Medtronic

Engineering the extraordinary

Medtronic plc

Q3 FY23

Earnings presentation

February 21, 2023

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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 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. Starting with the quarter ended April 29, 2022, the Company will no longer adjust non-GAAP financial measures for certain license payments for, or acquisitions of, technology not approved by regulators due to recent guidance from the U.S. Securities and Exchange Commission. Historical non-GAAP financial measures have been recast for comparability. All GAAP to non-GAAP reconciliations are provided on our website.

Medtronic calculates forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. For instance, forward-looking organic revenue growth guidance excludes the impact of foreign currency fluctuations, as well as significant acquisitions or divestitures. Forward-looking diluted non-GAAP EPS guidance also excludes other potential charges or gains that would be recorded as Non-GAAP Adjustments to earnings during the fiscal year. Medtronic does not attempt to provide reconciliations of forward-looking non-GAAP EPS guidance to projected GAAP EPS guidance because the combined impact and timing of recognition of these potential charges or gains is inherently uncertain and difficult to predict and is unavailable without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.

Financial comparisons

References to results increasing, decreasing, or remaining flat are in comparison to the same period in the prior fiscal year. 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 an organic basis. References to sequential revenue changes are made on an "as reported" basis. Unless stated otherwise, all references to share gains or losses are as of the most recently completed calendar quarter, on a revenue basis, and in comparison to the same period in the prior year.

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Q3 FY23 Executive Summary

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Q3 FY23 Key messages

Strong execution as we urgently forge the path to durable growth

Healthy rebound in revenue growth
Delivered top and bottom line ahead of expectations; continue to urgently forge path to durable growth with building proof points of our progress demonstrated in Q3

Broad strength in multiple portfolios and operating units; headwinds abating
Cardiovascular and Neuroscience portfolios had strong, high-single digit growth benefitting from product launches and continued strength in our established, market-leading Cardiac Rhythm Management and Spine franchises

Revenue growth also benefitting from some abating headwinds: specifically, ventilator sales and product availability in businesses like Surgical Innovation and Cardiac Diagnostics

Transformation underway; starting to translate to financial performance
Aggressive transformation is underway: streamlining the company, enhancing our culture, improving capital allocation and portfolio management, and upgrading our global manufacturing operations and supply chain capabilities

Expect organic revenue growth acceleration despite near-term headwinds
Macro headwinds continue to impact profitability and cash flow; making progress on our plans for aggressive cost reductions. Q4 guidance: organic growth +4.5 to 5.0% and EPS $1.55-1.57

Confidence in path to deliver durable growth and shareholder value
Remain focused on delivering our pipeline, decisively allocating capital, improving our operational health, and streamlining the company

"We returned to mid-single digit organic growth as we execute our strategy with urgency."

GEOFF MARTHA,
CHAIRMAN & CEO

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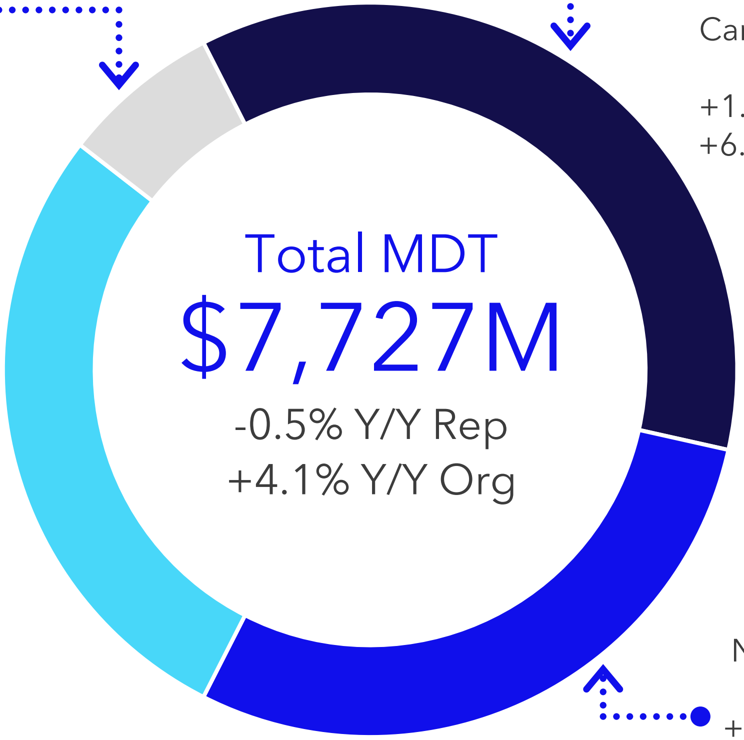
Q3 FY23 Financial summary

Revenue[1] by segment

Diabetes
$570M
-2.4% Y/Y Rep
+3.3% Y/Y Org

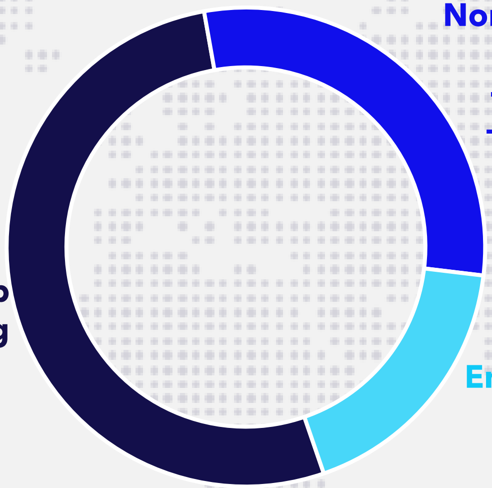
Cardiovascular
$2,772M
+1.0% Y/Y Rep
+6.5% Y/Y Org



Medical Surgical
$2,137M
-6.7% Y/Y Rep
-1.6% Y/Y Org
-0.7% ex-Vents Y/Y Org

Neuroscience
$2,248M
+4.9% Y/Y Rep
+7.3% Y/Y Org

Revenue[1] by geography



Non-U.S. Developed
$2,294M
-5.9% Y/Y Rep
+6.0% Y/Y Org

United States
$4,062M
+3.1% Y/Y Rep
+2.5% Y/Y Org

Emerging Markets
$1,371M
-1.0% Y/Y Rep
+5.4% Y/Y Org

	GAAP	Non-GAAP
Diluted EPS	**$0.92**	**$1.30**
Y/Y %	**-16%**	**-4%**
CC Y/Y %	**N/A**	**+1%**

Cash flow from operations YTD
$3.6B

Free cash flow[2] YTD
$2.5B

1) Data has been intentionally rounded to the nearest million and, therefore, may not sum.
2) Operating cash flows less property, plant, and equipment additions.

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Q3 FY23 Regional organic revenue growth

4.1% WW organic growth driven by 16.9% EM growth ex. China and MSD growth in non-U.S. developed markets

United States

▲ 2.5%

Non-U.S. Developed ▲ 6.0%

Western Europe	Japan	Australia & New Zealand	Canada	South Korea
▲ High-single digits	▼ Low-single digits	▲ Low-double digits	▲ High-single digits	▲ Mid-teens

Emerging Markets ▲ 5.4%

China	Middle East & Africa	Latin America	Eastern Europe	Southeast Asia	South Asia
▼ High-single digits	▲ Low-double digits	▲ High-teens	▲ Low-20's	▲ Mid-teens	▲ Low-20's

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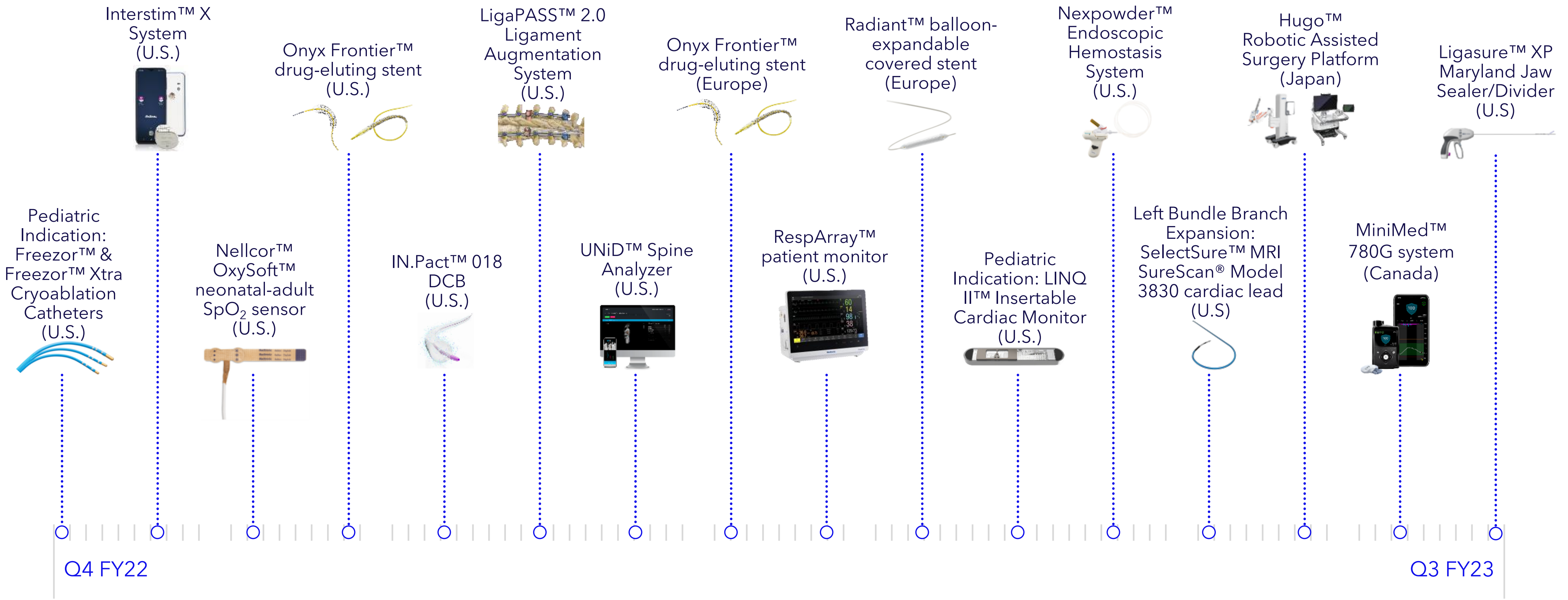
Key product approvals

Last 12 months: ~150 product approvals in key geographies[1]



Note: Relative positioning is not intended to signify relative timing

1) Includes U.S., EU, Japan and China. Does not include all indication or partner approvals, though select additional approvals are displayed

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Q3 FY23 Portfolio Highlights

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Cardiovascular

7% growth driven by strong performance in CRM, TAVR, & Diagnostics

Cardiac Rhythm & Heart Failure (CRHF)

- Cardiac Pacing Therapies: HSD growth; mid-teens WW Micra™ growth driven by China Micra™ AV launch and increased market penetration
- Defibrillation Solutions: HSD growth driven by strong implant rates and ICD replacement headwinds subsiding; Aurora EV-ICD™[1] CE Mark received last week
- Procedure Innovations: Low-20s growth on strength of TYRX™ antibacterial envelopes
- CAS: HSD WW ex. China growth driven by continued adoption of Arctic Front™ cryoablation catheters, offset by competitive pressure in Europe and China VBP; PulseSelect™ PFA catheter[1] PULSED AF pivotal trial results to be presented as a LBCT at ACC.23 on March 6th
- Diagnostics: LINQ II™ global launch expansion accelerates with unrestricted supply

Structural Heart & Aortic (SHA)

- Structural Heart: LDD WW & U.S. TAVR growth driven by Evolut™ FX launch and SVD Durability Data showing CoreValve™ and Evolut™ as first and only TAVR platforms to outperform SAVR at 5 years
- Aortic: DD growth on supply improvements for both AAA & TAA; continued pressure from Valiant Navion™ recall

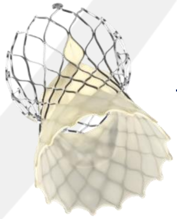
Coronary and Peripheral Vascular (CPV)

- Coronary: Y/Y & sequential DES share gains driven by Onyx Frontier™ launch; U.S. & WE PCI procedures below pre-COVID levels
- Peripheral Vascular Health: Growth in DCBs, Vascular Embolization, and Superficial Venous offset by weakness in Directional Atherectomy, Peripheral Stents and PTA balloons

Micra™ AV and VR Transcatheter Pacing System

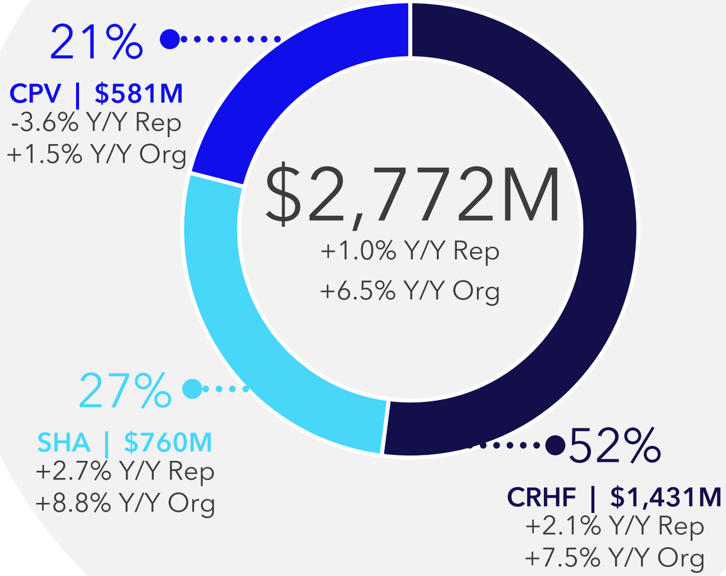
Arctic Front™ cryoablation catheters

LINQ II™ Insertable Cardiac Monitor



Evolut™ FX TAVR System

Onyx Frontier™ DES



Operating Unit Growth

Cardiac Rhythm Management	▲	HSD
Cardiac Ablation Solutions	▲	LSD
Cardiovascular Diagnostics	▲	LDD
Structural Heart & Aortic	▲	HSD
Cardiac Surgery	▲	MSD
Coronary	▲	LSD
Peripheral Vascular Health	▲	LSD

1) Aurora EV-ICD™ and PulseSelect™ are not available in the U.S.

Medical Surgical

3% growth (ex. vents, China) driven by SI share recapture and improved product availability

Surgical Innovations (SI)

- Significant sequential share recapture in SI due to improved product availability
- LSD decline in Advanced Surgical Instruments driven by ongoing China VBP in Stapling, partially offset by MSD growth in Energy; ex-China, SI growth in MSD
- LSD growth in Hernia & Wound Management driven by V-Loc™ Barbed Sutures despite procedure softness in China
- Opened strategic markets with Hugo™ system installations in EU and APAC, including repeat orders
- Started South Korea "Hello Hugo" pre-market clinical trial for urology and general surgery indications
- U.S. IDE urology clinical trial began in December 2022 and continues to progress as planned

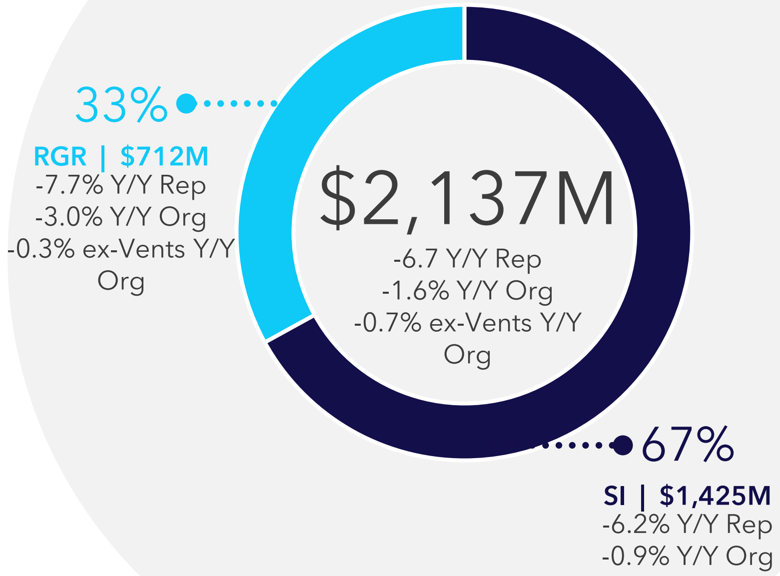
Sonicision™ 7mm
Ultrasonic curved jaw

Hugo™
RAS System[1]

Respiratory, Gastrointestinal, & Renal (RGR)

- Patient Monitoring: LSD Nellcor™ pulse oximetry growth on tough Y/Y comps; HSD OUS growth
- Respiratory Interventions: High-20s decline in ventilators (final quarter of difficult Y/Y comps), slightly offset by HSD growth in Endotracheal Tubes
- Gastrointestinal: Mid-teens growth in chronic & colorectal driven by strong US GI Genius™ performance
- Renal Care Solutions: HSD decline given product availability challenges

GI Genius™
Intelligent endoscopy module



Operating Unit Growth

Surgical Innovations	▼	LSD
Gastrointestinal	▲	HSD
Respiratory Interventions	▼	LDD
Patient Monitoring	▲	LSD
Renal Care Solutions	▼	HSD

1) Hugo™ is not available in the U.S.

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Neuroscience

7% growth with strength in U.S. Core Spine, SCS, NV, and ENT

Cranial & Spinal Technologies (CST)

- CST: MSD growth driven by Aible™ ecosystem of spine products
- LDD growth in U.S. core spine with continued success of Catalyft™ and ModuleX™; partially offset by HSD decline in biologics due to product availability and difficult U.S. comps
- Strong growth in StealthStation™ navigation & O-arm™ imaging (LDD), Midas Rex™ power tools (HDD), and Mazor™ robotics (high-20's), driven by OUS performance

Specialty Therapies (ST)

- NV: LDD growth in hemorrhagic and ischemic; driven by mid-teens growth in flow diversion, LDD growth in aspiration, and HSD growth in mechanical thrombectomy
- ENT: Low-20s organic growth driven by strength in NIM Vital™ nerve monitoring systems and recovery in product availability; integration progress of Intersect ENT
- PH: LDD OUS growth and MSD U.S. growth from continued market expansion, partially offset by continued U.S. competitive pressures

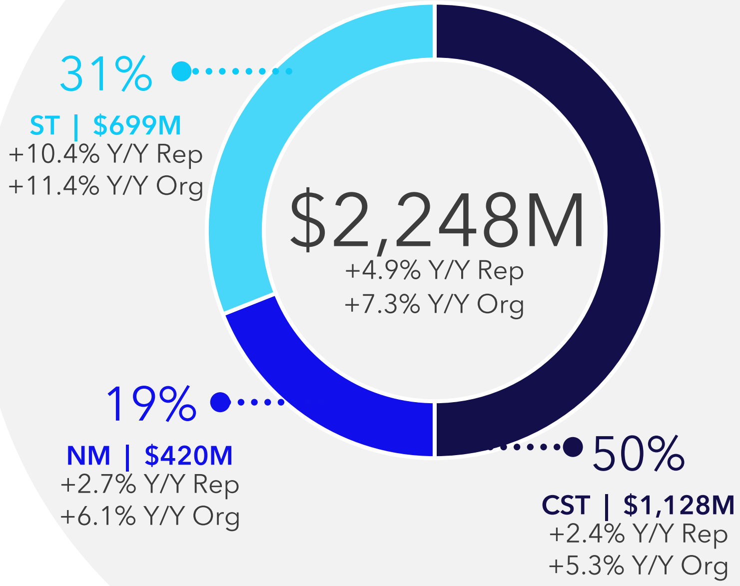
Neuromodulation (NM)

- SCS: Robust LDD growth driven by new implant share and increased commercial footprint for DPN on Intellis™; market procedures improving
- Brain Modulation: LSD decline due to continued replacement headwinds; MSD U.S. new implant growth
- LDD TDD growth and LSD Interventional growth driven by continued improvements in product availability

Aible™
Spinal Surgical Suite

Pipeline™ Shield
Embolization Device
with Shield Technology™

DTM™ SCS
on the Intellis™
platform



Operating Unit Growth

Cranial & Spinal Technologies	▲	MSD
Neurovascular	▲	HSD
ENT	▲	Low-20s
Pelvic Health	▲	MSD
Neuromodulation	▲	MSD

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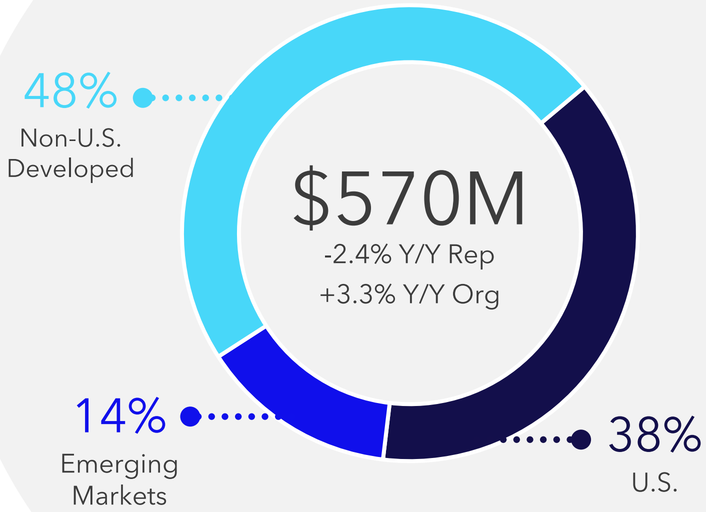
Diabetes

Solid commercial execution; continued strong MiniMed™ 780G and CGM performance internationally



Grew 3% driven by high-teens international growth offset by U.S. declines

- MiniMed™ 780G now launched in >90 countries, with strong adoption and continued geography expansion driving mid-teens International pump growth, doubling our installed base Y/Y. High satisfaction scores for product experience:
  - 94% of users satisfied with impact on quality of life[2]
  - 93% users satisfied with impact on mealtimes[2]
- ADAPT 12-month data to be presented at ATTD. Initial 6-month results demonstrated 27.6% absolute increase in Time in Range, reinforcing superiority of AID systems over MDI + CGM.
- CGM growth benefitting from strong 780G attach rate for Guardian™ 4 sensor in OUS markets, which grew substantially faster
- Extended infusion set (up to 7-day wear) now in 19 markets; strong adoption and highest product satisfaction; U.S. reimbursement secured for 91% of direct installed base through DME with additional access through pharmacy
- Completed 100% of the warning letter commitments; ready for FDA reinspection and remain in active FDA review for the 780G system with the Guardian™ 4 sensor
- Advanced our portfolio with recent FDA submission of next-generation standalone sensor, Simplera™, following our CE Mark submission in Q1 FY23

MiniMed™ 780G system[1]

InPen™ system

Guardian™ 4 sensor[1]

Extended infusion set

Simplera™ sensor[1]

1) The MiniMed™ 780G & Guardian™ 4 Sensor, and Simplera™ Sensor, are not available in the U.S.
2) Medtronic data on file: MiniMed ™ 780G data uploaded voluntarily by 4,120 users in EMEA to CareLink™ Personal, from 27 August 2020 to 3 March 2021

Q3 FY23 Financial Highlights

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Q3 FY23 Income statement

GAAP[1]

($ in millions)	Q3 FY22	Q3 FY23	Y/Y
Revenue	$7,763	$7,727	-0.5%
Gross Margin	68.3%	65.2%	-310 bps
SG&A % of Sales	33.0%	33.8%	80 bps
R&D % of Sales	8.6%	8.9%	30 bps
Operating Margin	21.4%	18.0%	-340 bps
Net Income	$1,480	$1,222	-17.4%
Diluted EPS	$1.10	$0.92	-16.4%

Full GAAP to non-GAAP reconciliation in Appendix

Non-GAAP[1]

($ in millions)	Q3 FY22	Q3 FY23	Y/Y
Revenue	$7,763	$7,727	-0.5%
Gross Margin	68.9%	66.0%	-290bps
SG&A % of Sales	32.5%	33.1%	60bps
R&D % of Sales	8.5%	8.7%	20 bps
Operating Margin	28.0%	25.9%	-210 bps
Net Income	$1,838	$1,727	-6.0%
Diluted EPS	$1.36	$1.30	-4.4%

1) The data in this table has been intentionally rounded and, therefore, may not sum; Dollars in millions except for EPS.

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Balance sheet

Continue to maintain a strong balance sheet

($ in millions)	Q3 FY22	Q2 FY23	Q3 FY23	Y/Y	Q/Q
Total Assets	$91,804	$93,241	$94,134	$2,330	$893
Cash & Equivalents	$3,479	$4,828	$4,521	$1,042	($307)
Investments	$7,742	$6,602	$6,616	($1,126)	$14
Total Debt	$25,155	$26,617	$28,128	$2,973	$1,511
Short term debt	$865	$5,864	$5,918	$5,053	$54
Long term debt	$24,290	$20,753	$22,210	($2,080)	$1,457
Equity	$52,713	$52,057	$51,618	($1,095)	($439)

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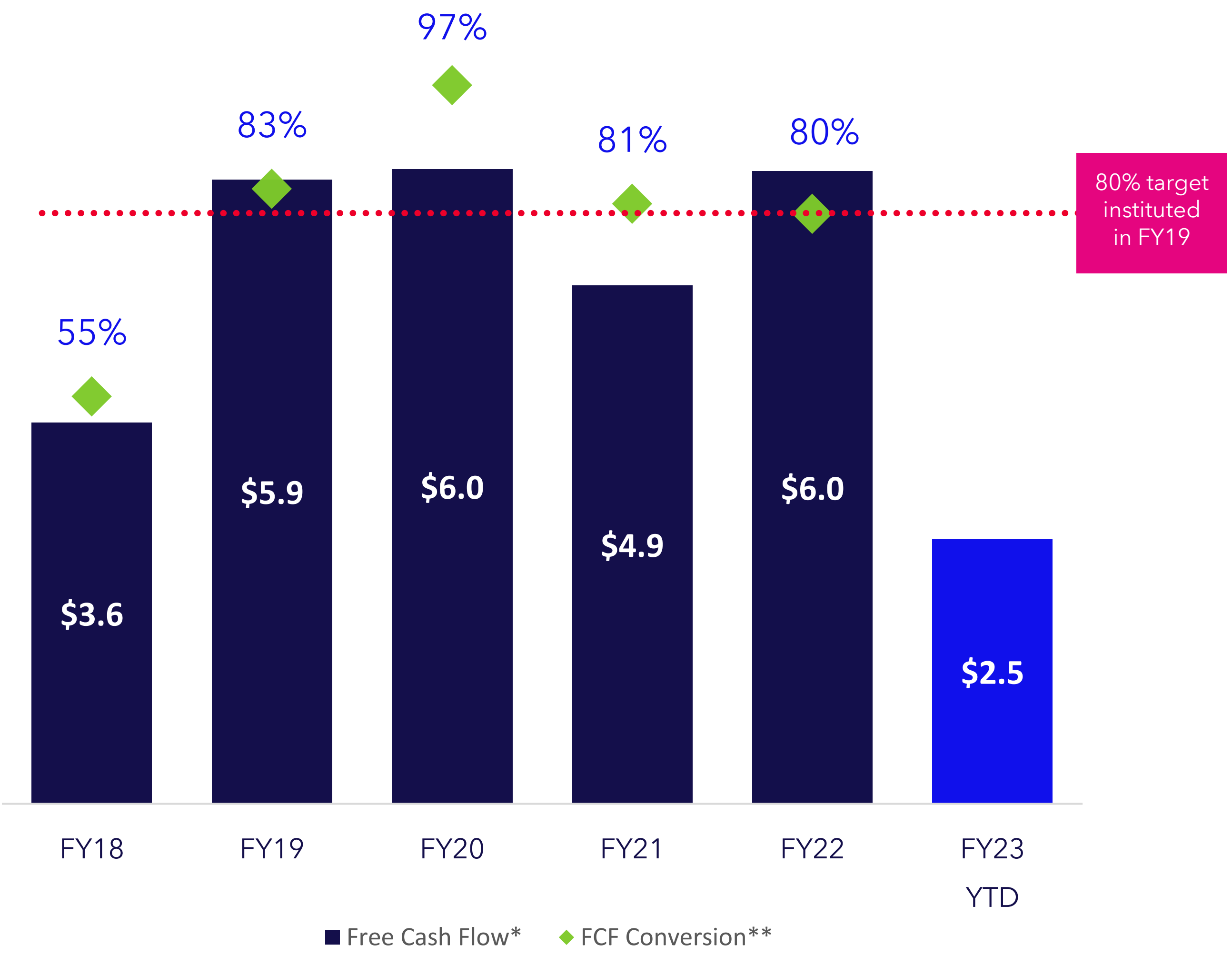
Free cash flow

Macro headwinds impacting free cash flow conversion in FY23



Included in free cash flow: ($ in billions)		FY18	FY19	FY20	FY21	FY22	FY23 YTD
Pre-Tax	Certain Litigation Payments, net[1,2]	$0.3	$0.5	$0.2	$0.2	$0.2	$0.0
Pre-Tax	Restructuring Payments[1]	$0.2	$0.4	$0.5	$0.5	$0.4	$0.3
Pre-Tax	Other Payments[1,3]	$0.3	$0.2	$0.2	$0.1	$0.3	$0.3
Puerto Rico IRS Pre-Payment		$1.1	--	--	--	--	$0.3
Certain Other Tax Payments		$0.4	$0.4	$0.1	$0.2	$0.2	$0.5

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 Covidien acquisition opening balance sheet adjustments.
3 Includes acquisition-related, divestiture-related, charges associated with stopping the distribution and sales of LVADs, European Union medical device regulations charges, and contributions to the Medtronic Foundation

*Operating cash flows less property, plant, and equipment additions; FCF shown in billions
**Conversion ratio = free cash flow divided by non-GAAP net income

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Exercising decisive capital allocation

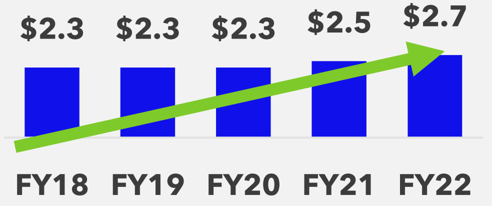
Prioritizing innovation-driven growth investments while delivering consistent dividend returns to shareholders

Investments for Growth

Research & Development

Target **R&D growth at/above revenue growth**

5% CAGR; +10% in FY22



Smart M&A

Focus on tuck-in M&A with heightened focus on market selection

9 Acquisitions since FY21

>$3.3B in total consideration since FY21

intersect ENT | AFFERA | ACUTUS MEDICAL Left-heart access portfolio

Minority investments, strategic partnerships, and incubators add to traditional investment

Blackstone

New Neurovascular Co-Lab™ Platform

$950M+ invested as of Q3 FY23

80+ companies

Return to Shareholders

Dividend & Share Repurchase

Target **minimum of 50% of Free Cash Flow** returned to shareholders annually; **prioritizing dividends**

FY22

$5.5B Net share repurchases & dividends

92% of Free Cash Flow

45 Years of dividend increases
Raised **8%** in May 2022

Member of **S&P 500 Dividend Aristocrats**

$3.7B shares repurchased since FY21

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Guidance & Assumptions

Guidance and assumptions

Q4 FY23 REVENUE	FY22 Q4 base[1]	Organic revenue growth guidance	FX[2]	Inorganic[3]	Implied reported revenue range
	$8,006M	**+4.5% to + 5.0%**	($165M) to ($215M)	$75M	~$8.23B - $8.32B

FY23 EPS	Earnings Call	FY22 base	Implied constant currency growth	FX[2]	FY23 EPS guidance
	FY23 Q2 Call	$5.55	(1%) to (2%)	($0.18)	**$5.25 - $5.30**
	FY23 Q3 Call	$5.55	Approx. (1%)	($0.21)	**$5.28 - $5.30**

Q4 FY23 EPS	Earnings Call	FY22 Q4 base	Implied constant currency growth	FX[2]	FY23 Q4 EPS guidance
	FY23 Q3 Call	$1.52	8% to 9%	($0.09)	**$1.55 - $1.57**

Note: EPS guidance does not include any charges or gains that would be reported as non-GAAP adjustments to earnings during the fiscal year.
1) FY22 Q4 reported revenue of $8,089 less $83M of Renal Care Solutions revenue being excluded from organic growth guidance as transaction is expected to close within the quarter
2) While FX rates are fluid, assumptions above are based on rates as of the beginning of February 2023
3) Inorganic includes revenue from the acquisition of Intersect ENT and a partial quarter of revenue from Renal Care Solutions

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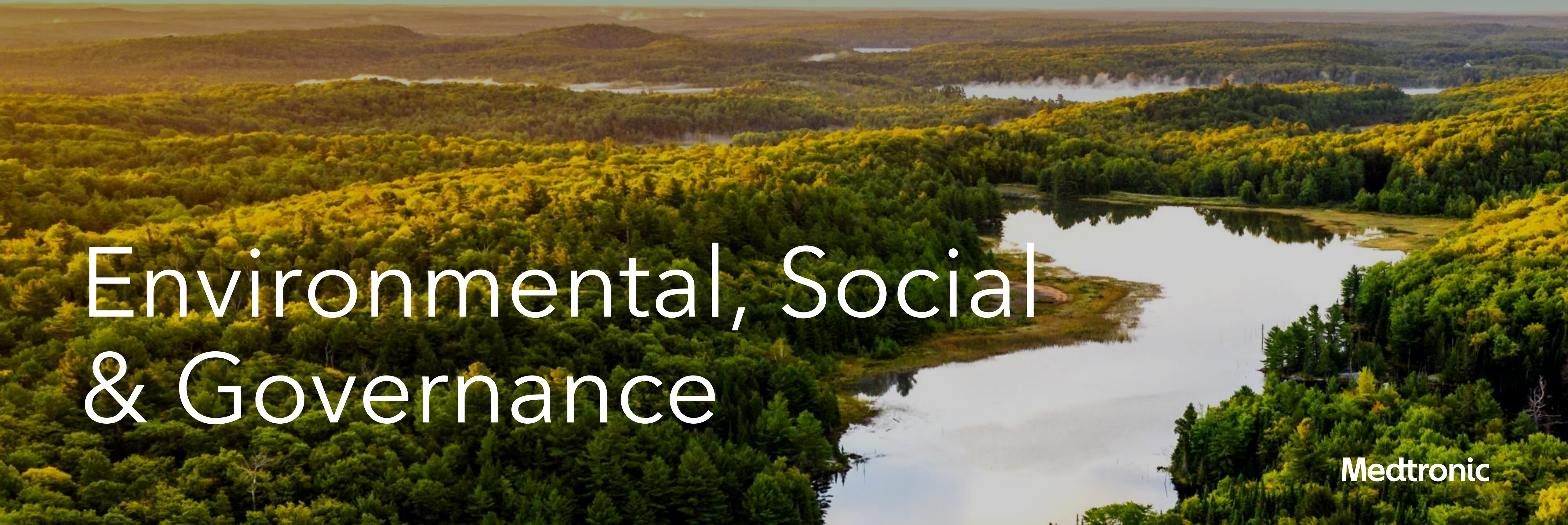

Environmental, Social & Governance

Environmental, social & governance

Leading in engagement, citizenship and innovation

DiversityInc

#10 in Diversity Top 50, #4 for Mentorship, #5 for Supplier Diversity, #11 for Environmental, Social, & Governance, #13 for Sponsorship

2022 Great Place To Work ® And Fortune Magazine

#12 Worlds Best Workplaces™

Great Place to Work ® certified awarded to Medtronic in Australia, Greater China, Spain, and 20 other countries

Human Rights Campaign

100% Corporate Equality Index Human Rights Campaign – Best Places to Work for LGBTQ+ in South America – Medtronic Chile

Dow Jones Sustainability Index

DJSI World Index for 2 consecutive years DJSI North American Index for 15 consecutive years

Top Employers Institute certified

Awarded to Medtronic in the U.K., Egypt, South Africa, and 6 other countries

2022 Outie Awards

Medtronic PRIDE Network Winner – ERG of the Year

2022 Disability:IN and the American Association of People with Disabilities Disability Equality Index® Best Places to Work™ – 100% Score

2022 Hispanic Association on Corporate Responsibility Corporate Inclusion Index Medtronic received 5-star awards across all four pillars – Employment, Philanthropy, Procurement, and Governance – one of only two companies to do so in 2022

3BL Media

Placed 41st on 2022 100 Best Corporate Citizens for 6 consecutive years

Forbes

America's Best Employers for Veterans 2022

Glassdoor

Best Places to Work 2022

Just Capital

Named one of America's Most JUST Companies by JUST Capital

2022 India's Best Workplaces for Women Medtronic Engineering and Innovation Centre in Hyderabad

IR Magazine

Named 2021 U.S. Best Overall IR in Large Cap & Best IR in Healthcare

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To learn more, visit our awards page

Environmental, social & governance

Long-range objectives & targets

For more information, visit Medtronic.com

2021 ESG Investor Briefing

2022 Integrated Performance Report

2022 Global Inclusion, Diversity & Equity Report

Patient Safety & Product Quality

10%
Reduction in aggregate product complaint rate for identified product families by FY25 vs. FY20

Access & Innovation

20%
MDT revenue from products and therapies released in the prior 36 months by FY25

85M
Patients served annually by FY25

Inclusion, Diversity & Equity

45%
Global management positions held by women by FY26

30%
U.S. management positions held by ethnically diverse talent by FY26

Climate Stewardship

50%
Reduction in greenhouse gas omission intensity by FY25

50%
Sourced energy from renewable and alternative sources by FY25

Carbon Neutral
In our operations by FY30

Net Zero Emissions
By 2045

Product Stewardship

25%
Reduction in packaging waste for targeted high-volume products by FY25 vs. FY21

35%
Reduction in paper associated with Instructions for Use (IFUs) by FY27 vs. FY21

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Appendix

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Q3 FY23 Revenue by portfolio and geography

	Worldwide			U.S.			Non-U.S. Developed			Emerging Markets		
	Revenue ($M)[1]	As reported Y/Y%	Organic Y/Y%	Revenue ($M)[1]	As reported Y/Y%	Organic Y/Y%	Revenue ($M)[1]	As reported Y/Y%	Organic Y/Y%	Revenue ($M)[1]	As reported Y/Y%	Organic Y/Y%
Cardiovascular	**2,772**	**1.0%**	**6.5%**	**1,375**	**6.0%**	**6.0%**	**859**	**-8.1%**	**3.6%**	**538**	**4.9%**	**13.1%**
Cardiac Rhythm & Hearth Failure	1,431	2.1%	7.5%									
Structural Heart & Aortic	760	2.7%	8.8%									
Coronary & Peripheral Vascular	581	-3.6%	1.5%									
Medical Surgical	**2,137**	**-6.7%**	**-1.6%**	**965**	**-2.5%**	**-2.5%**	**760**	**-6.4%**	**5.5%**	**412**	**-15.6%**	**-11.7%**
Surgical Innovations	1,425	-6.2%	-0.9%									
Respiratory, Gastrointestinal, & Renal	712	-7.7%	-3.0%									
Neuroscience	**2,248**	**4.9%**	**7.3%**	**1,507**	**7.9%**	**6.1%**	**401**	**-7.0%**	**5.1%**	**341**	**7.9%**	**15.8%**
Cranial & Spinal Technologies	1,128	2.4%	5.3%									
Specialty Therapies	699	10.4%	11.4%									
Neuromodulation	420	2.7%	6.1%									
Diabetes	**570**	**-2.4%**	**3.3%**	**215**	**-15.7%**	**-15.7%**	**274**	**5.0%**	**16.9%**	**80**	**17.6%**	**20.6%**
Total Medtronic	**7,727**	**-0.5%**	**4.1%**	**4,062**	**3.1%**	**2.5%**	**2,294**	**-5.9%**	**6.0%**	**1,371**	**-1.0%**	**5.4%**

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

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Q3 FY23 GAAP to non-GAAP financial information

	Q3 FY23 GAAP	Amortization	Restructuring	Acquisition-Related	(Gain) / Loss on Minority Investment	Medical Device Regulations	RCS Impairment / Costs	Certain Tax Adjustments	Q3 FY23 Non-GAAP	Q3 FY22 Non-GAAP [2]	Y/Y Growth / Change
Net Sales	**7,727**								**7,727**	**7,763**	**-**
Cost of Products Sold	2,689		(26)	(7)		(23)	(2)		2,630	2,415	9%
Gross Margin	***65.2%***		***0.3%***	***0.1%***		***0.3%***	-		***66.0%***	***68.9%***	***-290 bps***
SG&A	2,615		(40)	(8)		(1)	(8)		2,558	2,521	1%
% of Sales	*33.8%*		*(0.5)%*	*(0.1)%*		-	*(0.1)%*		*33.1%*	*32.5%*	*60 bps*
R&D	688					(14)			673	657	2%
% of Sales	*8.9%*					*(0.2)%*			*8.7%*	*8.5%*	*20 bps*
Other Operating Expense (Income), Net	(125)			(8)					(133)	-	-
% of Sales	*(1.6)%*			*(0.1)%*					*(1.7)%*	-	*170 bps*
Amortization of Intangible Assets	431	(431)							-	-	
Restructuring Charges, Net	38		(38)						-	-	
Operating Profit	**1,392**	**431**	**104**	**24**		**37**	**10**		**1,998**	**2,170**	**(8)%**
Operating Margin	***18.0%***	***5.6%***	***1.3%***	***0.3%***		***0.5%***	***0.1%***		***25.9%***	***28.0%***	***-210 bps***
Other Non-Operating Income, Net	(149)				8				(142)	(69)	106%
Net Income Attributable to MDT ($M)	**1,222**	**367**	**83**	**20**	**(8)**	**31**	**9**	**3**	**1,727**	**1,838**	**(6)%**
Diluted EPS ($) [1]	**0.92**	**0.28**	**0.06**	**0.02**	**(0.01)**	**0.02**	**0.01**	**0.00**	**1.30**	**1.36**	**(4)%**

1) Data has been intentionally rounded to the nearest million or $0.01 for EPS figures and, therefore, may not sum
2) Starting with Q4 FY22, the Company will no longer adjust non-GAAP financial measures for certain license payments for, or acquisitions of, technology not approved by regulators. Historical non-GAAP financial measures have been recast for comparability. The impact of this change is a decrease in non-GAAP net income and diluted EPS of $8 million and $0.01, respectively, for Q3 FY22.

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Medtronic business structure

Cardiovascular

Learn more

Cardiac Rhythm & Heart Failure
- Cardiac Rhythm Management
- Cardiac Ablation Solutions
- Cardiovascular Diagnostics
- Mechanical Circulatory Support

Structural Heart & Aortic
- Structural Heart
- Aortic
- Cardiac Surgery

Coronary & Peripheral Vascular
- Coronary & Renal Denervation
- Peripheral Vascular Health

Medical Surgical

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Surgical Innovations
- Surgical Innovations
- Surgical Robotics

Respiratory, Gastrointestinal, & Renal (RGR)
- Patient Monitoring
- Respiratory Interventions
- Gastrointestinal
- Renal Care Solutions

Neuroscience

Learn more

Cranial & Spinal Technologies
- Spine & Biologics
- Neurosurgery

Specialty Therapies
- Neurovascular
- Ears, Nose & Throat (ENT)
- Pelvic Health

Neuromodulation
- Pain Therapies
- Brain Modulation
- Interventional

Diabetes

Learn more

Therapies and services for insulin-dependent people who have Type 1 and Type 2

Abbreviations & acronyms

Growth		Business specific		Business specific		Other		Other	
DD	Double Digit	AAA	Abdominal Aortic Aneurysm	MDI	Multiple Daily Injection	ACC	American College of Cardiology	IRS	Internal Revenue Service
HSD	High-Single Digit	AF	Atrial Fibrillation	MDT	Medtronic	AI	Artificial Intelligence	LBCT	Late Breaking Clinical Trial
LDD	Low-Double Digit	AID	Automated Insulin Delivery	NV	Neurovascular	ATTD	Advanced Technologies and Treatments for Diabetes	LGBTQ	Lesbian, Gay, Bisexual, Transgender, Questioning
LSD	Low-Single Digit	BP	Blood Pressure	PCI	Percutaneous Coronary Intervention	APAC	Asia Pacific	M	Millions
MSD	Mid-Single Digit	CGM	Continuous Glucose Monitoring	PFA	Pulse Field Ablation	ANZ	Australia, New Zealand	N/A	Not Applicable
▼	Revenue Decreased Y/Y Organic	CPV	Coronary & Peripheral Vascular	PH	Pelvic Health	B	Billion	NASS	North American Spine Society
—	Revenue flat Y/Y Organic	CRHF	Cardiac Rhythm & Heart Failure	PTA	Percutaneous Transluminal Angioplasty	Bps	Basis Points	NEJM	New England Journal of Medicine
▲	Revenue Increased Y/Y Organic	CRM	Cardiac Rhythm Management	RAS	Robot-Assisted Surgery	CAPEX	Capital Expenditures	Org	Organic
WAMGR	Weighted Average Market Growth Rate	CRT-D	Cardiac Resynchronization Therapy – Defibrillator	RGR	Respiratory, Gastrointestinal, & Renal	CC	Constant Currency	OUS	Outside the United States
		CSF	Cerebrospinal Fluid	SAVR	Surgical Aortic Valve Replacement	CE	Conformitè Europëenne	PLC	Public Limited Company
		CST	Cranial & Spinal Technologies	SCS	Spinal Cord Stimulation	DJSI	Dow Jones Sustainability Index	Q	Quarter
		DBS	Deep Brain Stimulation	SHA	Structural Heart & Aortic	EMEA	Europe, Middle East, and Africa	Q/Q	Quarter-over-Quarter
		DCB	Drug Coated Balloon	SI	Surgical Innovations	EPS	Earnings Per Share	R&D	Research & Development
		DES	Drug Eluting Stent	SVD	Structural Valve Deterioration	ESG	Environment, Social & Governance	Rep	Reported
		DTM	Differential Target Multiplexed Waveform	TAA	Thoracic Aortic Aneurysm	EU	European Union	SEC	U.S. Securities & Exchange Commission
		ENT	Ear, Nose, & Throat	TAVR	Transcatheter Aortic Valve Replacement	Ex-Vent	Excluding Ventilator	SG&A	Selling, General & Administrative
		ECLS	Extracorporeal Life Support	TAVI	Transcatheter Aortic Valve Implantation	FDA	Food and Drug Administration	Tech	Technology
		GI	Gastrointestinal	TDD	Targeted Drug Delivery	FX	Foreign Exchange	U.S.	United States
		ICD	Implantable Cardioverter Defibrillator	TIR	Time In Range	FY	Fiscal Year	VBP	Volume-Based Procurement
		ICM	Insertable Cardiac Monitor	TPS	Transcatheter Pacing System	GAAP	Generally Accepted Accounting Principles	WE	Western Europe
		LRP	Long Range Plan	TTR	Time in Target Range	IDE	Investigational Device Exemption	WW	Worldwide
		LVAD	Left Ventricular Assist Device	URO	Urology	ID&E	Inclusion, Diversity and Equity	YTD	Year-to-Date
		Ex-MCS	Excluding Mechanical Circulatory Support			IPR&D	In-process research and development	Y/Y	Year-over-Year

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