

MEDTRONIC PLC

Q4 FY20

EARNINGS PRESENTATION
MAY 21, 2020

- COVID-19 RESPONSE
- Q4 FY20 CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS
- FY20 FINANCIAL HIGHLIGHTS
- FREE CASH FLOW
- FY21 RTG REPORTING STRUCTURE

Medtronic
Further, Together

FORWARD LOOKING STATEMENTS

This presentation 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 the impact COVID-19 has had and is expected to continue to have on our business, operations and production, as well as demand for our offerings, and on our employees, medical professional and healthcare system, communities in which we operate, and our financial results and condition, 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. 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 presentation, including to reflect future events or circumstances.

Non-GAAP Financial Measures

Certain information in this presentation includes calculations or figures that have been prepared internally and have not been reviewed or audited by our independent registered public accounting firm. Use of different methods for preparing, calculating or presenting information may lead to differences and such differences may be material. This presentation contains financial measures and guidance which are considered "non-GAAP" financial measures under applicable SEC rules and regulations. 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 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. GAAP to non-GAAP reconciliations are provided on our website and can be accessed using this [link](#).

Financial Comparisons

References to quarterly results increasing, decreasing, or remaining flat are in comparison to Q4 FY19, and references to annual results increasing, decreasing, or remaining flat are in comparison to FY19. References to organic revenue growth exclude the impact of significant acquisitions or divestitures and currency. Unless stated otherwise, quarterly and annual rates and ranges are given on a constant currency basis, which adjusts for the impact of currency.

UNPRECEDENTED CHALLENGE REQUIRES UNPRECEDENTED RESPONSE TO SUPPORT EMPLOYEES, CUSTOMERS AND COMMUNITIES



EMPLOYEE SAFETY AND PROTECTION

- **Monetary Assistance and Aid:** Financial support and awards granted through programs and policies developed for employees significantly impacted by COVID-19; instituted measures to help protect field employees from significant impacts to their incentive compensation
- **Facility Sanitization:** Facilities regularly cleaned and sanitized while utilizing personal protection equipment and social distancing best practices for employees
- **Telehealth:** Employees and their family members provided with access to a free, virtual COVID-19 evaluation and monitoring tool



CUSTOMER SUPPORT AND PRODUCT AVAILABILITY

- **Ventilator Capacity:** Significantly expanded production of ventilators and on track to increase production five-fold from pre-pandemic levels by the end of June
- **Collaboration and Partnership:** Partnered with technology and manufacturing companies, such as Intel, SpaceX, and Foxconn, to create significant capacity and add remote monitoring features; released Puritan Bennett™ 560 ventilator design specifications publicly, resulting in over 125,000 registrations
- **Remote Monitoring Solutions:** Developed and deployed remote monitoring solutions to reduce exposure to COVID-19 for employees, customers and patients



COMMUNITY CITIZENSHIP

- **Donations & Matching:** Pledged over \$36 million in monetary and product donations since February to support health systems and global communities while offering a 2:1 match on monetary donations made by employees and retirees
- **External News Hub:** Launched platform to provide latest updates to company's response to the pandemic: [Medtronic.com/covid19](https://www.medtronic.com/covid19)
- **Expansion of Medtronic Assurance Program:** Provides support to diabetes customers who have lost their health insurance due to COVID-19-related job loss; current, eligible, U.S. customers can receive a 3-month supply of glucose sensors, infusion sets and reservoirs at no cost

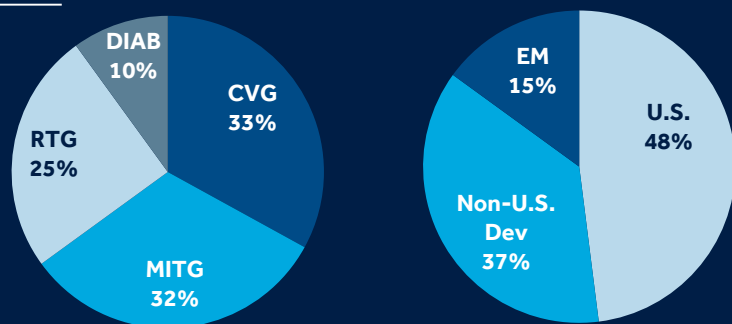
Q4 FY20 CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS

MDT

Q4 FY20 HIGHLIGHTS

PROCEDURE DEFERRALS DUE TO COVID-19 CONSISTENT WITH INTRA-QUARTER UPDATE; CONTINUING TO INVEST IN PEOPLE & PIPELINE

Revenue:



	Revenue \$M ¹	As Rep Y/Y %	CC ² Y/Y %	Organic Y/Y %
CVG	2,004	(34.3)	(32.8)	--
MITG	1,934	(14.2)	(12.2)	--
RTG	1,490	(32.7)	(31.8)	(32.5)
Diabetes	570	(8.9)	(6.7)	--
Total	\$5,998	(26.4%)	(24.8%)	(25.0%)

U.S.	2,852	(33.4)	(33.4)
Non-U.S. Dev	2,218	(13.9)	(11.0)
EM	929	(27.8)	(23.5)
Total	\$5,998	(26.4%)	(24.8%)

Other Financial Highlights:

	Diluted EPS	As Rep Y/Y	CC ² Y/Y%	Cash Flow from Ops	
GAAP	\$0.48	(44.8%)	NC	\$1.5B	
Non-GAAP	\$0.58	(62.3%)	(62.3%)	Free Cash Flow ²	\$1.1B

- COVID-19:** Healthcare resources being diverted to respond to the pandemic resulted in deferral of procedures and a decline in customer capital equipment and bulk purchases, offset by increased demand for products used in the fight against COVID-19
- REVENUE:** -24.8% constant currency, -25.0% organic, consistent with intra-quarter update and MedTech industry
 - CVG:** Declined -32.8% reflecting deferred procedures and reduction in typical end of year customer bulk purchases
 - MITG:** Declined -12.2% driven by broad global deferral of surgical procedures, partially offset by increased demand for Respiratory and Renal Care Solutions products
 - RTG:** Declined -32.5% organic, reflecting deferrable procedure mix and higher proportion of capital equipment
 - Diabetes:** Declined -6.7% driven by delays in new patient starts due to closing of physician offices, partially offset by stocking of supplies, primarily in International markets
 - Geographies:** China experienced full quarter impact, while U.S. and WE impact began mid-March
 - Americas:** Declined -32%; U.S. tracking with expectations until mid-March
 - EMEA:** Declined -10%; tracking with expectations until mid-March; WE declined 32% in April
 - Asia Pacific:** Declined -13%; COVID-19 cases peaked in Korea and ANZ within the quarter
 - China:** Declined -38%; sequential revenue improvement from mid-March
- EPS:** Non-GAAP EPS declined 62.3%; deleveraging consistent with intra-quarter update
- DIVIDEND:** Announced quarterly increase to \$0.58; Annual \$2.32 from prior \$2.16; 43rd consecutive year of dividend increases

¹ Data has been intentionally rounded to the nearest million and, therefore, may not sum.

² Figures represent comparison to Q4 FY19 on a constant currency basis.

³ Operating cash flows less property, plant, and equipment additions.

Q4 FY20 GAAP TO NON-GAAP SELECT FINANCIAL INFORMATION

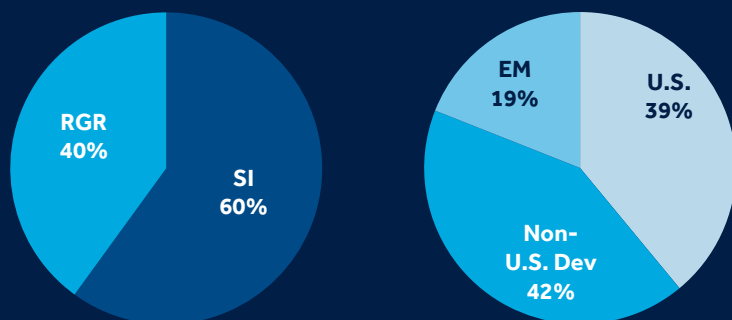
	Non-GAAP Adjustments											Q4 FY20 Non-GAAP	Q4 FY19 Non-GAAP	Y/Y Growth / Change
	Q4 FY20 GAAP	Amortization	Restructuring	Litigation	Acquisition-Related	Gain/Loss on Minority Investments	Medical Device Regulations	Exit of Business	Contribution to MDT Foundation	IPR&D Charges	Certain Tax Adjustments			
Net Sales (\$M)	5,998											5,998	8,146	-26.4%
Cost of Products Sold	2,264		(38)		(2)		(7)					2,217	2,448	-9%
<i>Gross Margin</i>	<i>62.3%</i>											<i>63.0%</i>	<i>69.9%</i>	<i>-690 bps</i>
SG&A	2,360		(57)		(37)							2,266	2,565	-12%
<i>% of Sales</i>	<i>39.3%</i>											<i>37.8%</i>	<i>31.5%</i>	<i>-630 bps</i>
R&D	567						(10)					557	594	-6%
<i>% of Sales</i>	<i>9.5%</i>											<i>9.3%</i>	<i>7.3%</i>	<i>-200 bps</i>
Other (Income) Expense, Net	(17)				48			(11)		(25)		(5)	(30)	-83%
<i>% of Sales</i>	<i>-0.3%</i>											<i>-0.1%</i>	<i>-0.4%</i>	<i>-30 bps</i>
Amortization of Intangible Assets	439	(439)										0	0	0
Restructuring Charges, Net	31		(31)									0	0	0
Certain Litigation Charges	37			(37)								0	0	0
Operating Profit	317	439	126	37	(9)	--	17	11	--	25	--	963	2,569	-63%
<i>Operating Margin</i>	<i>5.3%</i>											<i>16.1%</i>	<i>31.5%</i>	<i>-1,540 bps</i>
Other Non-Operating Income, Net	(51)					(30)						(81)	(94)	-14%
Net Income attributable to MDT (\$M)	646	358	105	12	(12)	30	14	5	--	22	(403)	777	2,077	-63%
Diluted EPS (\$)	0.48	0.27	0.08	0.01	(0.01)	0.02	0.01	0.00	--	0.02	(0.30)	0.58	1.54	-62.3%

1 The data in this row has been intentionally rounded to the nearest \$0.01 and, therefore, may not sum.

VENTILATOR & AIRWAY DEMAND DRIVES RGR GROWTH

DEFERRABLE PROCEDURE MIX IMPACTS SI GROWTH IN LATE MARCH & APRIL

RGR Growth Offset by COVID-19 Impact on SI Volumes



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
SI	1,168	(23.6)	(21.6)
RGR	766	5.5	7.7
Total	\$1,934	(14.2%)	(12.2%)

U.S.	763	(21.4)	(21.4)
Non-U.S. Dev	805	(5.7)	(2.7)
EM	366	(14.9)	(10.0)
Total	\$1,934	(14.2%)	(12.2%)

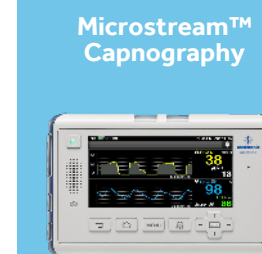
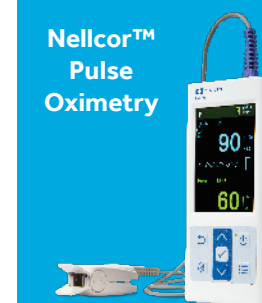
Respiratory, Gastrointestinal, & Renal (RGR): +7.7% growth behind increased demand for Respiratory and Renal Care Solutions products

- Respiratory:** Mid-40's growth as MITG seeks to meet ventilator needs globally; low-20's growth in Airway products
 - On track to increase ventilator production 5x by end of June
 - Received U.S. FDA Emergency Use Authorization for the PB560 ventilator in the U.S.
 - MDT ventilators are designed for acute care settings (in-hospital patients in intensive care units, emergency departments or on the general care floors) and sub-acute segment (out of hospital, long-term care facilities or home-ventilated patients)
 - Ventilator portfolio primarily includes the PB980, PB840, PB560, and HT70 models
- Patient Monitoring:** Flat performance as deferrable procedure mix offset regional spikes in demand for Nellcor™ pulse oximetry and Microstream™ capnography products
 - Capnography had strong DD growth from COVID-19 demand
- Renal Care Solutions:** HSD growth due to strong demand for Renal Access Catheters and Acute/Chronic Bellco™ consumables
 - FDA grants marketing authorization for Carpediem™, first dialysis for pediatric use U.S.; in Europe Carpediem™ available since 2012

GI Solutions: Low-20's declines, reflecting deferrable procedure mix

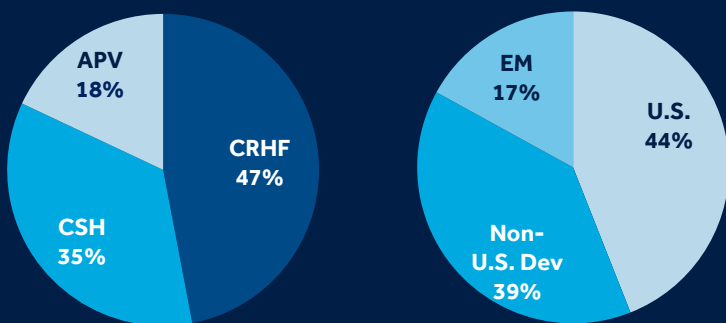
Surgical Innovations (SI): -21.6% declines due to broad global COVID-19 impact on surgical procedures, particularly Bariatric, Colorectal, GYN, Hernia and Thoracic

- Advanced Surgical:** Low-20's declines from April halting of deferrable procedures; low-20's declines in both Advanced Energy and Advanced Stapling
- General Surgical:** Low-20's declines due to procedure volume reduction



¹ Figures represent comparison to Q4 FY19 on a constant currency basis.

Declines Driven by Procedure Volumes across Businesses and Geographies, and Reduction in Bulk Purchases



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CRHF	940	(39.5)	(38.1)
CSH	697	(29.9)	(28.1)
APV	367	(26.9)	(25.5)
Total	\$2,004	(34.3%)	(32.8%)

	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
U.S.	880	(41.7)	(41.7)
Non-U.S. Dev	785	(21.6)	(19.0)
EM	340	(36.9)	(33.2)
Total	\$2,004	(34.3%)	(32.8%)

Coronary & Structural Heart: -28.1% decline, driven by COVID-19 procedure impact; mid-20's declines in Structural Heart, low-30's declines in Coronary

- Renal Denervation:** OFF-MED pivotal data demonstrated RDN works; magnitude of effect is clinically relevant, and may be understated; RDN is 'always on'
- TAVR:** Approx. -30% decline; strong implant trends pre-COVID-19 impact; estimated held sequential WW procedure share
 - Evolut® Low Risk bicuspid trial data supports Evolut® as valve of choice for bicuspid patients who are TAVR-indicated; bicuspid patients represent ~60% of Low Risk population
 - Low Risk LTI trial data showed different valve designs may lead to differences in durability
- Cardiac Surgery:** High-teens declines with strong ECMO demand
- Coronary:** Low-30's declines driven by reduction in procedure volumes; held sequential WW share

Cardiac Rhythm & Heart Failure: -38.1% as April declines in businesses with more deferrable procedures weighed on the quarter; Micra™ AV a bright spot

- Arrhythmia Management:** High-30's declines
 - High-20's Pacing declines; strong, low-20's U.S. leadless pacing growth – over 60% in February and March – fueled by launch of Micra™ AV
 - Mid-30's ICD declines; therapy considered 'moderately deferrable'
 - Cobalt™/Crome™ FDA approved early-May; Europe launch underway
 - High-40's AFS declines given COVID-19 impact on more deferrable procedures
 - High's-50's Diagnostics declines as April deferrable procedure volumes slowed dramatically
- Heart Failure:** High-30's declines; CRT-D low-40's declines; CRT-P mid-30's declines; LVADs high-30's declines

Aortic, Peripheral & Venous: -25.5% decline due to COVID-19 impacts

- Low-20's Aortic declines, with both TAA and AAA down mid-20's
- Mid-30's Venous declines given more deferrable nature of procedures
- Low-30's WW DCB declines

CoreValve™ Evolut™ PRO+



Symlicity™ RDN System



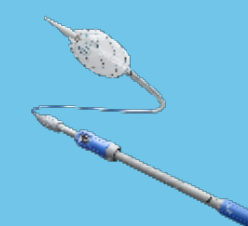
Micra™ AV Transcatheter Pacing System



Cobalt™ & Crome™ ICDs & CRT-Ds

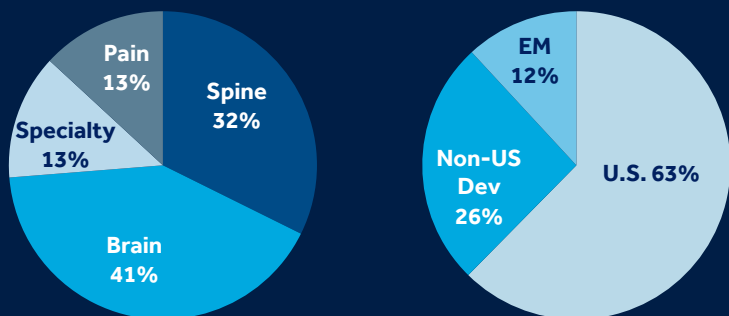


Valiant Navion™



¹ Figures represent comparison to Q4 FY19 on a constant currency basis.

COVID-19 Headwinds Offset Early Positive Trends



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Brain	615	(26.0)	(24.7)
Spine	480	(30.5)	(29.8)
Specialty	197	(43.9)	(43.0)
Pain	198	(42.1)	(41.5)
Total	\$1,490	(32.7%)	(31.8%)

U.S.	935	(36.5)	(36.5)
Non-U.S. Dev	380	(21.5)	(19.2)
EM	175	(32.2)	(28.3)
Total	\$1,490	(32.7%)	(31.8%)

CAPITAL EQUIPMENT & PROCEDURE DEFERRALS TRANSLATE TO ACROSS THE BOARD DECLINES

- Brain Therapies: -24.7% decline allayed by relative strength in Neurovascular**
 - Neurovascular:** HSD decline partially offset by growth in Ischemic Stroke therapy products
 - Ischemic: HSD growth driven by sales of Riptide™ aspiration system and React™ aspiration catheters
 - Hemorrhagic: Mid-teens decline driven by deferrals of hemorrhagic stroke cases where unruptured aneurysm is not at immediate risk of rupture
 - Neurosurgery:** Down approximately -30% due to hospitals delaying capital equipment purchases
 - Relative strength from Midas Rex™ MR8™ powered surgical instruments and StealthStation™ sales
 - DBS:** High-30's decline resulting from procedure deferrals and reduction of normal year-end customer bulk purchases
- Spine: -32.0% organic decline driven by procedure deferrals and a reduction in typical end-of-year customer bulk purchases**
 - Spine revenue combined with enabling tech²:** -33.7% organic decline reflecting delays in capital equipment evaluations and purchases
 - Core Spine:** Mid-20's decline driven by procedures deferrals
- Specialty Therapies: -43.0% decline indicative of procedure deferrals**
 - ENT:** High-20's decline reflecting pullback in ENT procedures
 - Pelvic Health:** High-50's decline due to deferrals of most SNM procedures; share increased following European launch of InterStim™ Micro
- Pain Therapies: -41.5% decline resulting from procedure deferrals**
 - Interventional:** Comparatively fewer deferred procedures
 - Pain Stim:** Declined due to deferrals of most pain stim procedures
 - Targeted Drug Delivery:** Declined due to procedure deferrals

Solitaire™ X
Revascularization
Device



Mazor X Stealth™
Edition



InterStim™ Micro &
InterStim™
SureScan™ MRI Leads



DTM™ SCS Therapy
on Intellis™ Platform



¹ Figures represent comparison to Q4 FY19 on a constant currency basis.

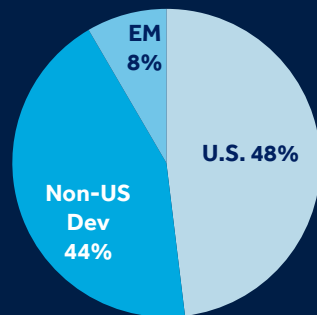
² Spine-related enabling technologies revenue reflected in Neurosurgery business within Brain division.

DIABETES

Q4 FY20 RESULTS

SLOWER NEW PUMP STARTS OFFSET BY CONSUMABLES IN DEVELOPED MARKETS GROWTH PARTIALLY OFFSETS COVID-19 PRESSURES

Continued WW CGM Growth;
COVID-19 Pressured New
Patient Starts



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
U.S.	274	(17.0)	(17.0)
Non-U.S. Dev	248	5.1	9.3
EM	48	(20.0)	(13.3)
Total	\$570	(8.9%)	(6.7%)

- **International Revenue:** Accounts for approximately half of total sales, with 5% growth despite COVID-19 pressure

 - Positive offsets in EMEA with supplies and sensor stocking
- **U.S. Revenue:** Declined high-teens, primarily due to new patient starts delayed by closing of physician offices, and competitive challenges

 - Guardian™ Connect grew LDD despite COVID-19 headwinds
- **CGM:** Growth driven by WW strength in both Integrated and Stand Alone CGM

 - **Stand Alone CGM:** Guardian™ Connect Smart CGM system continues momentum with growth despite COVID-19
 - **Integrated CGM:** Strong global growth driven by increased CGM penetration & new patient acquisitions, partially offset by COVID-19 impacts
- **Insulin Pumps:** COVID-19 has resulted in the closing of physician offices and delayed new patient starts; continued competitive pressures in the U.S.

 - Next Tech Pathway upgrade program continues to gain acceptance
 - MiniMed™ 670G installed base increased sequentially to ~249,000 trained, active users benefiting from SmartGuard™ technology
- **Medtronic Assurance Program:** Expanded support for diabetes customers who have lost their health insurance due to COVID-19-related job loss

 - U.S. customers with COVID-19 related job loss can receive a 3-month supply of glucose sensors, infusion sets and reservoirs at no cost

MiniMed™ 670G



MiniMed™ 640G



Guardian™ Sensor 3



Guardian™ Connect w/ Sugar.IQ™



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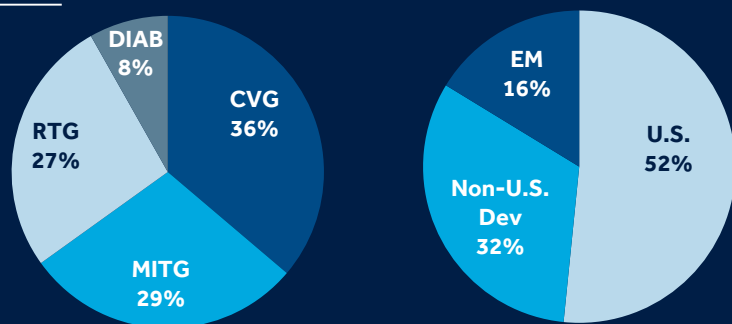
FY20 FINANCIAL HIGHLIGHTS

MDT

FY20 HIGHLIGHTS

PRODUCT PIPELINE READY TO KICK IN; 97% FREE CASH FLOW CONVERSION

Revenue:



	Revenue \$M	As Rep Y/Y %	CCC ¹ Y/Y %
CVG	10,468	(9.0)	(7.6)
MITG	8,352	(1.5)	0.2
RTG	7,725	(5.6)	(4.7)
Diabetes	2,368	(1.0)	0.8
Total	\$28,913	(5.4%)	(4.0%)

U.S.	14,919	(7.9)	(7.9)
Non-U.S. Dev	9,287	(3.6)	(0.9)
EM	4,707	(0.5)	2.8
Total	\$28,913	(5.4%)	(4.0%)

Other Financial Highlights:

	Diluted EPS	As Rep Y/Y	CCC ¹ Y/Y%	Cash Flow from Ops
GAAP	\$3.54	3.8%	NC	\$7.2B
Non-GAAP	\$4.59	(12.1%)	(11.3%)	Free Cash Flow ² \$6.0B

- REVENUE:** Q4 impact of COVID-19 weighed heavily on full year results; executed on our broad, sustainable growth strategy
 - Continuing to drive therapy innovation and global market penetration
 - Steady cadence of innovative, new product launches
- PIPELINE:** Several recent approvals; launches interrupted by COVID-19 but positions us well competitively
 - Despite COVID-19, Micra™ VR together with recently launched Micra™ AV grew high-20's in the U.S. in FY20
 - Product features available on new products even more valuable in current environment
 - Remote monitoring
 - Distance programming
 - Launched Evolut™ PRO+, Midas Rex™ MR8™ powered surgical instruments, Percept™ DBS with BrainSense™ technology, Stimgenics DTM™ launch on Intellis™ platform, Cobalt™/Crome™, and Micra™ AV; expanded MiniMed™ 670G through Europe; unveiled soft tissue robot
 - Presented RDN OFF-MED, Stimgenics DTM™, TAVR Bicuspid and Leaflet Immobility clinical data; received Low Risk indication expansion for TAVR
- EPS:** Non-GAAP EPS \$4.59; declined 11.3% given significant Q4 deleveraging as the company continued to invest in its people and pipeline
 - Beat and raised EPS guidance each quarter in the first three fiscal quarters
 - Delivered 50bps CC operating margin expansion in the first three fiscal quarters
- FREE CASH FLOW²:** \$6.0B; conversion ratio³ of 97% well above 80% target
- CAPITAL ALLOCATION:** Strategically executed balanced capital deployment
 - Invested in future growth through disciplined investment in R&D and tuck-in acquisitions, including Titan Spine, Klue, Stimgenics, and Digital Surgery
 - Return to Shareholders: \$2,894M in dividends and \$664M in net share repurchases, representing 59% of Free Cash Flow² and 57% of Non-GAAP Net Income

¹ Figures represent comparison to FY19 on a comparable, constant currency basis.

² Operating cash flows less property, plant, and equipment additions.

³ Conversion Ratio = Free Cash Flow divided by Non-GAAP Net Income.

FY20 GAAP TO NON-GAAP SELECT FINANCIAL INFORMATION

	Non-GAAP Adjustments												FY20 Non-GAAP	FY FY19 Non-GAAP	Y/Y Growth / Change
	FY20 GAAP	Amortization	Restructuring	Litigation	Acquisition-Related	Gain/Loss on Minority Investment	Medical Device Regulations	Debt tender premium and other charges	Exit of Business	Contribution to MDT Foundation	IPR&D Charges	Certain Tax Adjustments			
Net Sales (\$M)	28,913												28,913	30,557	-5.4%
Cost of Products Sold	9,424		(155)		(5)		(20)						9,244	9,057	2%
<i>Gross Margin</i>	<i>67.4%</i>												68.0%	70.4%	<i>-240 bps</i>
SG&A	10,109		(168)		(103)								9,838	10,157	-3%
<i>% of Sales</i>	<i>35.0%</i>												34.0%	33.2%	<i>-80 bps</i>
R&D	2,331						(28)						2,303	2,330	-1%
<i>% of Sales</i>	<i>8.1%</i>												8.0%	7.6%	<i>-40 bps</i>
Other (Income) Expense, Net	71				42			7	(52)	(80)	(25)		(37)	141	-126%
<i>% of Sales</i>	<i>0.2%</i>												-0.1%	0.5%	<i>60 bps</i>
Amortization of Intangible Assets	1,756	(1,756)											0	0	0
Restructuring Charges, Net	118		(118)										0	0	0
Certain Litigation Charges	313			(313)									0	0	0
Operating Profit	4,791	1,756	441	313	66	--	48	(7)	52	80	25	--	7,565	8,872	-15%
Operating Margin	16.6%												26.2%	29.0%	-280 bps
Other Non-Operating Income, Net	(356)					(19)							(375)	(311)	21%
Net Income attributable to MDT (\$M)	4,789	1,472	372	254	53	22	42	320	40	62	22	(1,242)	6,206	7,089	-12%
Diluted EPS (\$)	3.54	1.09	0.28	0.19	0.04	0.02	0.03	0.24	0.03	0.05	0.02	(0.92)	4.59	5.22	-12.1%

FREE CASH FLOW

COMPONENTS OF FREE CASH FLOW

	FY16	FY17	FY18	FY19	FY20
<i>\$ Billions</i>					
Operating Cash Flow	\$5.2	\$6.9	\$4.7	\$7.0	\$7.2
CAPEX	(\$1.0)	(\$1.3)	(\$1.1)	(\$1.1)	(\$1.2)
Free Cash Flow	\$4.2	\$5.6	\$3.6	\$5.9	\$6.0
Non-GAAP Net Income	\$6.2	\$6.4	\$6.5	\$7.1	\$6.2
Conversion Ratio⁴	67%	88%	55%	83%	97%
<i>Conversion Ratio adjusted to include post-tax amortization</i>	<i>88%</i>	<i>114%</i>	<i>72%</i>	<i>105%</i>	<i>127%</i>
<i>Included in Operating Cash Flow:</i>					
Pre-Tax					
Certain Litigation Payments, net ^{1,2}	\$0.2	\$0.3	\$0.3	\$0.5	\$0.2
Restructuring Payments ¹	\$0.2	\$0.2	\$0.2	\$0.4	\$0.5
Other Payments ^{1,3}	\$0.2	\$0.3	\$0.3	\$0.2	\$0.2
Puerto Rico IRS Pre-Payment	--	--	\$1.1	--	--
Certain Other Tax Payments	\$0.8	\$0.4	\$0.4	\$0.4	\$0.1

1 Cash flow impact does not reflect associated tax cost / benefit, as timing and amount are difficult to estimate.

2 Includes payments accrued as "Non-GAAP" charges, as well as COV acquisition opening balance sheet adjustments.

3 Includes acquisition-related, divestiture-related, and European Union medical device regulations charges, as well as contributions to the Medtronic Foundation.

4 Conversion Ratio = Free Cash Flow divided by Non-GAAP Net Income.

FY21 RTG REPORTING STRUCTURE

FY21 REVENUE REPORTING CHANGES – RESTORATIVE THERAPIES GROUP

RESTORATIVE THERAPIES GROUP FY20 Structure



- | | | | |
|--|--|--|---|
| <ul style="list-style-type: none"> ▪ Neurovascular ▪ Neurosurgery ▪ DBS | <ul style="list-style-type: none"> ▪ Core Spine ▪ Biologics ▪ Kanghui | <ul style="list-style-type: none"> ▪ ENT ▪ Pelvic Health | <ul style="list-style-type: none"> ▪ Pain Stim ▪ Targeted Drug Delivery ▪ Interventional |
|--|--|--|---|



RESTORATIVE THERAPIES GROUP New FY21 Structure



- | | | |
|--|--|---|
| <p>1</p> <ul style="list-style-type: none"> ▪ Core Spine & Biologics ▪ Enabling Technologies (Neurosurgery) ▪ China Orthopedics (Kanghui) | <p>2</p> <ul style="list-style-type: none"> ▪ Neurovascular ▪ ENT ▪ Pelvic Health | <p>3</p> <ul style="list-style-type: none"> ▪ Pain (Stim & Targeted Drug Delivery) ▪ Brain Modulation (DBS) ▪ Interventional |
|--|--|---|

1 Combining Neurosurgery business with Spine division to form **Cranial & Spinal Technologies** division

2 Moving Neurovascular business to **Specialty Therapies** division

3 Combining DBS business with Pain Therapies division to form **Neuromodulation** division

See following slide for restated historical revenue

FY21 RTG REVENUE REPORTING CHANGES – RESTATED HISTORICAL REVENUE

Recast to reflect new RTG reporting structure

All figures in \$millions

World Wide

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20
Cranial & Spinal Technologies	1,050	1,117	1,117	798	4,082
Specialty Therapies	563	575	588	420	2,147
Neuromodulation	398	420	406	272	1,497
Restorative Therapies Group	2,012	2,112	2,111	1,490	7,725

U.S.

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	FY20
Cranial & Spinal Technologies	742	802	790	546	2,879
Specialty Therapies	336	351	350	217	1,253
Neuromodulation	261	287	270	172	990
Restorative Therapies Group	1,338	1,440	1,409	935	5,122

APPENDIX

ACRONYMS / ABBREVIATIONS

Growth

DD	Double Digit
HSD	High-Single Digit
LDD	Low-Double Digit

Other

~ or Approx.	Approximately
ANZ	Australia & New Zealand
bps	Basis Points
CAPEX	Capital Expenditures
CC	Constant Currency
COV	Covidien
Dev	Developed
EM	Emerging Markets
EMEA	Europe, the Middle East & Africa
EPS	Earnings Per Share
FDA	Food and Drug Administration
FY	Fiscal Year

Other

GAAP	Generally Accepted Accounting Principles
IPR&D	In-Process Research & Development
IRS	Internal Revenue Service
Ops	Operations
PLC	Public Limited Company
Q	Quarter
R&D	Research & Development
Rep	Reported
SEC	U.S. Securities & Exchange Commission
SG&A	Selling, General & Administrative
Tech	Technology
U.S.	United States
WW	Worldwide
WE	Western Europe
Y/Y	Year-over-Year
\$M	Millions of Dollars

Business Specific

AAA	Abdominal Aortic Aneurysm
ACC	American College of Cardiology
AFS	Atrial Fibrillation Solutions
APV	Aortic, Peripheral & Venous
CGM	Continuous Glucose Monitoring
CRHF	Cardiac Rhythm & Heart Failure
CRT-D	Cardiac Resynchronization Therapy - Defibrillator
CRT-P	Cardiac Resynchronization Therapy - Pacemaker
CSH	Coronary & Structural Heart
CVG	Cardiac & Vascular Group
DBS	Deep Brain Stimulation
DIAB	Diabetes
DCB	Drug Coated Balloon
DTM	Differential Target Multiplexed Waveform
ECMO	Extracorporeal Membrane Oxygenation
ENT	Ear, Nose, & Throat

Business Specific

GYN	Gynecology
GI	Gastrointestinal
ICD	Implantable Cardioverter Defibrillator
LTI	Leaflet Thickening or Immobility
LVAD	Left Ventricular Assist Device
MDT	Medtronic
Med	Medical
MITG	Minimally Invasive Therapies Group
RDN	Renal Denervation
RGR	Respiratory, Gastrointestinal, & Renal
RTG	Restorative Therapies Group
SCS	Spinal Cord Stimulation
SNM	Sacral Neuromodulation
Stim	Stimulation
SI	Surgical Innovations
TAA	Thoracic Aortic Aneurysm
TAVR	Transcatheter Aortic Valve Replacement