

MEDTRONIC PLC
WORLD WIDE REVENUE⁽¹⁾
(Unaudited)

(in millions)	FIRST QUARTER ⁽²⁾					
	REPORTED			CONSTANT CURRENCY		
	FY22	FY21	Growth	Currency Impact ⁽⁴⁾	FY22	Growth
Cardiovascular⁽³⁾	\$ 2,890	\$ 2,433	18.8 %	\$ 96	\$ 2,794	14.8 %
Cardiac Rhythm & Heart Failure	1,483	1,247	18.9	46	1,437	15.2
Structural Heart & Aortic	787	627	25.5	28	759	21.1
Coronary & Peripheral Vascular	620	558	11.1	22	598	7.2
Medical Surgical	2,322	1,801	28.9	77	2,245	24.7
Surgical Innovations	1,554	1,080	43.9	54	1,500	38.9
Respiratory, Gastrointestinal, & Renal	768	720	6.7	23	745	3.5
Neuroscience	2,204	1,712	28.7	47	2,157	26.0
Cranial & Spinal Technologies	1,123	944	19.0	19	1,104	16.9
Specialty Therapies	641	453	41.5	19	622	37.3
Neuromodulation	440	314	40.1	10	430	36.9
Diabetes	572	562	1.8	26	546	(2.8)
TOTAL	\$ 7,987	\$ 6,507	22.7 %	\$ 245	\$ 7,742	19.0 %

(1) The data in this schedule has been intentionally rounded to the nearest million and, therefore, may not sum.

(2) Fiscal year 2021 was a 53-week fiscal year, with the extra week occurring in the first fiscal month of the first quarter. While it is difficult to calculate the impact of the extra week, the Company estimates the extra week benefited the first quarter of fiscal year 2021 revenue by approximately \$360 to \$390 million.

(3) In the fourth quarter of fiscal year 2021, the Company realigned its divisions within Cardiovascular. As a result, fiscal year 2021 results have been recast to adjust for this realignment.

(4) The currency impact to revenue measures the change in revenue between current and prior year periods using constant exchange rates.

MEDTRONIC PLC
U.S.⁽¹⁾⁽²⁾ REVENUE
(Unaudited)

(in millions)	FIRST QUARTER		
	REPORTED		
	FY22	FY21	Growth
Cardiovascular⁽³⁾	\$ 1,420	\$ 1,206	17.7 %
Cardiac Rhythm & Heart Failure	770	672	14.6
Structural Heart & Aortic	347	274	26.6
Coronary & Peripheral Vascular	303	260	16.5
Medical Surgical	990	722	37.1
Surgical Innovations	620	400	55.0
Respiratory, Gastrointestinal, & Renal	370	322	14.9
Neuroscience	1,446	1,136	27.3
Cranial & Spinal Technologies	795	692	14.9
Specialty Therapies	360	242	48.8
Neuromodulation	291	202	44.1
Diabetes	245	287	(14.6)
TOTAL	\$ 4,101	\$ 3,351	22.4 %

(1) U.S. includes the United States and U.S. territories.

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(3) In the fourth quarter of fiscal year 2021, the Company realigned its divisions within Cardiovascular. As a result, fiscal year 2021 results have been recast to adjust for this realignment.

MEDTRONIC PLC
WORLD WIDE REVENUE: GEOGRAPHIC ⁽¹⁾⁽²⁾
(Unaudited)

(in millions)	FIRST QUARTER ⁽³⁾					
	REPORTED			Currency Impact ⁽⁴⁾	CONSTANT CURRENCY	
	FY22	FY21	Growth		FY22	Growth
U.S.	\$ 1,420	\$ 1,206	17.7 %	\$ —	\$ 1,420	17.7 %
Non-U.S. Developed	1,003	853	17.6	72	931	9.1
Emerging Markets	467	374	24.9	24	443	18.4
Cardiovascular	2,890	2,433	18.8	96	2,794	14.8
U.S.	990	722	37.1	—	990	37.1
Non-U.S. Developed	869	719	20.9	57	812	12.9
Emerging Markets	463	359	29.0	19	444	23.7
Medical Surgical	2,322	1,801	28.9	77	2,245	24.7
U.S.	1,446	1,136	27.3	—	1,446	27.3
Non-U.S. Developed	465	376	23.7	30	435	15.7
Emerging Markets	293	199	47.2	17	276	38.7
Neuroscience	2,204	1,712	28.7	47	2,157	26.0
U.S.	245	287	(14.6)	—	245	(14.6)
Non-U.S. Developed	263	226	16.4	23	240	6.2
Emerging Markets	63	48	31.3	3	60	25.0
Diabetes	572	562	1.8	26	546	(2.8)
U.S.	4,101	3,351	22.4	—	4,101	22.4
Non-U.S. Developed	2,601	2,175	19.6	182	2,419	11.2
Emerging Markets	1,286	981	31.1	63	1,223	24.7
TOTAL	\$ 7,987	\$ 6,507	22.7 %	\$ 245	\$ 7,742	19.0 %

(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.

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(3) Fiscal year 2021 was a 53-week fiscal year, with the extra week occurring in the first fiscal month of the first quarter. While it is difficult to calculate the impact of the extra week, the Company estimates the extra week benefited the first quarter of fiscal year 2021 revenue by approximately \$360 to \$390 million.

(4) The currency impact to revenue measures the change in revenue between current and prior year periods using constant exchange rates.

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(in millions, except per share data)	Three months ended	
	July 30, 2021	July 31, 2020
Net sales	\$ 7,987	\$ 6,507
Costs and expenses:		
Cost of products sold	2,598	2,505
Research and development expense	750	621
Selling, general, and administrative expense	2,547	2,417
Amortization of intangible assets	436	440
Restructuring charges, net	11	53
Certain litigation charges, net	26	(88)
Other operating expense (income), net	760	(114)
Operating profit	859	673
Other non-operating income, net	(111)	(82)
Interest expense	137	171
Income before income taxes	833	584
Income tax provision	64	93
Net income	769	491
Net income attributable to noncontrolling interests	(6)	(4)
Net income attributable to Medtronic	\$ 763	\$ 487
Basic earnings per share	\$ 0.57	\$ 0.36
Diluted earnings per share	\$ 0.56	\$ 0.36
Basic weighted average shares outstanding	1,344.5	1,341.9
Diluted weighted average shares outstanding	1,356.4	1,350.0

The data in this schedule has been intentionally rounded to the nearest million, and, therefore, may not sum.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS⁽¹⁾
(Unaudited)

Three months ended July 30, 2021									
(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	Effective Tax Rate
GAAP	\$ 7,987	\$ 2,598	67.5 %	\$ 859	10.8 %	\$ 833	\$ 763	\$ 0.56	7.7 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(33)	0.4	81	1.0	81	65	0.05	21.0
Acquisition-related items (3)	—	(5)	0.1	109	1.4	109	87	0.06	20.2
Certain litigation charges	—	—	—	26	0.3	26	21	0.02	19.2
(Gain)/loss on minority investments (4)	—	—	—	—	—	(31)	(29)	(0.02)	—
Medical device regulations (5)	—	(11)	0.1	21	0.3	21	17	0.01	19.0
Amortization of intangible assets	—	—	—	436	5.5	436	366	0.27	15.8
MCS impairments / costs (6)	—	(58)	0.7	726	9.1	726	564	0.42	22.3
Certain tax adjustments, net (7)	—	—	—	—	—	—	53	0.04	—
Non-GAAP	\$ 7,987	\$ 2,491	68.8 %	\$ 2,258	28.3 %	\$ 2,201	\$ 1,908	\$ 1.41	13.2 %
Currency impact	(245)	(56)	(0.3)	(47)	0.3	—	—	(0.03)	—
Currency Adjusted	\$ 7,742	\$ 2,435	68.5 %	\$ 2,211	28.6 %	—	—	\$ 1.38	—
Three months ended July 31, 2020									
(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	Effective Tax Rate
GAAP	\$ 6,507	\$ 2,505	61.5 %	\$ 673	10.3 %	\$ 584	\$ 487	\$ 0.36	15.9 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(27)	0.4	128	2.0	128	106	0.08	17.2
Acquisition-related items (8)	—	(2)	—	(95)	(1.5)	(95)	(67)	(0.05)	29.5
Certain litigation charges	—	—	—	(88)	(1.4)	(88)	(70)	(0.05)	20.5
(Gain)/loss on minority investments (4)	—	—	—	—	—	(10)	(10)	(0.01)	—
Medical device regulations (5)	—	(10)	0.2	18	0.3	18	16	0.01	11.1
Amortization of intangible assets	—	—	—	440	6.8	440	370	0.27	15.9
Certain tax adjustments, net	—	—	—	—	—	—	4	—	—
Non-GAAP	\$ 6,507	\$ 2,466	62.1 %	\$ 1,076	16.5 %	\$ 977	\$ 836	\$ 0.62	14.0 %

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 million or \$0.01 for EPS figures, 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) The charges primarily include acquisitions of, and certain license payments for, unapproved technology, business combination costs, and changes in fair value of contingent consideration.
- (4) 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.
- (5) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.
- (6) The charges relate to the Company's June 3, 2021 decision to stop the distribution and sale of the Medtronic HVAD System within the Mechanical Circulatory Support Operating Unit (MCS). Medtronic is committed to serving the needs of

the approximately 4,000 patients currently implanted with the HVAD System. The charges include \$515 million of non-cash impairments, primarily related to \$409 million of intangible asset impairments, as well as \$211 million for commitments and obligations in connection with our decision, including customer support obligations, restructuring, and other associated costs.

- (7) The charges are associated with a change in the company's permanently reinvestment assertion on certain historical earnings and the amortization on previously established deferred tax assets from intercompany intellectual property transactions.
- (8) The charges primarily include business combination costs, certain license payments for unapproved technology, changes in fair value of contingent consideration, and a change in amounts accrued for certain contingent liabilities for recent acquisitions.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS⁽¹⁾
(Unaudited)

Three months ended July 30, 2021

(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	\$ 7,987	\$ 2,547	31.9 %	\$ 750	9.4 %	\$ 760	9.5 %	\$ (111)
Non-GAAP Adjustments:								
Restructuring and associated costs (2)	—	(37)	(0.5)	—	—	—	—	—
Acquisition-related items (3)	—	—	—	(90)	(1.1)	(14)	(0.2)	—
Medical device regulations (4)	—	—	—	(9)	(0.1)	—	—	—
MCS impairments / costs (5)	—	—	—	—	—	(668)	(8.4)	—
Gain/(loss) on minority investments (6)	—	—	—	—	—	—	—	31
Non-GAAP	\$ 7,987	\$ 2,510	31.4 %	\$ 651	8.2 %	\$ 78	1.0 %	\$ (80)
Currency impact	(245)	(69)	0.1	(7)	0.1	(66)	(0.8)	1
Currency Adjusted	<u>\$ 7,742</u>	<u>\$ 2,440</u>	<u>31.5 %</u>	<u>\$ 644</u>	<u>8.3 %</u>	<u>\$ 12</u>	<u>0.2 %</u>	<u>\$ (79)</u>

See description of non-GAAP financial measures at the end of the earnings press release.

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- (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) The charges primarily include acquisitions of, and certain license payments for, unapproved technology, business combination costs, and changes in fair value of contingent consideration.
- (4) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.
- (5) The charges relate to the Company's June 3, 2021 decision to stop the distribution and sale of the Medtronic HVAD System within the Mechanical Circulatory Support Operating Unit (MCS). Medtronic is committed to serving the needs of the approximately 4,000 patients currently implanted with the HVAD System. The charges include \$515 million of non-cash impairments, primarily related to \$409 million of intangible asset impairments, as well as \$211 million for commitments and obligations in connection with our decision, including customer support obligations, restructuring, and other associated costs.
- (6) 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.

MEDTRONIC PLC
GAAP TO NON-GAAP RECONCILIATIONS⁽¹⁾
(Unaudited)

(in millions)	Three months ended	Three months ended	Fiscal year
	July 30, 2021	July 31, 2020	2021
Net cash provided by operating activities	\$ 1,292	\$ 278	\$ 6,240
Additions to property, plant, and equipment	(378)	(334)	(1,355)
Free Cash Flow (2)	<u>\$ 914</u>	<u>\$ (56)</u>	<u>\$ 4,885</u>

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 million, and, therefore, may not sum.
- (2) Free cash flow represents operating cash flows less property, plant, and equipment additions.

MEDTRONIC PLC
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	July 30, 2021	April 30, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,004	\$ 3,593
Investments	7,591	7,224
Accounts receivable, less allowances and credit losses of \$257 and \$241, respectively	5,431	5,462
Inventories, net	4,288	4,313
Other current assets	2,120	1,955
Total current assets	22,434	22,548
Property, plant, and equipment	12,808	12,700
Accumulated depreciation	(7,646)	(7,479)
Property, plant, and equipment, net	5,162	5,221
Goodwill	41,720	41,961
Other intangible assets, net	16,890	17,740
Tax assets	3,187	3,169
Other assets	2,409	2,443
Total assets	\$ 91,802	\$ 93,083
LIABILITIES AND EQUITY		
Current liabilities:		
Current debt obligations	\$ 6	\$ 11
Accounts payable	1,864	2,106
Accrued compensation	1,901	2,482
Accrued income taxes	341	435
Other accrued expenses	3,652	3,475
Total current liabilities	7,764	8,509
Long-term debt	25,958	26,378
Accrued compensation and retirement benefits	1,521	1,557
Accrued income taxes	2,262	2,251
Deferred tax liabilities	1,054	1,028
Other liabilities	1,579	1,756
Total liabilities	40,137	41,481
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares— par value \$0.0001, 2.6 billion shares authorized, 1,344,671,106 and 1,345,400,671 shares issued and outstanding, respectively	—	—
Additional paid-in capital	26,184	26,319
Retained earnings	28,511	28,594
Accumulated other comprehensive loss	(3,209)	(3,485)
Total shareholders' equity	51,486	51,428
Noncontrolling interests	178	174
Total equity	51,664	51,602
Total liabilities and equity	\$ 91,802	\$ 93,083

The data in this schedule has been intentionally rounded to the nearest million, and, therefore, may not sum.

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Three months ended	
	July 30, 2021	July 31, 2020
Operating Activities:		
Net income	\$ 769	\$ 491
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	671	669
Provision for doubtful accounts	15	37
Deferred income taxes	(11)	3
Stock-based compensation	69	70
MCS asset impairment and inventory write-down	515	—
Other, net	116	68
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable, net	(40)	(142)
Inventories	(75)	(235)
Accounts payable and accrued liabilities	(416)	(541)
Other operating assets and liabilities	(321)	(142)
Net cash provided by operating activities	1,292	278
Investing Activities:		
Additions to property, plant, and equipment	(378)	(334)
Purchases of investments	(2,654)	(2,045)
Sales and maturities of investments	2,324	2,403
Other investing activities, net	(76)	(16)
Net cash provided by (used in) investing activities	(784)	8
Financing Activities:		
Change in current debt obligations, net	—	(16)
Proceeds from short-term borrowings (maturities greater than 90 days)	—	2,789
Payments on long-term debt	(1)	(11)
Dividends to shareholders	(846)	(778)
Issuance of ordinary shares	111	26
Repurchase of ordinary shares	(315)	—
Other financing activities	(4)	(51)
Net cash provided by (used in) financing activities	(1,055)	1,959
Effect of exchange rate changes on cash and cash equivalents	(42)	114
Net change in cash and cash equivalents	(589)	2,359
Cash and cash equivalents at beginning of period	3,593	4,140
Cash and cash equivalents at end of period	\$ 3,004	\$ 6,499
Supplemental Cash Flow Information		
Cash paid for:		
Income taxes	\$ 249	\$ 72
Interest	63	72

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