

**INVESTOR DAY**  
JUNE 6, 2016  
**NEW YORK CITY**

**Medtronic**  
Further, Together

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EVP & GROUP PRESIDENT

MINIMALLY INVASIVE

THERAPIES GROUP

# FORWARD LOOKING STATEMENT

This presentation contains forward-looking statements which provide current expectations or forecasts, including those relating to market and sales growth, growth strategies, financial results, use of free cash flow, product development and introduction, partnerships, regulatory matters, restructuring initiatives, mergers/acquisitions/divestitures and related effects, accounting estimates, financing activities, working capital adequacy, 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 our periodic reports on file 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

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 also contains non-GAAP financial measures such as free cash flow and historical revenue on a comparable constant currency basis, which sums historical data of Medtronic and Covidien, aligns Covidien's prior year monthly revenue to Medtronic's fiscal quarters and adjusts for the impact of foreign currency translation. We believe these measures provide a useful way to evaluate our underlying performance. Detail concerning how all non-GAAP measures are calculated, including all non-GAAP to GAAP reconciliations, are posted to our website.

# MINIMALLY INVASIVE THERAPIES GROUP

## OUR ASPIRATIONAL NAME AND NARRATIVE

FY16 MITG Revenue	<b>\$9.6B</b>
FY16 Current Market Size	<b>\$50B</b>
FY16 – FY21 Market Growth	<b>3-4%</b>
FY16 – FY21 MITG Revenue Growth	<b>4-6%</b>

<b>SURGICAL SOLUTIONS</b>		<b>PATIENT MONITORING &amp; RECOVERY</b>	
<b>\$5.3B</b>		<b>\$4.3B</b>	
<b>SURGICAL INNOVATIONS</b>	<b>EARLY TECHNOLOGIES</b>	<b>PATIENT MONITORING &amp; RECOVERY</b>	<b>RENAL CARE SOLUTIONS</b>
Optimize surgical procedures in the care setting	Early diagnosis and treatment; lung and GI	Monitoring before, during and after intervention; complication-free recovery	End stage renal disease (ESRD) and associated comorbidities

We aspire to enable earlier diagnosis, better treatment, faster complication-free recovery and enhanced patient outcomes through less invasive solutions.

# OUR STRATEGY

## KEY STRATEGIC COMMITMENTS



THERAPY  
INNOVATION



GLOBALIZATION



ECONOMIC  
VALUE

**ACCELERATE  
REVENUE  
GROWTH &  
EXPAND MARGINS**

**THOUGHTFUL  
RESOURCE  
ALLOCATION**

**FOCUS  
ON GROUP  
GROWTH DRIVERS**

**HOLISTIC  
DISEASE &  
CONDITION  
EMPHASIS**

**ESTABLISH  
SERVICES,  
INCLUDING VBHC**

# OUR STRATEGIC FRAMEWORK

MISSION, MARKET, BARRIERS, SOLUTIONS

## MISSION

Connection to the Mission

## MARKET OPPORTUNITY

Market opportunity

## BARRIERS

Obstacles to shifting standards of care

## SOLUTIONS

How we remove these barriers

# FOCUS ON GROUP GROWTH DRIVERS

40% OF MITG BUSINESS DRIVES >80% OF FUTURE MITG GROWTH

	OPEN TO MIS	OTHER EMERGING MARKETS*	END STAGE RENAL DISEASE	GI DISEASE	RESPIRATORY COMPROMISE	LUNG CANCER
% OF GROWTH DRIVER CONTRIBUTION	80%			20%		
WAMGR	6-8%	6-9%	4-5%	6-7%	12-13%	15-20%
CURRENT MARKET	\$9B	\$6B	\$13B	<\$1B	<\$1B	<\$1B

**Attractive, Aggregated ~7% WAMGR**

\* Exclusive of other Group Growth Drivers

# THERAPY INNOVATION PIPELINE

## ACTIVE PROJECTS ONLY

	FY17	FY18	FY19
Surgical Solutions			
<b>SURGICAL INNOVATIONS</b>	13	16	10
<b>EARLY TECHNOLOGIES</b>	6	3	3
Patient Monitoring & Recovery			
<b>PATIENT MONITORING &amp; RECOVERY</b>	14	7	6
<b>RENAL CARE SOLUTIONS</b>	2	3	1
<b>Total</b>	<b>35</b>	<b>29</b>	<b>20*</b>

**More than 80 product launches**  
over next 3 years

**~ \$4B cumulative revenue**  
from new products  
from FY17 to FY21

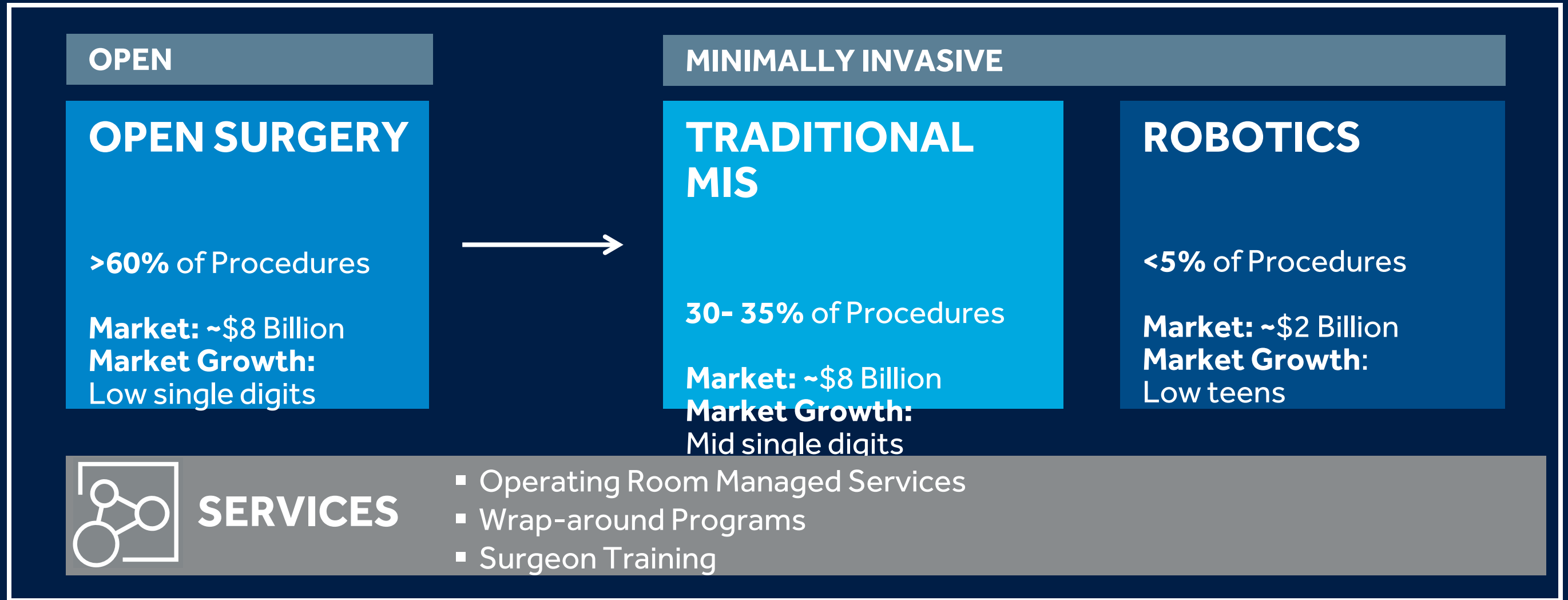
\* Number of product launches expected to be in line with FY17-18



**OPEN TO MIS**

# OPEN TO MIS: \$10B+ MARKET EXPANSION OPPORTUNITY

## UNIQUE, COMPREHENSIVE SOLUTIONS IN OPEN, MIS, ROBOTICS & SERVICES



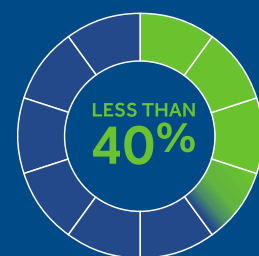
*Focused procedural areas include bariatric, colorectal, general, gynecology, head and neck, thoracic and urology*

# OPEN TO MIS: MITG'S MOST COMPELLING OPPORTUNITY

## MDT MISSION: THE OPPORTUNITY

### LOW WORLDWIDE ADOPTION

Less than 40% of our core surgical procedures done minimally invasively



**6-21%**  
Increased complications



**1-5 DAYS**  
Increased hospital stay



**5-22 DAYS**  
Until normal activities resumed



**UP TO \$13,000**  
Increased overall cost



## MARKET OPPORTUNITY

~\$18B current market

Mid single digit growth market

## BARRIERS

- Lack of surgical skills and capabilities
- Perceived higher cost – lack of awareness of MIS clinical and economic benefits
- Insufficient Operating Room infrastructure

## SOLUTIONS

- Therapy Innovation
  - Traditional Open/MIS
  - Adv. technology/robotics
- Training and education
  - Basic surgical skills and product training
  - Advanced MIS

# OPEN TO MIS: MITG'S MOST COMPELLING OPPORTUNITY SOLUTIONS

Promote global MIS adoption through therapy innovation and training

- Robotic Platform
- Valleylab™ FT10 electrosurgical generator (FY16 launch)
  - Faster sealing decreases procedure times
  - Auto-adjusting energy accommodates different tissue types
- SIGNIA™ Stapling System (1H FY17 launch)
  - Single-hand use increases patient focus
  - Consistent staple lines reduce leaks and tissue trauma
- Training to improve and advance MIS skills (1H CY13 launch)
  - Advancing the laparoscopic adoption of surgery (ATLAS)
  - Global training program with surgeon guided learning

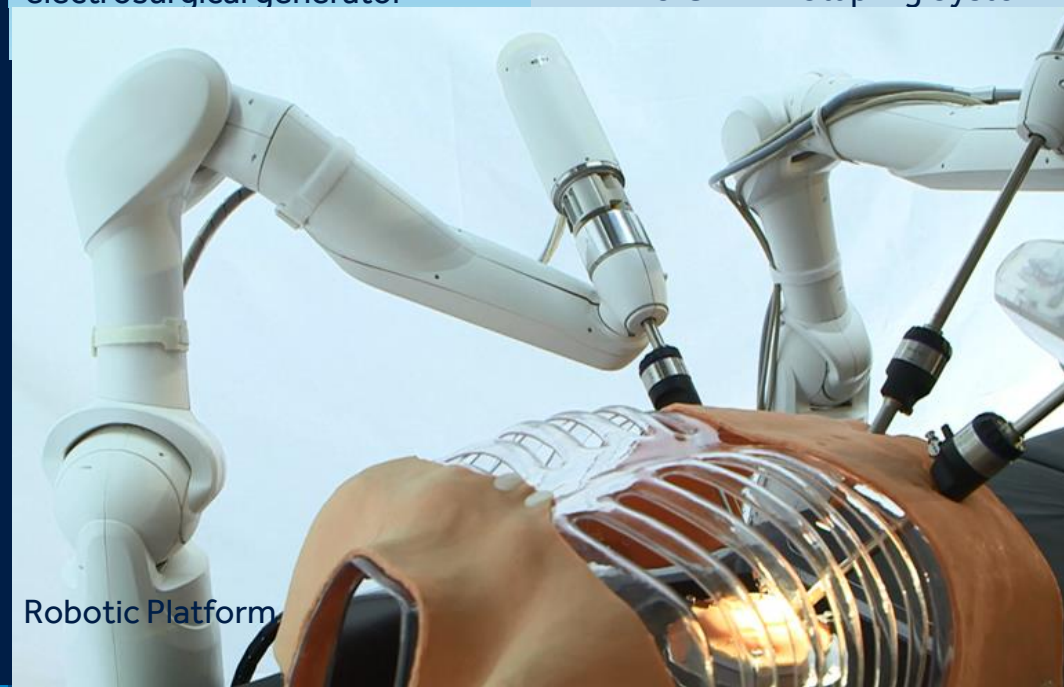
**26** PRODUCT LAUNCHES  
IN THE NEXT  
**3 YEARS**  
**~\$2B CUMULATIVE**  
**REVENUE FY17 TO FY21**



Valleylab™ FT10  
electrosurgical generator



SIGNIA™ Stapling System



Robotic Platform

# ROBOTICS

## HISTORY OF OUR PLATFORM



## THREE YEARS IN DEVELOPMENT

**TECHNOLOGY PARTNERSHIPS**  
WITH DLR & OTHERS

**REVIEWED WITH 1000S OF CUSTOMERS**

**~150 EMPLOYEES**

**INNOVATIVE SPIRAL DEVELOPMENT PROCESS**

**3 R&D LOCATIONS**

**10<sup>TH</sup> PROTOTYPE**

**LARGEST INVESTMENT**  
IN PRODUCT DEVELOPMENT  
IN MITG

**PARALLEL PATHING**  
OF MIS INSTRUMENTS



# ROBOTICS

## VALUE PROPOSITION



**USES OUR  
WORLD CLASS**  
INSTRUMENTATION



FOCUSES ON  
CURRENT  
**ECONOMIC  
BARRIERS**



**TARGETS  
WIDE ARRAY  
OF SURGICAL  
PROCEDURES**  
AT LAUNCH



FLEXIBLE  
SYSTEM  
**TO ENHANCE  
UTILIZATION**

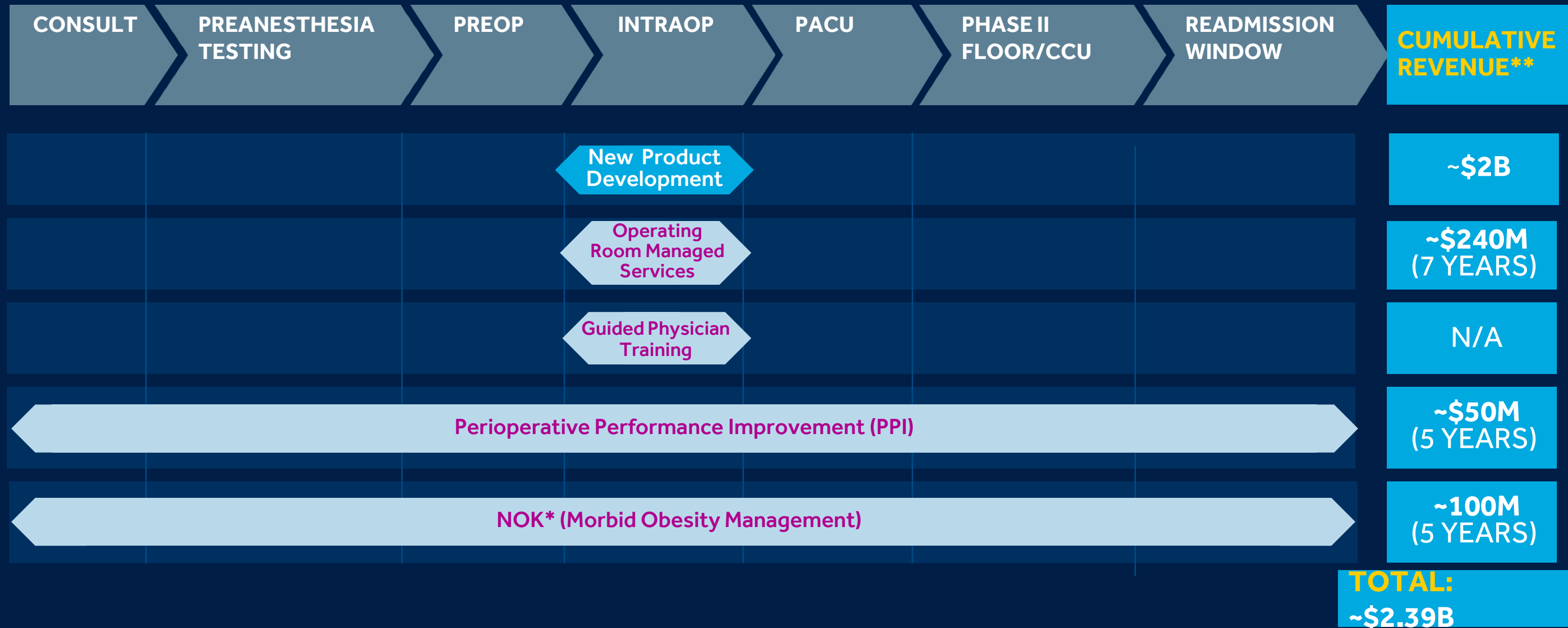


**MATERIAL  
REVENUE  
GROWTH  
BY FY19**  
(50-150BP\*)

\*50-150 BPS of MITG Growth

# MITG SERVICE PROGRAMS

## ECONOMIC VALUE ACROSS THE SURGICAL CARE CONTINUUM



\*Medtronic signed an agreement to acquire a majority ownership in NOK

\*\* Service revenue currently signed or pending agreement

# OPEN TO MIS

## SUMMARY



**\$10 B+ MARKET  
EXPANSION  
OPPORTUNITY**



**MDT WILL OFFER  
UNIQUE  
COMPREHENSIVE  
SOLUTIONS IN:  
OPEN, MIS, ROBOTICS,  
& SERVICES**



**PATIENT,  
PROVIDER,  
PAYER,  
SHAREHOLDER  
ALL BENEFIT**



# END STAGE RENAL DISEASE

# RENAL CARE SOLUTIONS

ANNUALIZING AT ~\$300M OF REVENUE

## RENAL CARE SOLUTIONS

### DIALYSIS SYSTEMS

Legacy MDT

### RENAL ACCESS

Legacy Covidien

### BELLCO

Acquisition

## LEVERAGING BROADER MEDTRONIC CAPABILITIES

### VASCULAR ACCESS DURABILITY

IN.PACT® Admiral® drug eluting balloon (DEB)

### COMORBIDITY MANAGEMENT

Cardiovascular and diabetes ambulatory monitoring with Medtronic Care Management Services

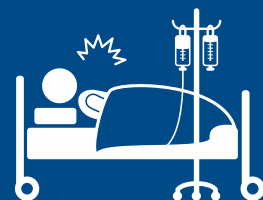
# END STAGE RENAL DISEASE

## MDT MISSION: THE OPPORTUNITY

Over 3 million patients are currently treated for end stage renal disease globally, a population expected to more than double over the next decade

**2-10M**

untreated die annually from lack of access



**\$75B**

Spent managing dialysis patients each year



**30%+**

ESRD patients with HF & diabetes



## MARKET OPPORTUNITY

~\$13B current market

Mid single digit growth market

## BARRIERS

- Insufficient therapy access
- High cost due to infrastructure and water management needs
- Inadequate comorbidities management
- Sub optimal vascular access creation and maintenance modalities

## SOLUTIONS

- Therapy Innovation
  - Enable scalable and affordable dialysis delivery
  - Invest in vascular creation and maintenance technologies
- Establish networks with local partners to expand therapy availability
- Address comorbidities with integrated care management

# END STAGE RENAL DISEASE SOLUTIONS

## Therapy Innovation: Enable scalable and affordable dialysis delivery model

- HD multi-pass system (2H FY18 launch)
  - Reduced infrastructure: 70% less water required
  - Easier to deploy: compact and less start-up costs
  - High quality treatment: ultrapure dialysate

## Establish local partner network to expand therapy availability (FY19 launch)

- Leveraging local government partnerships, including provincial FDA, social security administration, engagement from top hospitals and Nephrologists

## Address comorbidities with integrated care management (1H FY20 launch)

- Leverage MDT monitoring platform through cardiac diagnostics and patient monitoring technologies
- Implement risk-sharing/new care pathways or treatments

**6** PRODUCT LAUNCHES  
IN THE NEXT

**3** YEARS

**~\$500M CUMULATIVE  
REVENUE FY17 TO FY21**



HD System

# GROWTH DRIVERS WITH SIGNIFICANT POTENTIAL FOR FUTURE GROWTH

## GASTROINTESTINAL DISEASES

**6** PRODUCT LAUNCHES IN THE NEXT 3 YEARS

**~\$150M CUMULATIVE REVENUE FY17 TO FY21**



Cytosponge™ cell collection kit



Pillcam™ SB capsule

## RESPIRATORY COMPROMISE

**9** PRODUCT LAUNCHES IN THE NEXT 3 YEARS

**~\$550M CUMULATIVE REVENUE FY17 TO FY21**



Capnostream™ 35 portable respiratory monitor



## LUNG CANCER

**4** PRODUCT LAUNCHES IN THE NEXT 3 YEARS

**~\$100M CUMULATIVE REVENUE FY17 TO FY21**



superDimension™ system



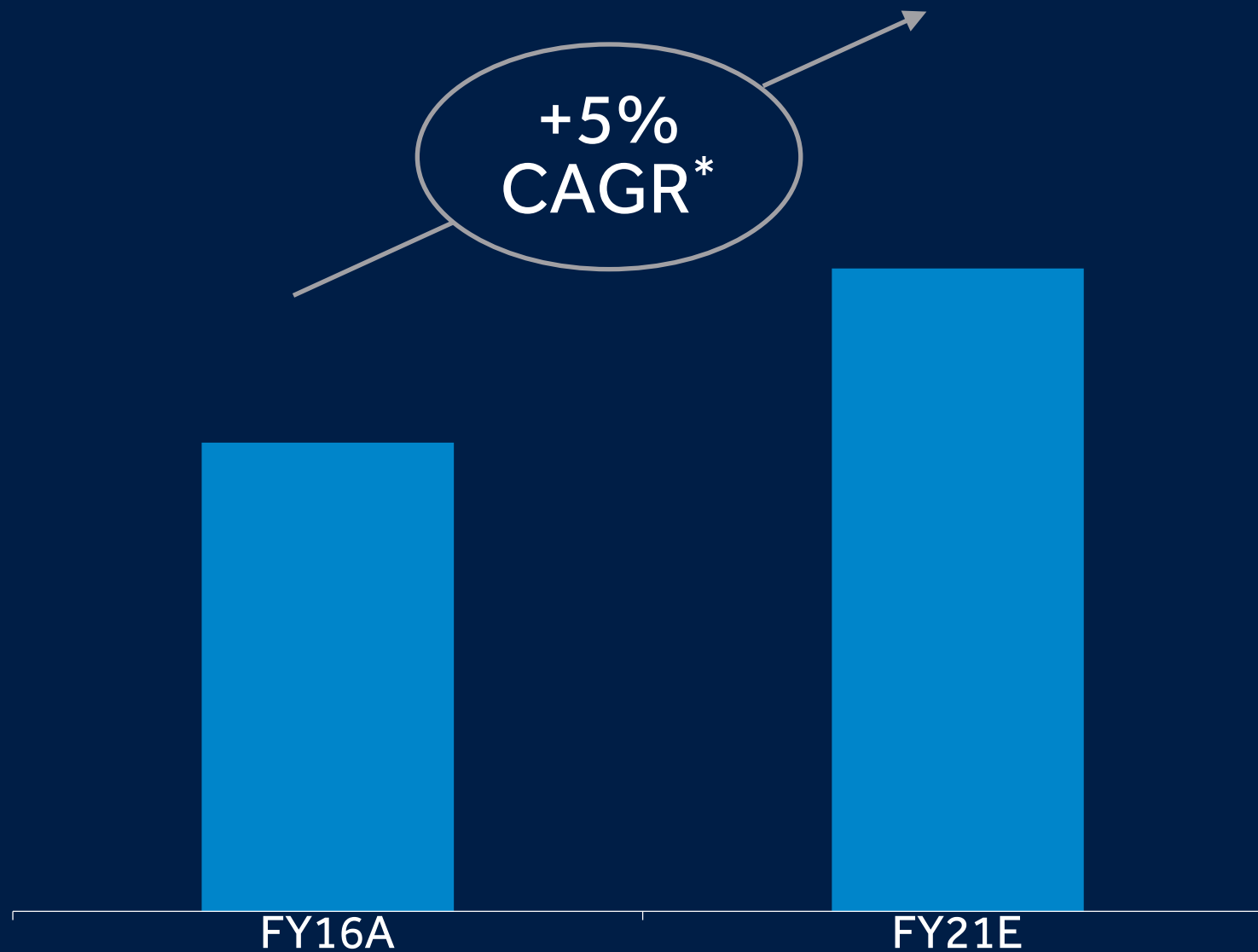
CrossCountry™ Transbronchial Access tool



GenCut™ Core Biopsy system

# MINIMALLY INVASIVE THERAPIES GROUP SUMMARY

## GROWTH DRIVERS



- Group Goal: High Mid Single Digits by FY21
- 40% of MITG Business drives >80% of future MITG growth
- Open to MIS most material opportunity

\*Growth Rate @ Constant FX