

MEDTRONIC PLC

Q3 FY17

EARNINGS PRESENTATION
FEBRUARY 21, 2017

- CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS
- EPS GUIDANCE, REVENUE OUTLOOK, & OTHER ASSUMPTIONS

Medtronic
Further, Together

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements which provide current expectations or forecasts, including those relating to market and sales growth, growth strategies, changes to the healthcare system, financial results, use of capital, balance sheet changes, the creation of shareholder value and shareholder returns, product and service development, introduction, and adoption, partnerships, regulatory matters, restructuring initiatives, mergers/acquisitions/divestitures and related effects, accounting estimates, working capital adequacy, currency exchange rates, competitive strengths and sales efforts. They are based on current assumptions and expectations that involve uncertainties or risks. These uncertainties and risks include, but are not limited to, those described in the filings we make with the U.S. Securities and Exchange Commission (SEC). Actual results may differ materially from anticipated results. Forward-looking statements are made as of today's date, and we undertake no duty to update them or any of the information contained in this presentation.

Financial Data

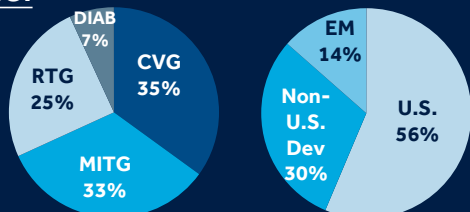
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CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS

MDT

Q3 FY17 HIGHLIGHTS

Revenue:



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CVG	2,548	5	6
MITG	2,417	5	6
RTG	1,817	4	4
Diabetes	501	6	7
Total	\$7,283	5%	6%

U.S.	4,106	4	4
Non-U.S. Dev	2,193	6	7
EM	984	9	11
Total	\$7,283	5%	6%

Other Financial Highlights:

	Diluted EPS	Y/Y	CC ¹ Y/Y%
GAAP	\$0.59	(23%)	NC
Non-GAAP	\$1.12	6%	10%

Cash Flow from Ops \$2.1B

Free Cash Flow⁴ \$1.8B

SOLID QUARTER: IMPROVED RESULTS ACROSS ALL GROUPS AND GEOGRAPHIES

■ Balanced growth across groups and geographies

- CVG, MITG, and RTG all MSD growth¹; Diabetes HSD growth¹
 - New products driving growth including Evolut[®] R 34mm, LigaSure[™] instruments, MiniMed[®] 6 series
 - Continued improvement in Spine: Best growth in over 7 years
- US MSD growth¹; Non-US Developed HSD growth¹; Emerging Markets DD growth¹
 - Western Europe and Japan HSD growth¹
 - China, Latin America, and Eastern Europe all grew mid-teens or higher¹
- Growth Vector Performance:
 - New Therapies: above our 200 to 350 bps goal, contributing ~390 bps
 - Emerging Markets: in line with our 150 to 200 bps goal, contributing ~150 bps
 - Services & Solutions: below our 40 to 60 bps goal, contributing ~20 bps
- MSD Organic Growth²: 4.1%
 - Acquisitions & divestitures contributed a net 150 bps to Q3 revenue growth

■ Meaningful improvement in operating margin; Double-digit EPS^{1,2} growth

- EPS: 10%^{1,2} growth; EPS leverage ~480 bps¹
- Operating Margin: ~130 bps improvement Y/Y¹; ~170bps improvement Y/Y¹ on organic basis²; Operating leverage ~470 bps¹
- Covidien synergies: on track for a minimum of \$850M in cost savings by FY18
 - Delivered \$355M in FY16; on track to deliver \$225-250M in FY17

■ Outlook: Continue to expect MSD revenue² and double-digit EPS² growth for the full fiscal year

- Q4 Revenue²: Lower half of MSD range, following strong growth in prior year
- Reiterate FY17 Free Cash Flow³ outlook of \$5B - \$6B

■ Capital allocation: Strategically deploying capital against priorities

- Q3: 74% Payout Ratio⁴; \$590M in dividends and \$566M in net share repurchases

¹ Figures represent comparison to Q3 FY16 on a constant currency basis (non-GAAP).

² Non-GAAP measure

³ Operating cash flows less property, plant and equipment additions (non-GAAP)

⁴ Dividends plus net share repurchases divided by adjusted net income (non-GAAP)

Q3 FY17 GAAP SELECT FINANCIAL INFORMATION

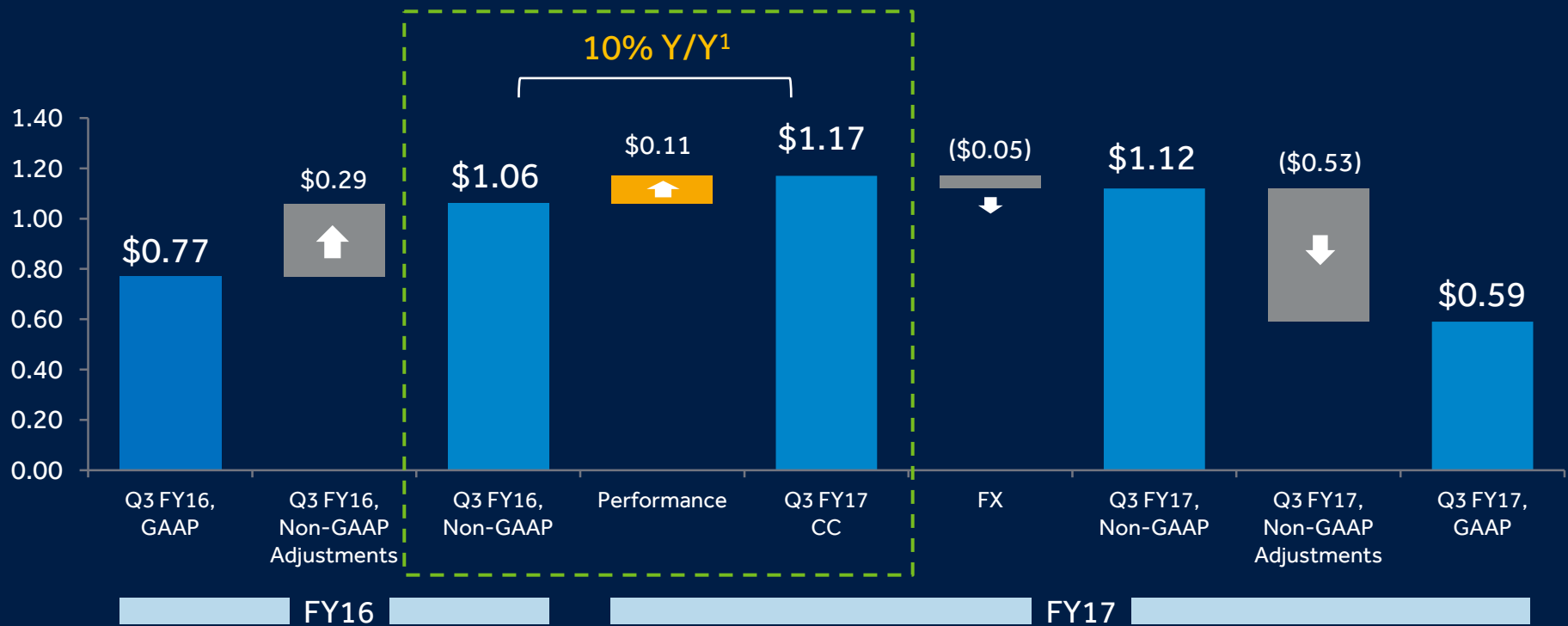
	Q3 FY17	Q3 FY16	Y/Y Growth / Y/Y Change
Net Sales (\$M)	7,283	6,934	5%
Cost of Products Sold	2,268	2,141	6%
<i>Gross Margin</i>	68.9%	69.1%	(20) bps
SG&A (\$M)	2,388	2,317	3%
<i>% of Sales</i>	32.8%	33.4%	60 bps
R&D (\$M)	530	546	(3%)
<i>% of Sales</i>	7.3%	7.9%	60 bps
Other Expense, Net (\$M)	46	9	411%
Operating Profit	1,147	1,355	(15%)
<i>Operating Margin</i>	15.7%	19.5%	(380) bps
Diluted EPS (\$)	0.59	0.77	(23%)

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Q3 FY17 Y/Y EPS WALK

EPS

EPS Growth¹: Double-Digit; EPS Leverage¹: ~480 bps



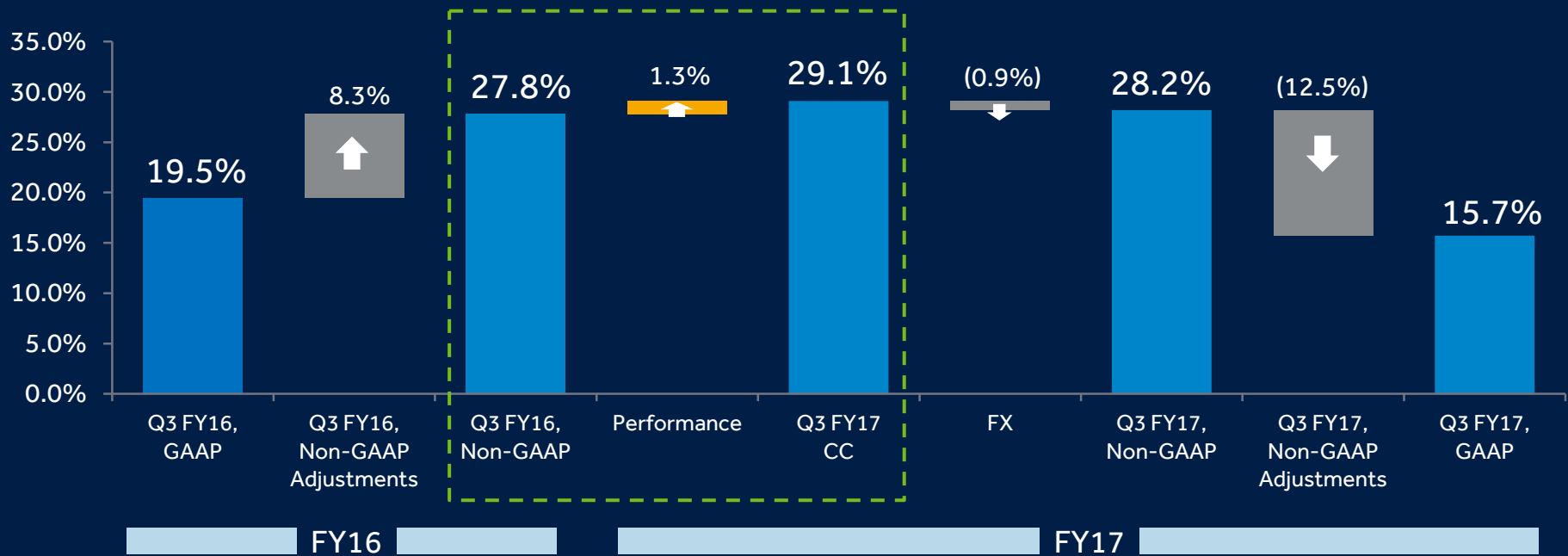
¹ Figures represent comparison to Q3 FY16 on a constant currency basis (Non-GAAP).

MDT

Q3 FY17 Y/Y OPERATING MARGIN CHANGES¹

Operating Margin

~130 bps Operational Improvement¹



¹ Figures represent comparison to Q3 FY16 on a constant currency basis (Non-GAAP).

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Q3 FY17 NON-GAAP SELECT FINANCIAL INFORMATION

	Q3 FY17	Q3 FY16	FX Impact \$M / Change	Q3 FY17 Constant Currency ¹	Q3 FY17 CC Growth / Change ²
Net Sales (\$M)	7,283	6,934	(40)	--	6%
Cost of Products Sold ¹	2,268	2,132	10	--	6%
Gross Margin ¹	68.9%	69.3%	(30) bps	69.2%	(10) bps
SG&A (\$M)	2,388	2,317	(9)	--	3%
% of Sales	32.8%	33.4%	10 bps	32.7%	70 bps
R&D (\$M)	530	546	(1)	--	(3%)
% of Sales	7.3%	7.9%	Flat	7.3%	60 bps
Other Expense, Net (\$M)	46	9	38	--	(11%)
Operating Profit ¹	2,051	1,930	(78)	--	10%
Operating Margin ¹	28.2%	27.8%	(90) bps	29.1%	130 bps
Diluted EPS ¹ (\$)	1.12	1.06	(0.05)	1.17	10%

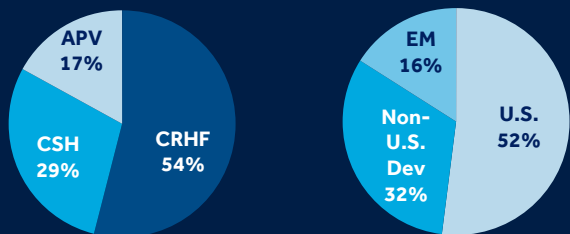
Operating Leverage²
+470bps

EPS Leverage²
+480bps

¹ Non-GAAP

² Figures represent comparison to Q3 FY16 on a constant currency basis (Non-GAAP).

HSD Growth in CRHF and APV; LSD growth in CSH



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CRHF	1,371	7	8
CSH	751	2	3
APV	426	6	6
Total	\$2,548	5%	6%

U.S.	1,320	5	5
Non-U.S. Dev	815	5	7
EM	413	7	10
Total	\$2,548	5%	6%

Q4 Growth Outlook: MSD

KEY PERFORMANCE DRIVERS¹

Cardiac Rhythm & Heart Failure (CRHF)

- **Arrhythmia Mgmt: +MSD**
 - WW Tachy: +LSD; strong implants in US
 - WW Brady: LSD decline
 - US: Modest share decline
 - Reveal LINQ[®] pull-through
 - Diagnostics: Mid-teens – Reveal LINQ[®]
 - AF Solutions: Mid-twenties – Continued share gain in EU/US; Japan >100% growth
- **Heart Failure: +Upper-Teens**
 - Driven by recent HeartWare acquisition; integration on track
 - CRT-D: MSD growth driven by US
 - Japan benefitted from continued share gains following strong launch of Compia MRI[™] and Amplia MRI[™]
 - CRT-P: share loss from lack of quad
- **Services & Solutions: +LDD**

Compia MRI[™]
SureScan[®]
CRT-D



Arctic Front Advance[®]

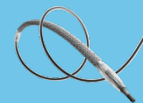
Coronary & Structural Heart (CSH)

- **Heart Valve Therapies: +Upper-Teens**
 - WW TAVR market growing ~30%
 - TAVR: In-line with WW market
 - US: seq. share gain on large size Evolut[®] R 34mm launch; over 200 accounts currently
 - Share stability in EU
 - Japan: Evolut[®] R launch continues in Q4; modest share gains seen in early centers
- **Coronary: -MSD**
 - DES: LDD decline
 - US: mid-20s decline - competitive product launches
 - OUS: LSD decline – Resolute Onyx[™] maintaining share
- **Extracorp. Therapies: -LSD**
 - Cannulae and Revasc growth offset by Surgical Ablation decline

CoreValve[®]
Evolut[®] R
34mm



Resolute Onyx[™]



Aortic & Peripheral Vascular (APV)

- **Aortic: +MSD**
 - US: Flat growth; Heli-FX[®] EndoAnchor[®]: driving strong growth and AAA pull-through, offset by competitive headwinds in TAA
 - OUS: HSD growth
 - AAA: MSD growth; Endurant[®] with ChEVAR indication CE Mark received in Q3
- **Peripheral & endoVenous: +HSD**
 - DCB: US & WW market share leader
 - IN.PACT[®] Admiral[®] DCB high-30s
 - Pricing uplift from 150mm length
 - Maintained market leadership in EU despite pressure on price and competitive registry enrollment

Heli-FX[®]
EndoAnchor[®]



IN.PACT[®]
Admiral[®]

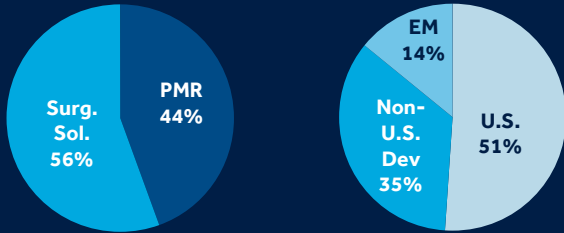


¹ Figures represent comparison to Q3 FY16 on a constant currency basis (Non-GAAP).

MITG

Q3 FY17 HIGHLIGHTS

MSD Growth in Surgical Solutions and PMR



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Surg. Sol.	1,343	6	7
PMR	1,074	5	5
Total	\$2,417	5%	6%

U.S.	1,234	2	2
Non-U.S. Dev	842	8	8
EM	341	12	14
Total	\$2,417	5%	6%

Q4 Growth Outlook: MSD

KEY PERFORMANCE DRIVERS¹

Surgical Solutions

- Advanced Surgical: +HSD**
 - Solid growth in Advanced Stapling driven by innovative new products in endo stapling specialty reloads.
 - Strong growth in Advanced Energy driven by new LigaSure™ Vessel Sealing Instruments and ValleyLab™ FT10.
 - The business also benefitted from the Smith & Nephew gynecology acquisition (TRUCLEAR™).
 - US surgical volumes appear stable in 1-2% range.
- General Surgical: Flat**
 - Solid growth in OR Safety driven by our Situate™ technology, a detection system for retained surgical sponges, offset due to softness in Electrosurgery.
- Early Technologies: +HSD**
 - Strong growth in GI Solutions driven by new products including Barrx™ 360 Express, which helps in the treatment of Barrett's Esophagus.

ValleyLab™ FT10



LigaSure™ Vessel Sealing



TRUCLEAR™



Patient Monitoring & Recovery (PMR)

- Respiratory and Monitoring Solutions: +HSD**
 - Strong growth in Airways and Ventilation due to the continued adoption of the Puritan Bennett™ 980 ventilator.
 - Solid growth in our Patient Monitoring business as a result of strength in Nellcor™ Pulse Oximetry.
- Patient Care/ DVT/ Nutritional Insufficiency: -LSD**
 - Growth in Nutritional Insufficiency
 - DVT: affected by reprocessing in US
- Renal Care Solutions**
 - Benefitted from Bellco acquisition
 - Continued strength from dialyzers and other consumables revenue

Bellco



Puritan Bennett™ 980

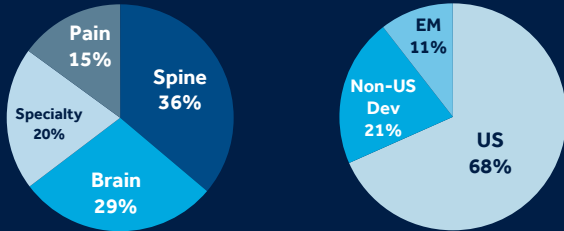


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RTG

Q3 FY17 HIGHLIGHTS

Continued Improvement in Spine;
Solid Brain Therapies & Specialty
Therapies Growth Offsets
Declines in Pain Therapies



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Spine	657	3	3
Brain	518	7	8
Specialty	370	4	5
Pain	272	(3)	(2)
Total	\$1,817	4%	4%

U.S.	1,242	3	3
Non-U.S. Dev	384	5	5
EM	191	8	11
Total	\$1,817	4%	4%

Q4 Growth Outlook: Low End of MSD Range



KEY PERFORMANCE DRIVERS¹

Spine

Strongest growth in over 7 years; Continue to gain share

Core Spine: +LSD

- US growth driven by new product and procedural innovation introductions
- Interbody and Discs launches (Elevate™, OLIF, and Rialto™ for sacroiliac joint fusion) strong uptake
- Speed-to-scale and surgical synergy driving implant growth

BMP: +LSD

- US Pricing remains favorable
- InductOs™ return to market expected mid-FY18

Kanghui: +HSD

- Growth driven by LatAm, EMEA, APAC
- China growth driven by Spine product launches (Peek Cage)

Infuse®
Bone Graft



Brain Therapies

Brain Modulation: +LSD

- US: LSD share loss; competitive pressure partially mitigated by MRI-conditional labelling
- EU: revenue growth; competitive pressure remains

Neurosurgery: +HSD

- Growth driven by strong performance in navigation capital (+20%) and disposables
- WW O-arm® O2 driven by robust OUS demand

Neurovascular: +LDD

- Strong sequential and Y/Y growth despite headwinds from voluntary Q2 recall

O-arm® O2



Specialty Therapies

ENT: +LSD

- Continued strong growth in NuVent® driven by Fusion® Compact penetration
- US growth driven by Power, Balloon & Service

Advanced Energy: +LDD

- Broad geographic expansion led by China, APAC, and EMEA
- Strong PEAK PlasmaBlade® disposable growth in Breast, Generator Replacement markets

Pelvic Health: +MSD

- US growth driven by both new implant and replacement demand

InterStim® II



Pain Therapies

Interventional: +HSD

- Growth driven by new product launches including OsteoCool® in EU
- Japan up 25%+ despite competitive headwinds

SCS/Pumps: -MSD

- US growth in replacement implants, offset by share loss and new implant declines
- Ongoing SCS competitive pressure leading to share loss

OsteoCool®

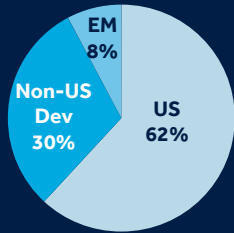


¹ Figures represent comparison to Q3 FY16 on a constant currency basis (Non-GAAP).

DIABETES

Q3 FY17 HIGHLIGHTS

Significant Improvement Over Last Quarter; Strong Interest in MiniMed® 6 Series Pumps



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
IIM	ND	HSD	LDD
NDT	ND	>15	>15
DSS	ND	LSD	LSD
Total	\$501	6%	7%

U.S.	310	6	6
Non-U.S. Dev	152	6	9
EM	39	5	5
Total	\$501	6%	7%

Q4 Growth Outlook: MSD to HSD

KEY PERFORMANCE DRIVERS¹

Intensive Insulin Management (IIM)

- Improved Patient Retention:**
 - Substantial sequential improvement in CGM retention rates
 - Patient and physician excitement driving both installed base growth and competitive share gains
- MiniMed® 670G System:**
 - Strong patient participation in the Priority Access Program; enrollees will be first in line for 670G
 - Early coverage confirmed with many commercial payers
- MiniMed® 630G System:**
 - Solid US sales, excellent feedback from patients and providers
 - Ongoing physician training
- MiniMed® 640G System:**
 - Continued strong sales throughout EMEA and Australia
 - Continuing to launch throughout APAC and Latin America
 - Anticipating Japan launch in Q3FY18
- UNH Partnership:**
 - Positive coverage decision on 670G

MiniMed® 670G



MiniMed® 630G



Non-Intensive Diabetes Therapies (NDT)

- CGM Adoption:**
 - iPro® 2 OUS growth from China launch
 - Continue to receive positive feedback for iPro® Pattern Snapshot
- Fitbit Partnership:**
 - Partnership reached in Q3 to integrate health and activity tracking for patients with diabetes
- i-Port Advance Technology:**
 - Launches in India, Argentina and Korea
- Henry Schein:**
 - Sales ramped through the quarter; expect to continue run-rate

iPro®2 CGM w/ Pattern Snapshot



Diabetes Service & Solutions (DSS)

- Consumables:**
 - Solid constant currency growth in international markets
 - LSD declines in U.S. driven by pricing and challenging prior year comps
- Customer Care Programs:**
 - OUS growth supported by new pro-active programs to improve adherence and retention
- Guardian® Connect:**
 - Positive response to pilot launches in major European markets
- Diabeter Clinics:**
 - Strong patient growth
 - Global expansion plans moving forward
- IBM Watson Partnership:**
 - Preparing for limited preview of Sugar.IQ™ app; Medtronic Turning Point platform with IBM now live

Guardian® Connect



¹ Figures represent comparison to Q3 FY16 on a constant currency basis (Non-GAAP).

FY17 EPS GUIDANCE, REVENUE OUTLOOK, & OTHER ASSUMPTIONS

Outlook & Guidance

	Q4 FY17	FY17
Revenue Growth Outlook – CCCW	Lower Half of MSD	MSD
CVG Growth – CCCW	MSD	--
MITG Growth – CCCW	MSD	--
RTG Growth – CCCW	Low End of MSD	--
Diabetes Growth – CCCW	MSD to HSD	--
COV Synergies	--	~\$225-250M
EPS Growth Guidance – CCCW	--	DD
Free Cash Flow ¹	--	\$5B - \$6B

Note: Medtronic will adopt FASB ASU 2016-09 regarding the change in tax treatment of stock-based compensation in the first quarter of fiscal year 2018.

FX Assumptions

	Q4 FY17	FY17	FY18
Revenue	(\$20M) – (\$40M)	(\$20M) – (\$40M)	(\$100M) – (\$300M)
EPS	~(\$0.05)	~(\$0.20)	(\$0.05) – (\$0.15)

Note: While FX rates are fluid, assumptions above are based on current rates.

APPENDIX

ACRONYMS / ABBREVIATIONS

Growth

DD	Double Digits
HSD	High-Single Digit
LDD	Low-Double Digits
LSD	Low-Single Digit
MSD	Mid-Single Digit

Other

APAC	Asia Pacific	FY	Fiscal Year
Bps	Basis Points	NC	Not Comparable
CC	Constant Currency	Ops	Operations
CCCW	Constant Currency Constant Weeks	OM	Operating Margins
Dev	Developed	OUS	Outside the United States
EM	Emerging Markets	R&D	Research & Development
EMEA	Europe, Middle East & Africa	Rep	Reported
EPS	Earnings per Share	SG&A	Selling, General & Administrative
FCF	Free Cash Flow	WW	Worldwide
FX	Foreign Exchange	Y/Y	Year-over-Year

Business Specific

AAA	Abdominal Aortic Aneurysm	ENT	Ear, Nose, & Throat
AF	Atrial Fibrillation	Extracorp	Extracorporeal
APV	Aortic & Peripheral Vascular	HF	Heart Failure
BMP	Bone Morphogenetic Protein	IIM	Intensive Insulin Management
Brady	Bradycardia	MDT	Medtronic
CGM	Continuous Glucose Monitoring	MITG	Minimally Invasive Therapies Group
CRHF	Cardiac Rhythm & Heart Failure	MRI	Magnetic Resonance Imaging
CRT-D	Cardiac Resynchronization Therapy – Defibrillator	NDT	Non-Intensive Diabetes Therapies
CRT-P	Cardiac Resynchronization Therapy – Pacemakers	NV	Neurovascular
CSH	Coronary & Structural Heart	PMR	Patient Monitoring & Recovery
CVG	Cardiac & Vascular Group	RTG	Restorative Therapies Group
DVT	Deep Vein Thrombosis	SCS	Spinal Cord Stimulation
DCB	Drug Coated Balloon	Sol	Solutions
DES	Drug Eluting Stent	TAVR	Transcatheter Aortic Valve Replacement
DSS	Diabetes Services & Solutions		