632	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 have been recast to adjust for this realignment.

(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)	FIRST QUARTER						
	REPORTED				COMPARABLE CONSTANT CURRENCY		
	FY19	FY18	Growth	Currency Impact ⁽²⁾	Revised ⁽³⁾ FY18	Growth	
U.S.	\$ 1,389	\$ 1,333	4 %	\$ —	\$ 1,333	4 %	
Non-U.S. Developed	947	887	7	35	887	3	
Emerging Markets	475	426	12	(1)	426	12	
Cardiac & Vascular Group	2,811	2,646	6	34	2,646	5	
U.S.	857	1,245	(31)	—	835	3	
Non-U.S. Developed	828	865	(4)	27	754	6	
Emerging Markets	367	376	(2)	(5)	347	7	
Minimally Invasive Therapies Group	2,052	2,486	(17)	22	1,936	5	
U.S.	1,294	1,221	6	—	1,221	6	
Non-U.S. Developed	428	394	9	14	394	5	
Emerging Markets	227	194	17	3	194	15	
Restorative Therapies Group	1,949	1,809	8	17	1,809	7	
U.S.	324	243	33	—	243	33	
Non-U.S. Developed	203	167	22	7	167	17	
Emerging Markets	45	39	15	(2)	39	21	
Diabetes Group	572	449	27	5	449	26	
U.S.	3,864	4,042	(4)	—	3,632	6	
Non-U.S. Developed	2,406	2,313	4	83	2,202	5	
Emerging Markets	1,114	1,035	8	(5)	1,006	11	
TOTAL	\$ 7,384	\$ 7,390	— %	\$ 78	\$ 6,840	7%	

(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	
	July 27, 2018	July 28, 2017
Net sales	\$ 7,384	\$ 7,390
Costs and expenses:		
Cost of products sold	2,204	2,352
Research and development expense	585	549
Selling, general, and administrative expense	2,597	2,580
Amortization of intangible assets	446	454
Restructuring charges, net	62	8
Certain litigation charges	103	—
Other operating expense, net	151	65
Operating profit	1,236	1,382
Other non-operating income, net	(186)	(99)
Interest expense	242	286
Income before income taxes	1,180	1,195
Income tax provision	103	186
Net income	1,077	1,009
Net (income) loss attributable to noncontrolling interests	(2)	7
Net income attributable to Medtronic	\$ 1,075	\$ 1,016
Basic earnings per share	\$ 0.79	\$ 0.75
Diluted earnings per share	\$ 0.79	\$ 0.74
Basic weighted average shares outstanding	1,352.7	1,361.9
Diluted weighted average shares outstanding	1,365.4	1,375.6
Cash dividends declared per ordinary share	\$ 0.50	\$ 0.46

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended July 27, 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	\$ 7,384	\$ 2,204	70.2%	\$ 1,236	16.7%	\$ 1,180	\$ 1,075	\$ 0.79	8.7%
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(15)	0.2	113	1.5	113	97	0.07	14.2
Acquisition-related items	—	(2)	—	36	0.5	36	29	0.02	19.4
Certain litigation charges	—	—	—	103	1.4	103	91	0.07	11.7
(Gain)/loss on minority investments (3)	—	—	—	—	—	(110)	(103)	(0.08)	6.4
Exit of business (4)	—	—	—	80	1.1	80	62	0.05	22.5
Amortization of intangible assets	—	—	—	446	6.1	446	379	0.28	15.0
Certain tax adjustments, net (5)	—	—	—	—	—	—	(29)	(0.02)	—
Non-GAAP	\$ 7,384	\$ 2,187	70.4%	\$ 2,014	27.3%	\$ 1,848	\$ 1,601	\$ 1.17	13.3%
Currency impact	(78)	27	(0.7)	(76)	(0.8)	—	—	(0.05)	—
Currency Adjusted	\$ 7,306	\$ 2,214	69.7%	\$ 1,938	26.5%	—	—	\$ 1.12	—

Three months ended July 28, 2017									
(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	\$ 7,390	\$ 2,352	68.2%	\$ 1,382	18.7%	\$ 1,195	\$ 1,016	\$ 0.74	15.6%
Non-GAAP Adjustments:									
Restructuring charges, net	—	(5)	0.1	14	0.2	14	12	0.01	14.3
Acquisition-related items	—	(9)	0.1	53	0.7	53	39	0.03	26.4
Divestiture-related items (6)	—	—	—	48	0.6	48	40	0.03	16.7
Amortization of intangible assets	—	—	—	454	6.2	454	374	0.27	17.6
Certain tax adjustment (7)	—	—	—	—	—	—	60	0.04	—
Non-GAAP	\$ 7,390	\$ 2,338	68.4%	\$ 1,951	26.4%	\$ 1,764	\$ 1,541	\$ 1.12	13.0%

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) 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 net charge relates to the exit of a business and is primarily comprised of intangible asset impairments.
- (5) The net charge relates to the impact of U.S. tax reform.
- (6) The transaction expenses incurred in connection with the divestiture of our Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses.
- (7) The net benefit in certain tax adjustments relates to the resolution of various tax positions from prior years and other certain tax charges recorded in connection with the redemption of an intercompany minority interest.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

Three months ended July 27, 2018								
(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	\$ 7,384	\$ 2,597	35.2%	\$ 585	7.9%	\$ 151	2.0%	\$ (186)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(36)	(0.5)	—	—	—	—	—
Acquisition-related items	—	(23)	(0.3)	—	—	(11)	(0.1)	—
(Gain)/loss on minority investments (2)	—	—	—	—	—	—	—	110
Exit of business (3)	—	—	—	—	—	(80)	(1.1)	—
Non-GAAP	\$ 7,384	\$ 2,538	34.4	\$ 585	7.9	\$ 60	0.8	\$ (76)
Currency impact	(78)	(13)	0.2	(3)	0.1	(13)	(0.2)	—
Currency Adjusted	\$ 7,306	\$ 2,525	34.6%	\$ 582	8.0%	\$ 47	0.6%	\$ (76)

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) 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.
- (3) The net charge relates to the exit of a business and is primarily comprised of intangible asset impairments.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS
(Unaudited)

(in millions)	Three months ended	Fiscal year	Fiscal year
	July 27, 2018	2018	2017
Net cash provided by operating activities	\$ 1,702	\$ 4,684	\$ 6,880
Additions to property, plant, and equipment	(291)	(1,068)	(1,254)
Free Cash Flow (1)	<u>\$ 1,411</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)	July 27, 2018	April 27, 2018
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 4,380	\$ 3,669
Investments	6,624	7,558
Accounts receivable, less allowances of \$184 and \$193, respectively	5,674	5,987
Inventories, net	3,681	3,579
Other current assets	2,101	2,187
Total current assets	22,460	22,980
Property, plant, and equipment	10,336	10,259
Accumulated depreciation	(5,812)	(5,655)
Property, plant, and equipment, net	4,524	4,604
Goodwill	38,955	39,543
Other intangible assets, net	21,270	21,723
Tax assets	1,413	1,465
Other assets	1,099	1,078
Total assets	\$ 89,721	\$ 91,393
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Current debt obligations	\$ 1,545	\$ 2,058
Accounts payable	1,789	1,628
Accrued compensation	1,371	1,988
Accrued income taxes	784	979
Other accrued expenses	3,623	3,431
Total current liabilities	9,112	10,084
Long-term debt	23,678	23,699
Accrued compensation and retirement benefits	1,412	1,425
Accrued income taxes	3,042	3,051
Deferred tax liabilities	1,347	1,423
Other liabilities	801	889
Total liabilities	39,392	40,571
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares— par value \$0.0001, 2.6 billion shares authorized, 1,351,728,548 and 1,354,218,154 shares issued and outstanding, respectively	—	—
Additional paid-in capital	27,817	28,127
Retained earnings	24,730	24,379
Accumulated other comprehensive loss	(2,323)	(1,786)
Total shareholders' equity	50,224	50,720
Noncontrolling interests	105	102
Total equity	50,329	50,822
Total liabilities and equity	\$ 89,721	\$ 91,393

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Three months ended	
	July 27, 2018	July 28, 2017
Operating Activities:		
Net income	\$ 1,077	\$ 1,009
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	666	636
Provision for doubtful accounts	15	10
Deferred income taxes	3	58
Stock-based compensation	64	92
Other, net	3	(5)
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable, net	138	(88)
Inventories, net	(180)	(164)
Accounts payable and accrued liabilities	85	(392)
Other operating assets and liabilities	(169)	(419)
Net cash provided by operating activities	1,702	737
Investing Activities:		
Acquisitions, net of cash acquired	(104)	—
Additions to property, plant, and equipment	(291)	(278)
Purchases of investments	(982)	(615)
Sales and maturities of investments	2,020	971
Other investing activities, net	—	5
Net cash provided by investing activities	643	83
Financing Activities:		
Change in current debt obligations, net	(505)	569
Issuance of long-term debt	—	18
Payments on long-term debt	(12)	(8)
Dividends to shareholders	(677)	(625)
Issuance of ordinary shares	450	143
Repurchase of ordinary shares	(824)	(1,233)
Other financing activities	(5)	(5)
Net cash used in financing activities	(1,573)	(1,141)
Effect of exchange rate changes on cash and cash equivalents	(61)	45
Net change in cash and cash equivalents	711	(276)
Cash and cash equivalents at beginning of period	3,669	4,967
Cash and cash equivalents at end of period	\$ 4,380	\$ 4,691
Supplemental Cash Flow Information		
Cash paid for:		
Income taxes	\$ 348	\$ 417
Interest	55	68