

Medtronic

Engineering the extraordinary

Medtronic plc

Q2 FY22

Earnings presentation

November 23, 2021



Medtronic

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.

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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. 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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Q2 FY22 Executive Summary

Key messages

Despite end market challenges, continued to launch new products, win share, and deliver strong earnings growth



New products driving market share

Continue to maintain or gain share across the majority of our businesses, including our three largest - Cardiac Rhythm, Surgical Innovations, and Spine



COVID-19 challenged our end markets

Strong International market growth offset the impact of the COVID-19 surge and health system staffing shortage in the U.S.



Strong financial execution

Delivered strong margin improvement, earnings growth and free cash flow



Guidance

Organic revenue growth 7-8%; Maintaining EPS guidance at \$5.65-5.75



Environmental, social, and governance

Proud to be included in the Dow Jones Sustainability World/North America Index as one of the world's leading companies for sustainability; announced ambition to achieve net zero carbon emissions within our operations and across our value chain by FY45

“As our markets recover from the pandemic, Medtronic is one of the best positioned companies in healthcare”

GEOFF MARTHA,
CHAIRMAN & CEO



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Financial summary

Despite end market challenges, continued to launch new products, win share, and deliver strong earnings growth



Revenue

Grew 2.2% Y/Y; International market growth offset the impact of the COVID-19 surge in the U.S.



Cardiovascular

Grew 3.3%, led by continued outperformance in Cardiac Rhythm Management which added over a point of share Y/Y



Medical Surgical

Grew 0.3%, or 6.0% ex. Ventilators, driven by Advanced Stapling and Hernia & Wound Management; Strength in Patient Monitoring & Gastrointestinal



Neuroscience

Grew 3.1%, led by Neurosurgery and strong, above market growth in DBS; share gains and strong product launches



Diabetes

Grew 1.4%; Accelerating sequential growth; continued challenges in the U.S. as we await product approvals



Geographies

U.S. declined LSD; Western Europe grew LSD; Emerging Markets grew mid-teens led by China, Latin America, Middle East & Africa, and South Asia



EPS & free cash flow

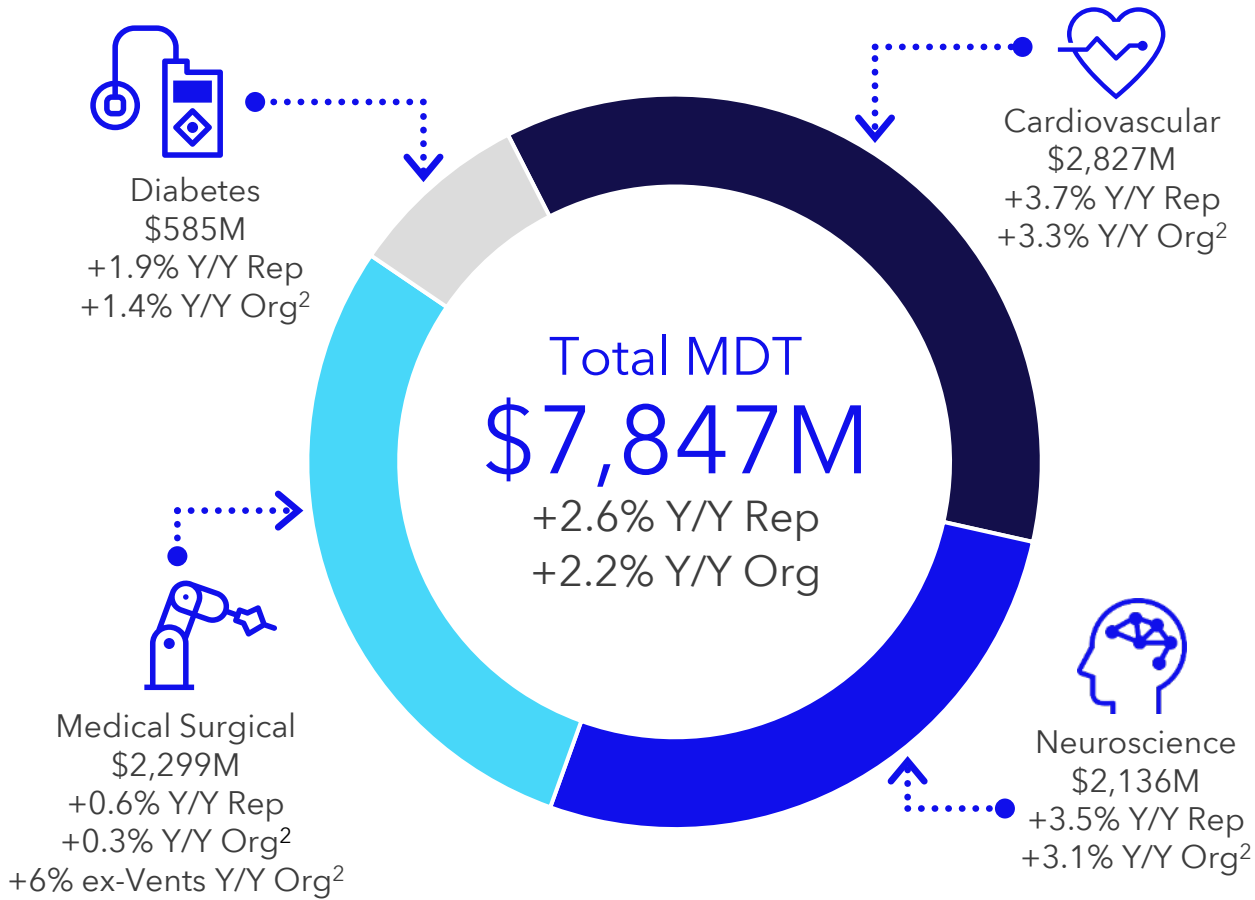
Non-GAAP EPS \$1.32 grew 29% Y/Y; YTD \$2.4B free cash flow¹

All growth rates are on an organic basis unless stated otherwise.
¹Operating cash flows less property, plant, and equipment additions.



Financial summary

Revenue¹ by segment

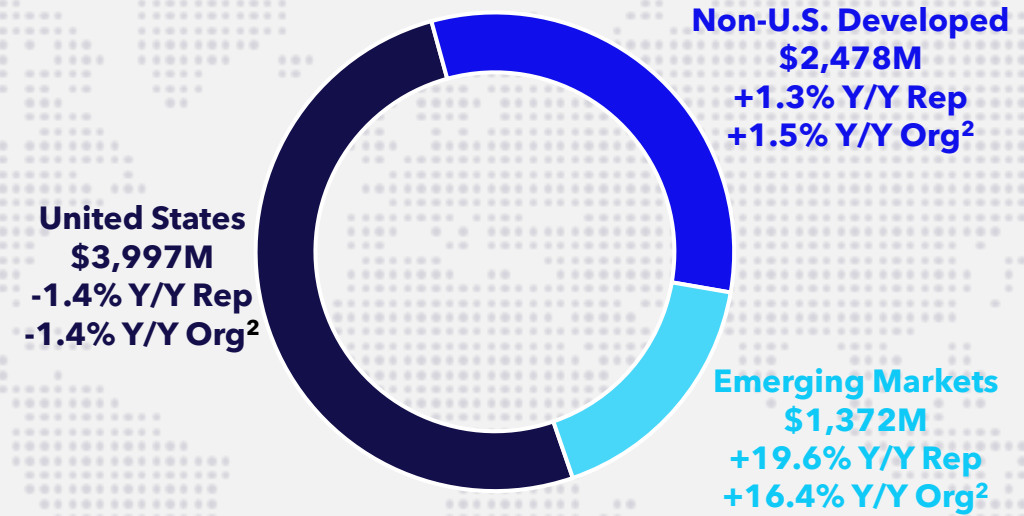


¹Data has been intentionally rounded to the nearest million and, therefore, may not sum.

²Figures represent comparison to Q2 FY21 on a constant currency basis.

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

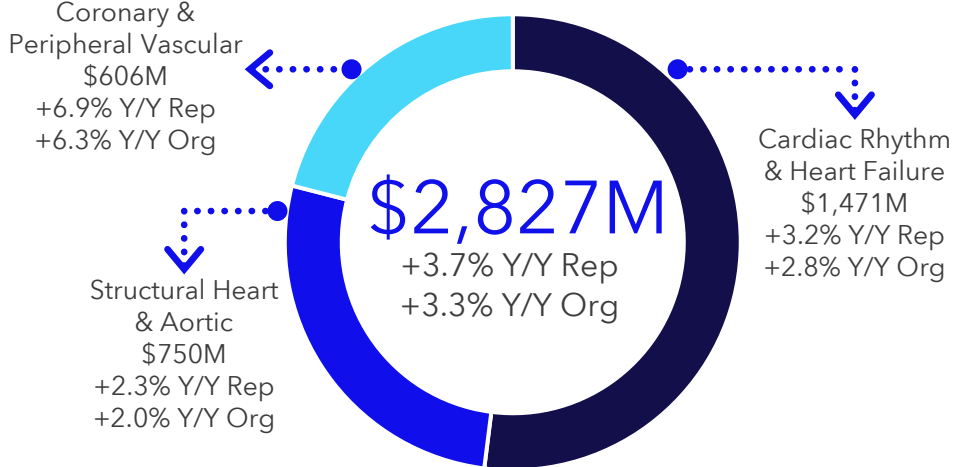
Revenue¹ by geography



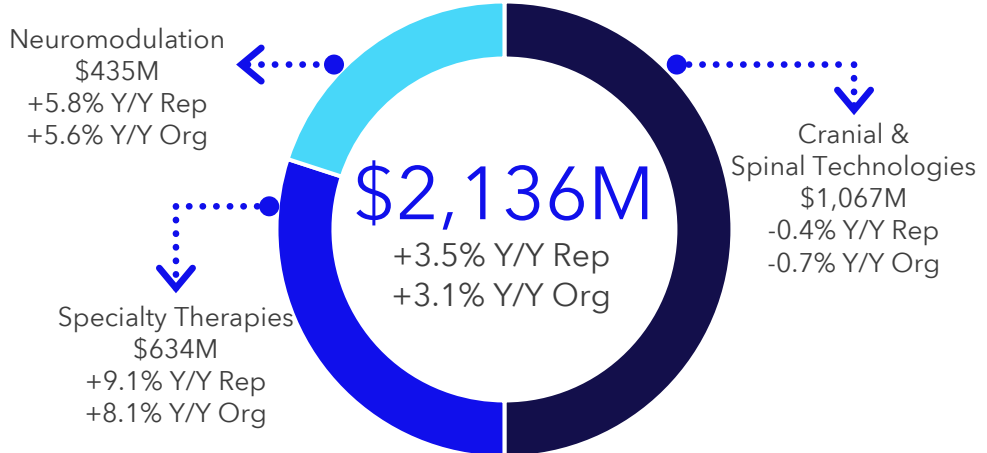
	GAAP	Non-GAAP	Cash flow from operations YTD
Diluted EPS	\$0.97	\$1.32	\$3.1B
Y/Y %	169%	29%	Free cash flow YTD ³
CC Y/Y %	N/A	25%	\$2.4B

Portfolio summary

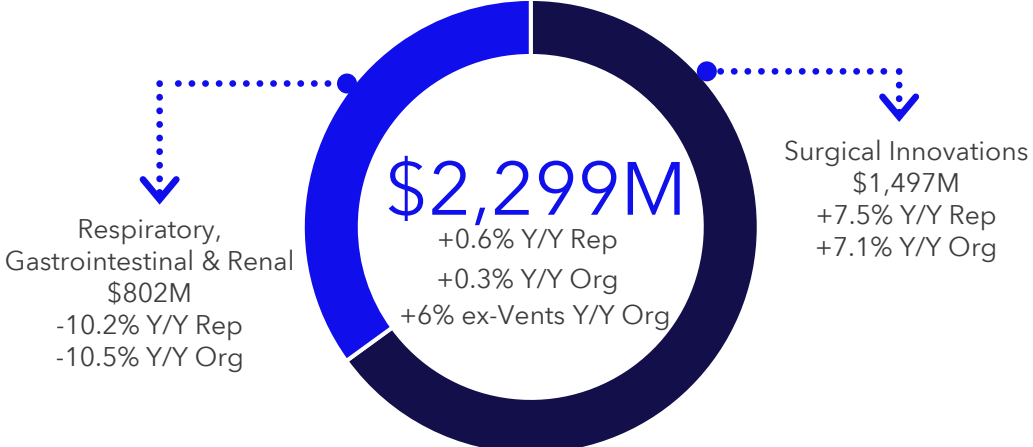
Cardiovascular



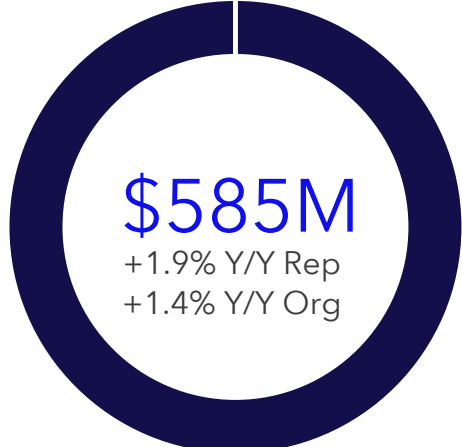
Neuroscience



Medical Surgical



Diabetes

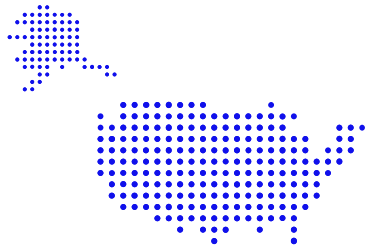


Revenue has been intentionally rounded to the nearest million and, therefore, may not sum.



Q2 FY22 Regional organic revenue growth

United States Non-U.S. Developed ▲ 2%



▼ 1%

Western Europe



▲ Low-single digits

Japan



▲ Mid-single digits

Australia & New Zealand



▼ Low-single digits

Canada



▼ Mid-teens

South Korea



▲ Mid-single digits

Emerging Markets ▲ 16%

China



▲ High-teens

Middle East & Africa



▲ Low-double digits

Latin America



▲ Low-30s

Eastern Europe & Russia



▼ Low-single digits

Southeast Asia



▼ High-single digits

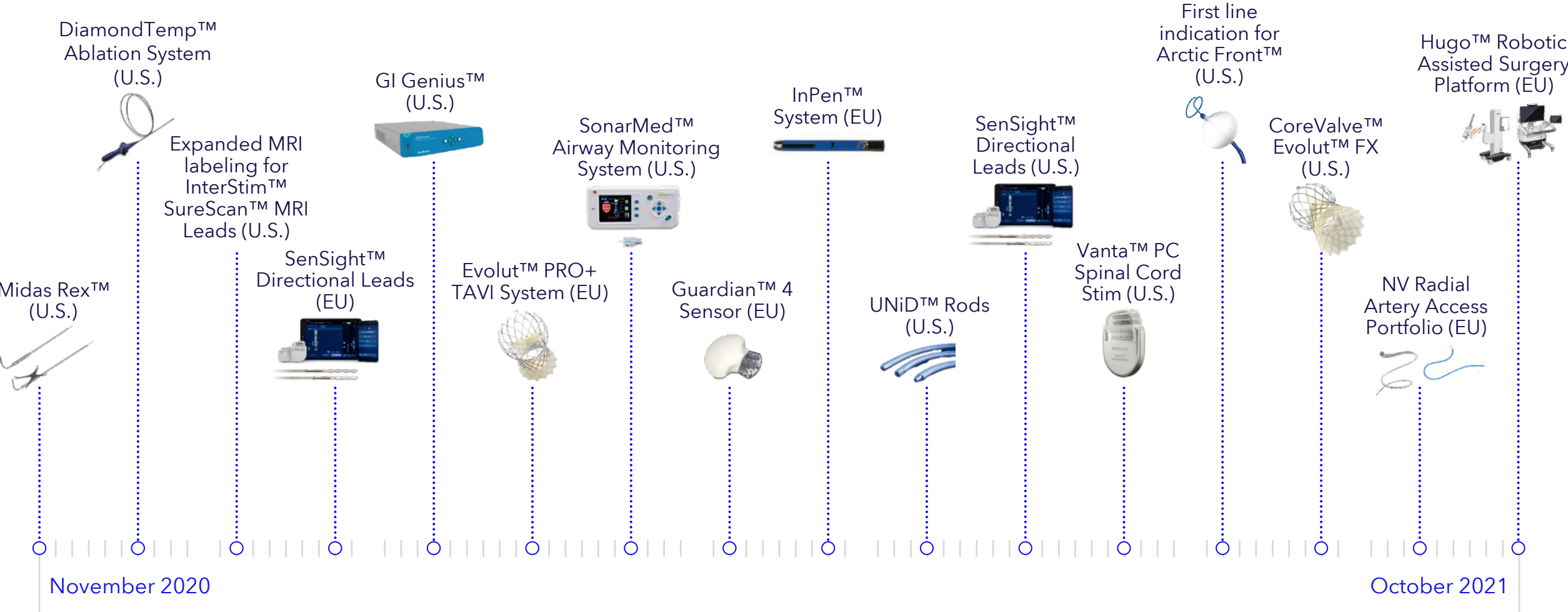
South Asia



▲ Mid-50s

Key Product Approvals

Last 12 months: over 180 product approvals in key geographies



¹Includes U.S., EU, Japan and China
 Note: Relative positioning is not intended to signify relative timing



Q2 FY22 Portfolio Highlights

Cardiovascular

Growth despite COVID-19 headwinds; share gains continue in CRM

Cardiac Rhythm & Heart Failure (CRHF)

Cardiac Rhythm Management ▲ HSD

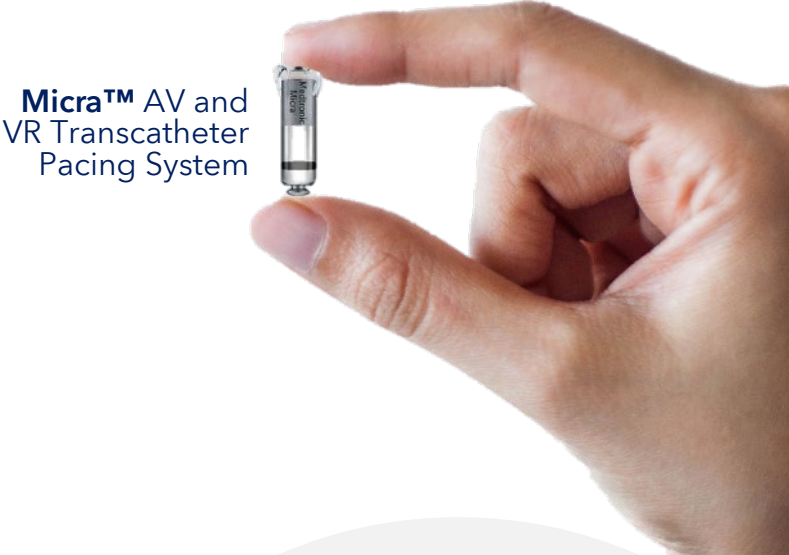
- Y/Y share gains continue driven by differentiated products, best-in-class patient management systems and global customer engagement
 - Cardiac Pacing Therapies: HSD growth driven by leadless mid-teens growth; Micra™ AV launching in Japan in November
 - Defibrillation Solutions: MSD growth; EV-ICD U.S. pivotal trial enrollment completed
 - Procedure Innovations: Mid 20s growth with continued strong global adoption of TYRX™

Cardiac Ablation Systems ▲ MSD

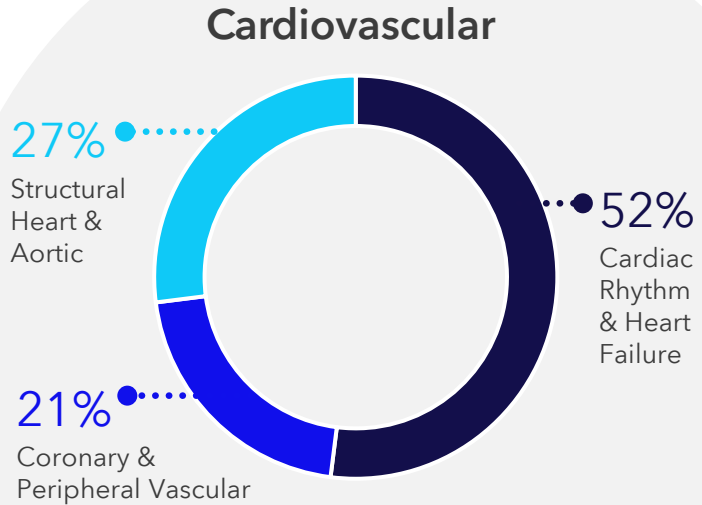
- Arctic Front Advance™ cryoablation system gaining traction with first line indication for paroxysmal AF; DiamondTemp™ Ablation System limited launch in the U.S.

Cardiovascular Diagnostics ▼ MSD

- LSD sequential growth; LINQ II™ supply improving and enabling account expansion; AccuRhythm™ AI algorithms to launch in Q3'FY22



Micra™ AV and VR Transcatheter Pacing System



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Cardiovascular (continued)

Growth despite COVID-19 headwinds; share gains continue in CRM

Coronary and Peripheral Vascular

Coronary & Renal Denervation ▲ MSD

- China VBP annualized
- Prevail™ DCB launching in EU

Peripheral Vascular Health ▲ HSD

- Continued ramp of the Abre™ Deep Venous stent and LDD growth in Superficial Venous

Structural Heart & Aortic

Structural Heart ▲ HSD

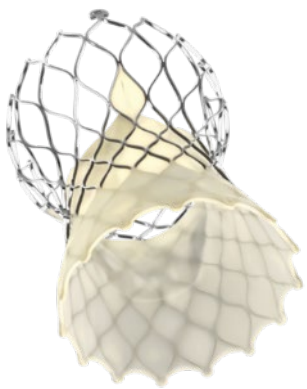
- HSD WW TAVR growth; Evolut FX™ limited launch in Q3; full launch in Q4
- EXPAND TAVR II IDE for moderate symptomatic AS received approval for pivotal trial
- FDA approval for IDE supplement to include Intrepid™ Transfemoral System into Mitral APOLLO pivotal trial

Aortic ▼ Mid-teens

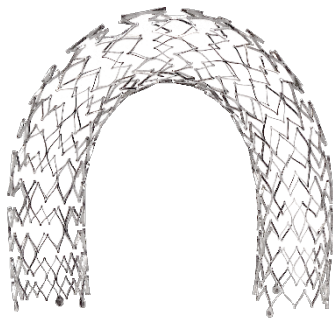
- AAA HSD declines; TAA sequential growth as Valiant Captivia™ supply improves

Cardiac Surgery ▲ HSD

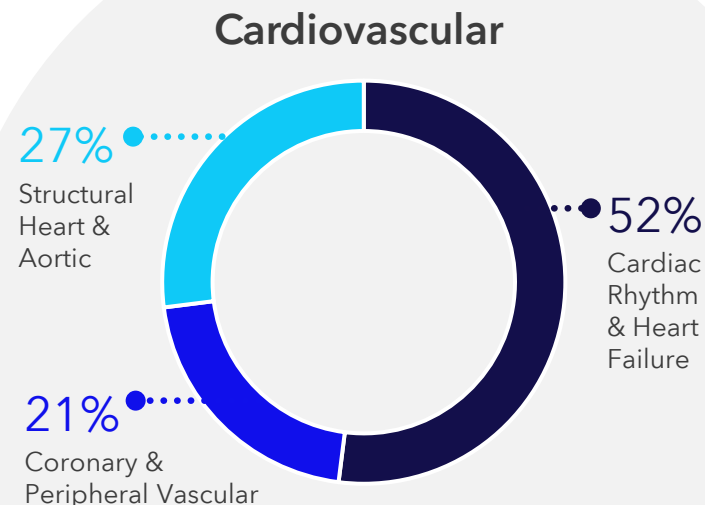
- Strong growth driven by continued penetration into ECLS and CABG markets



Evolut™ FX
TAVR System



Abre™ Deep Venous Stent



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Medical Surgical

Growth ex-vents despite softness in elective procedures from COVID-19 resurgence

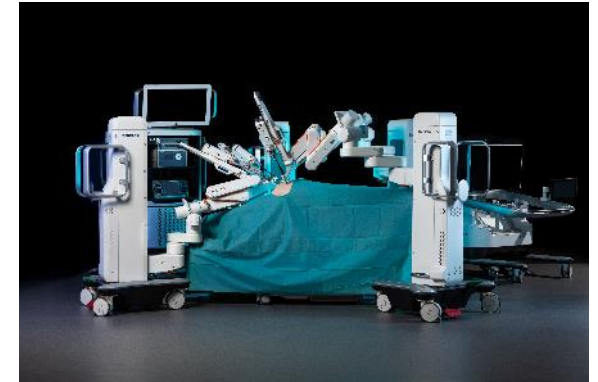
Surgical Innovations (SI)

Surgical Innovations ▲ HSD

- HSD growth and share gain driven by advanced stapling (Signia™ intelligent stapling, Tri-Staple™ specialty reloads) and wound closure (V-Loc™ barbed suture)
- Strong procedure recovery in Western Europe and Latin America drove revenue growth coupled with commercial execution in Japan

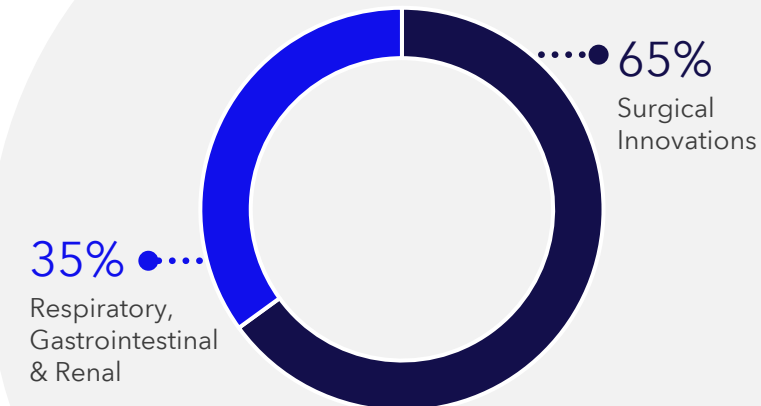
Surgical Robotics

- Received CE Mark approval in October for the Hugo™ RAS System for urologic and gynecologic procedures
- First procedure performed in APAC at Apollo Hospitals in Chennai, India with Hugo™ RAS System and Touch Surgery™ Enterprise
- Expand URO clinical trial in the U.S. progressing with ethics committee approvals through the Institutional Review Boards, site personnel training, and clinical study site activation



Hugo™
RAS Platform

Medical Surgical



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Medical Surgical (continued)

Growth ex-vents despite softness in elective procedures from COVID-19 resurgence

Respiratory, Gastrointestinal, & Renal (RGR)

Patient Monitoring ▲ LDD

- LDD growth driven by demand for Nellcor™ pulse oximetry products, leading to share gains
- Strong pulse oximeter sensor growth driven by increased hospital admissions, use of monitoring throughout the hospital, and a shift to disposable sensors
- Targeted NICU conversions of pulse oximeter sensors supported strong U.S. growth

Respiratory Interventions ▼ Mid-30s

- Regional spikes in ventilator demand, primarily in emerging markets, drove HSD sequential growth in ventilation
- Despite spikes, the market continues to trend towards pre-COVID levels, down from peak demand in Q2 FY21

Gastrointestinal ▲ MSD

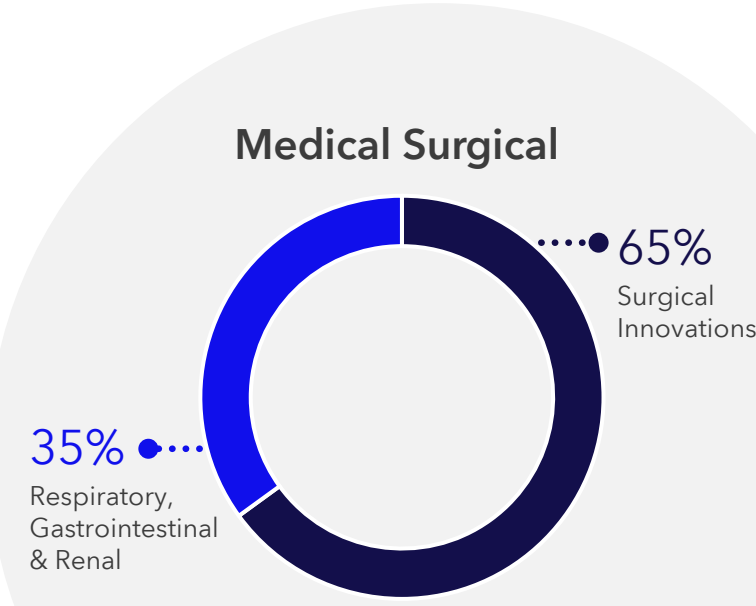
- MSD growth despite COVID-19 weighing on procedure volumes; key revenue contributions from Endoflip™, PillCam™, and Barrx™
- Received FDA 510(k) clearance for the home use of PillCam™ Small Bowel (SB) 3; clearance further enables patients to receive gastrointestinal care in the comfort of their own home

Renal Care Solutions ▲ MSD

- Strong growth in acute therapies; in-line with market across renal access, chronic therapies



Nellcor™ Pulse Oximetry



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Neuroscience

COVID-19 driven procedural slowdowns; share gains and strong product launches

Cranial & Spinal Technologies

Neurosurgery ▲ HSD

- Growth driven by DD growth in Midas Rex™ powered surgical instruments and StealthStation™ navigation, and HSD growth in O-arm™ imaging systems
- Ongoing roll-out of Mazor™ 5.0 robotics utilizing Midas Rex™ continues

Spine & Biologics ▼ MSD

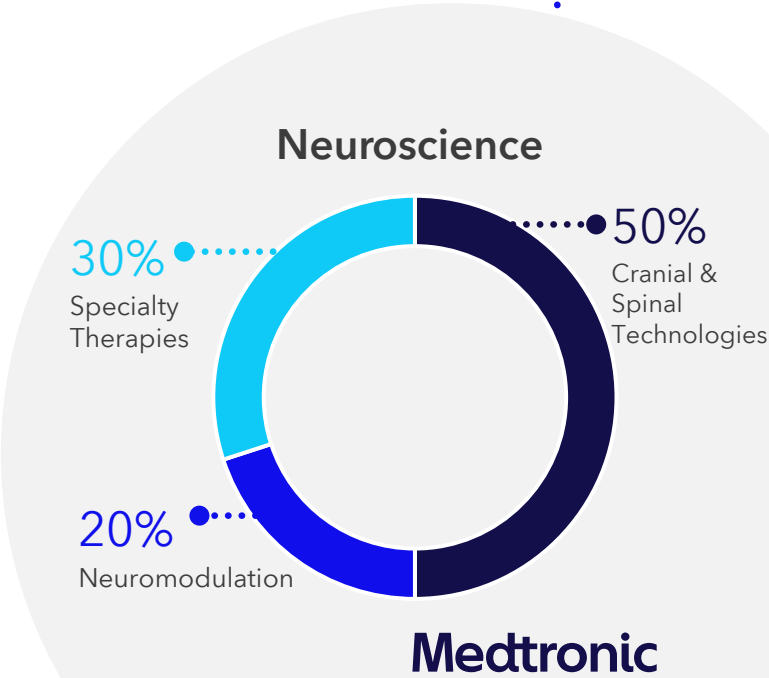
- Pressure on spine due to the impact of COVID-19 on spine procedures in the U.S.
- U.S. performance offset by strength in Western Europe, Japan, and Emerging markets including China
- Positive reception and strong U.S. launch of Catalyft™ next-generation expandable interbody device; ModuLeX™ limited launch in Q2

Join our next
**Investor Relations:
 GM Call Series**
 featuring
**Cranial & Spinal
 Technologies**
 1:30 PM EST Friday,
 December 17th

Catalyft™
 Expandable
 Interbody System



Mazor X Stealth™
 Edition



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Neuroscience (continued)

COVID-19 driven procedural slowdowns; share gains and strong product launches

Specialty Therapies

Pelvic Health ▲ LSD

- Sequential market decline due to impact of COVID-19
- Continued to gain share with InterStim™ Micro, and InterStim™ SureScan™ MRI leads
- Stay lifted by district court in our IP Infringement case against Axonics

Neurovascular ▲ LDD

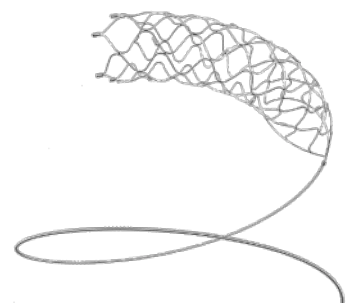
- Growth driven by Coils, Access and Pipeline Flow Diverters
- Hemorrhagic: High-teens growth driven by strength in Liquid Embolic and Flow Diversion products; Pipeline™ Vantage in the OUS and Pipeline™ Shield in the U.S
- Ischemic: LSD growth, supported by OUS markets and Solitaire™ X expansion to the U.S.

ENT ▲ LDD

- Growth driven by strong OUS performance, power, navigation, and monitoring



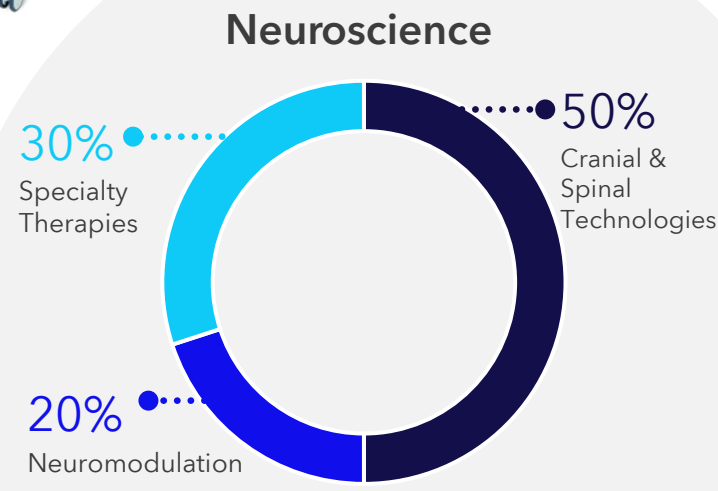
**InterStim™
Micro System**



**Solitaire™ X
Revascularization
Device**



NIM Vital™



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Neuroscience (continued)

COVID-19 driven procedural slowdowns; share gains and strong product launches

Neuromodulation

Brain Modulation ▲ Mid-20's

- Strength in U.S. and China and continued US roll out of Percept™ PC and SenSight™ Lead System driving meaningful share gain

Pain Therapies ▼ MSD

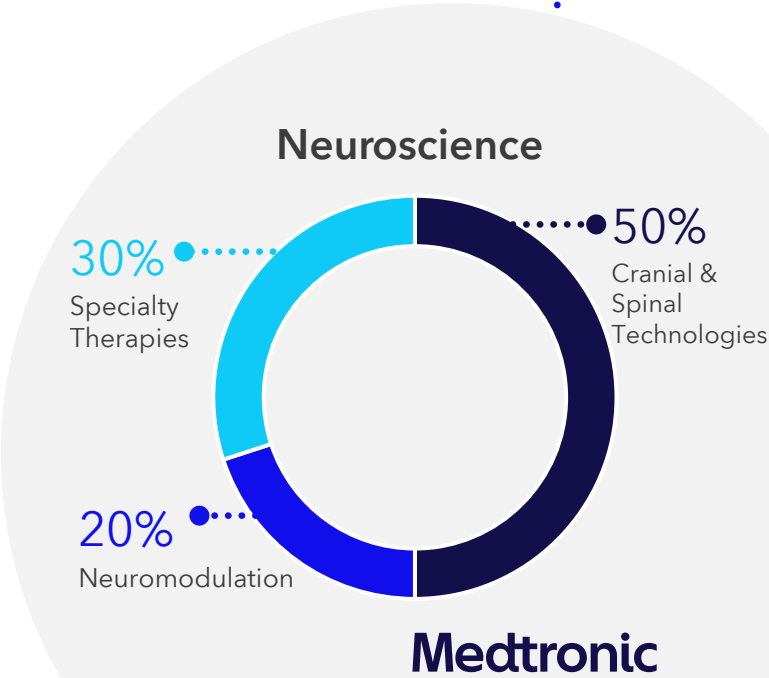
- Flat results in SCS, HSD decline in TDD; continued SCS share gains Y/Y driven by strong adoption of Vanta™ and Intellis™ with DTM™ SCS
- MDT U.S. SCS procedures in calendar Q3: permanent implants declined MSD Y/Y and flat sequentially; trials were flat Y/Y and sequentially
- Closed-loop SCS device, Inceptiv™, filed with FDA

Interventional ▲ HSD

- Strong performance in the U.S., Kyphon™ portfolio, and Y/Y growth in OsteoCool™



Listen to our latest
**Investor Relations:
GM Call Series**
featuring
Neuromodulation



Diabetes

Accelerating sequential growth; continued challenges in the U.S. as we await product approvals

Insulin Delivery ▲ Low-20's

- Low-20's OUS growth with Y/Y share gain driven by MiniMed™ 780G demand in over 40 international markets
- U.S. pumps grew high-teens; MiniMed 780G™ and the Guardian™ 4 sensor under active review by the FDA
- Recent data presented at the International Society for Pediatric and Adolescent Diabetes on the MiniMed™ 780G system showed results which mirrored well-controlled adults for the first time (74% TIR, 82% overnight TIR)

CGM ▲ LSD

- Launched non-adjunctive/no calibration (i.e.; no fingerstick) Guardian™ 4 sensor in 16+ countries
- LSD growth Y/Y, with OUS strength resulting from increasing penetration in EMEA while the U.S. installed base headwind continues to put pressure on recurring revenue

Consumables ▼ HSD

- Consumables continued to experience pressures due to the decline in U.S. install base versus prior quarters
- Extended infusion set progressing with launch in select countries in Europe; FDA clearance received in the U.S. with limited launch to follow



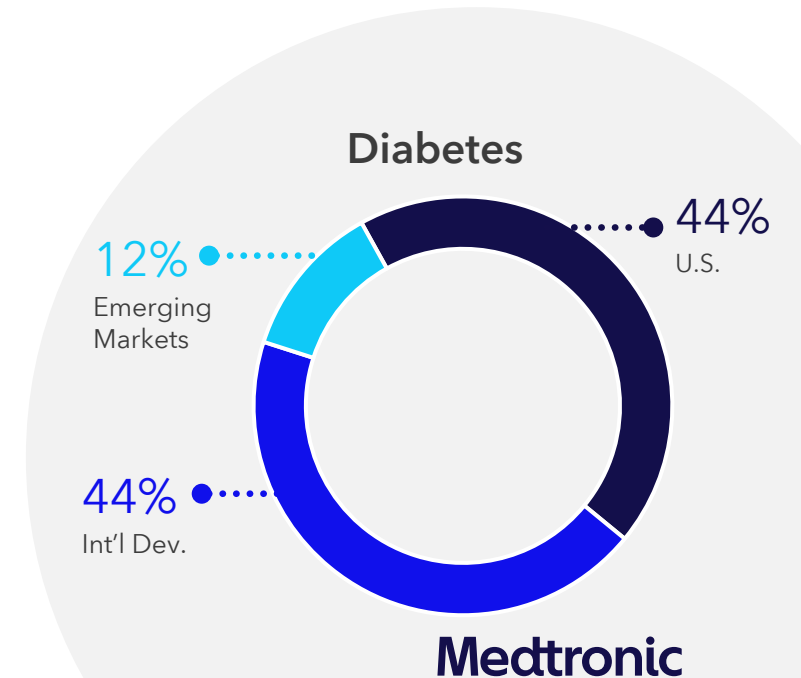
MiniMed™ 780G
system



Medtronic Extended
infusion set



Guardian™ 4
sensor



Q2 FY22 Financial Highlights

Income statement

GAAP¹

(\$ in millions)	Q2 FY21	Q2 FY22	Y/Y
Revenue	\$7,647	\$7,847	2.6%
Gross Margin	64.6%	68.2%	+360 bps
SG&A % of Sales	34.0%	33.3%	-70 bps
R&D % of Sales	8.4%	8.6%	+20 bps
Operating Margin	12.2%	19.9%	+770 bps
Net Income	\$489	\$1,311	168.1%
Diluted EPS	\$0.36	\$0.97	169.4%

Full GAAP to non-GAAP reconciliation in Appendix

Non-GAAP¹

(\$ in millions)	Q2 FY21	Q2 FY22	Y/Y
Revenue	\$7,647	\$7,847	2.6%
Gross Margin	65.2%	68.8%	+360 bps
SG&A % of Sales	33.3%	32.9%	-40 bps
R&D % of Sales	8.2%	8.5%	+30 bps
Operating Margin	22.3%	27.0%	+470 bps
Net Income	\$1,380	\$1,792	29.9%
Diluted EPS	\$1.02	\$1.32	29.4%

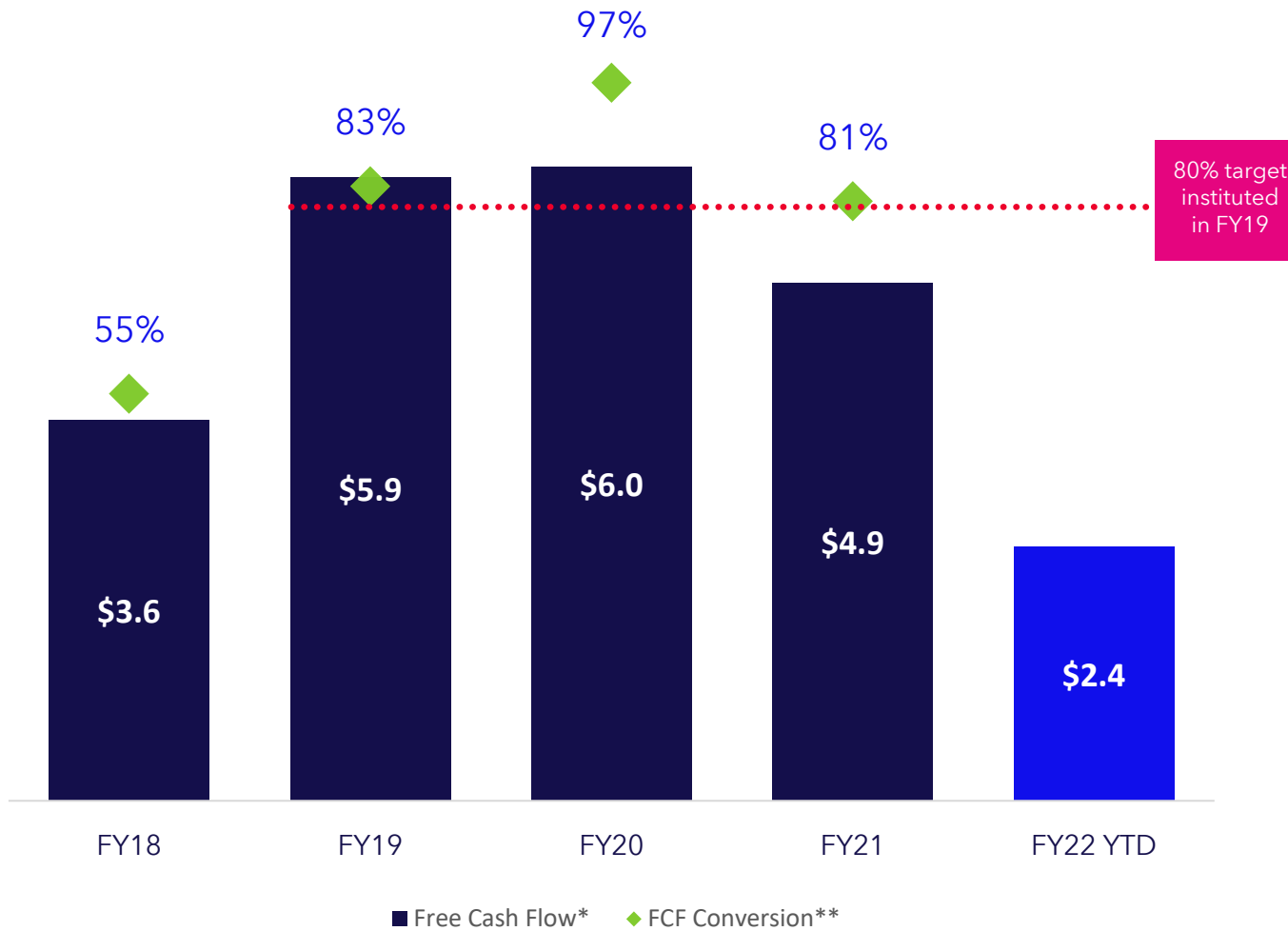
¹The data in this table has been intentionally rounded and, therefore, may not sum.

Balance sheet

Continue to maintain a strong balance sheet

(\$ in millions)	Q2 FY21	Q1 FY22	Q2 FY22	Y/Y	Q/Q
Total Assets	\$95,886	\$91,802	\$91,756	-\$4,130	-\$46
Cash & Equivalents	\$6,420	\$3,004	\$2,900	-\$3,520	-\$104
Investments	\$7,857	\$7,591	\$7,769	-\$88	+\$178
Total Debt	\$30,008	\$25,964	\$25,623	-\$4,385	-\$341
Short term debt	\$4,041	\$6	\$16	-\$4,025	+\$10
Long term debt	\$25,967	\$25,958	\$25,607	-\$360	-\$351
Equity	\$50,316	\$51,664	\$51,159	+\$843	-\$505

Free Cash Flow



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

Included in free cash flow:	FY18	FY19	FY20	FY21	FY22 YTD
Pre-Tax					
Certain Litigation Payments, net ^{1,2}	\$0.3	\$0.5	\$0.2	\$0.2	\$0.2
Restructuring Payments ¹	\$0.2	\$0.4	\$0.5	\$0.5	\$0.2
Other Payments ^{1,3}	\$0.3	\$0.2	\$0.2	\$0.1	\$0.2
Puerto Rico IRS Pre-Payment	\$1.1	--	--	--	--
Certain Other Tax Payments	\$0.4	\$0.4	\$0.1	\$0.2	\$0.2

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, charges associated with stopping the distribution and sales of LVADs, European Union medical device regulations charges, and contributions to the Medtronic Foundation

Capital allocation

Balancing investment with return to shareholders

Investments

Organic R&D investments

Increasing our R&D spend broadly across the company to fuel our robust pipeline

\$2.7B **10%**

Forecasted organic R&D spend in FY22

Increase over FY21

Minority investments & strategic partnerships

Minority investments portfolio to develop and facilitate potential future tuck-in acquisitions

Third-party funding to leverage our own R&D investment and accelerate growth

70+ **\$750M+**

Companies

Invested as of Q2 FY22

Tuck-in M&A

Increasing our WAMGR, differentiating our portfolio, and accelerating our time to market

7 **>\$2.3B**

Acquisitions announced since beginning of FY21

In total consideration



Return to shareholders

Dividend growth

Committed to growing in line with earnings; raised dividend by 9% in May 2021

44 Years
of dividend increases

Member of S&P 500 Aristocrats

Share repurchases

Will continue to offset dilution from stock-based compensation

Total return

\$3.8B **77%**

In share repurchases and dividends in FY21

of Free Cash Flow 50% LRP Target

FY22 Guidance & Assumptions

FY22 Guidance and assumptions

	FY21 base	Organic revenue growth guidance	FX ¹	Implied revenue range
Q4 earnings call May 27, 2021	\$30,117M	9% +/-	\$400M - \$500M	~\$33.2B - \$33.3B
Q1 earnings call Aug. 24, 2021		9% +/-	\$100M - \$200M	~\$32.9B - \$33.1B
Q2 earnings call Nov. 23, 2021		7% - 8%	\$0M - \$50M	~\$32.2B - \$32.6B

	FY21 base	Implied constant currency growth	FX ¹	EPS guidance
Q4 earnings call May 27, 2021	\$4.44	23% - 27%	\$0.10 - \$0.15	\$5.60 - \$5.75
Q1 earnings call Aug. 24, 2021		26% - 27%	\$0.05 - \$0.10	\$5.65 - \$5.75
Q2 earnings call Nov. 23, 2021		26% - 27%	\$0.05 - \$0.10	\$5.65 - \$5.75

EPS guidance does not include any charges or gains that would be reported as non-GAAP adjustments to earnings during the fiscal year.

¹While FX rates are fluid, assumptions above are based on recent rates near the specific earnings call.

An aerial photograph of a vast, lush forest landscape. The trees are in various shades of green and yellow, suggesting an autumn setting. A large, calm lake is visible in the lower right, reflecting the sky and the surrounding forest. In the distance, rolling hills and more forested areas are visible under a soft, hazy sky. The overall scene is peaceful and natural.

Environmental, Social & Governance

Environmental, social & governance

Leading in engagement, citizenship and innovation

Inclusive & engaging work environment

Citizenship awards

Innovation & industry leadership



Department of Defense Employer Support Freedom Award



One of Best Places to Work for LGBTQ Equality 2021



One of Forbes 2021 & 2020 America's Best Employers for New Graduates



One of Australia's Best Places to Work



Four Category Winner in Asia Society's Corporate Survey & Runner up for Best Overall Employer 2020



One of Canada's Top Employers, 7th year running



One of the Top Companies for Excellence in Enlightened Growth Leadership



One of the Top Global 100 Companies for Innovators



One of the 50 Best Workplaces to Grow Your Career in the U.S.



DJSI World & DJSI North America Index



On of The 32 Companies Leading for Their Workers



One of America's Best Employers for Diversity



Ranked 11th, Highest-ever Ranked Year



Ranked 3rd, Highest-ever Ranked Year



One of the 100 Best Corporate Citizens, 5th year running



1st in Healthcare Equipment & Services, and 29th Overall



Scored 100% for LGBTQ Inclusive Workplace Practices and Policies



Finalists & Honorable Mentions in 6 Categories



Top 100 U.S. Companies Supporting Healthy Families & Communities



One of America's Top Corporations for Women's Business Enterprises



Geoff Martha Ranks #1 in the Top 50 Healthcare Technology CEO of 2021



Karen Parkhill Ranks #2 in the Top 25 Women Leaders in Medical Devices of 2021



Karen Parkhill named as honoree in Minneapolis/St. Paul Business Journal's 2021 CFO of the Year Award



SVP & Chief Communicators Officer, Torod Neptune, 2021 & 2020



One of Fortune's Most Admired Companies



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



Canada's Top 50 Great Places to Work & Best Workplaces™ for Women, 2nd year running



One of Fortune Global 500 Companies



'Highly Commended Award' for Operating Model Transformation in the Excellence in Change Communication category



Ranks as the #1 spine device company to watch and among the device companies best positioned for recovery in 2021

To learn more, visit our [awards](#) page

Environmental, social & governance

Long-range objectives & targets



For more information, Click to view our...
[ESG website](#)
[2021 ESG Investor Briefing](#)
[2021 Integrated Performance 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

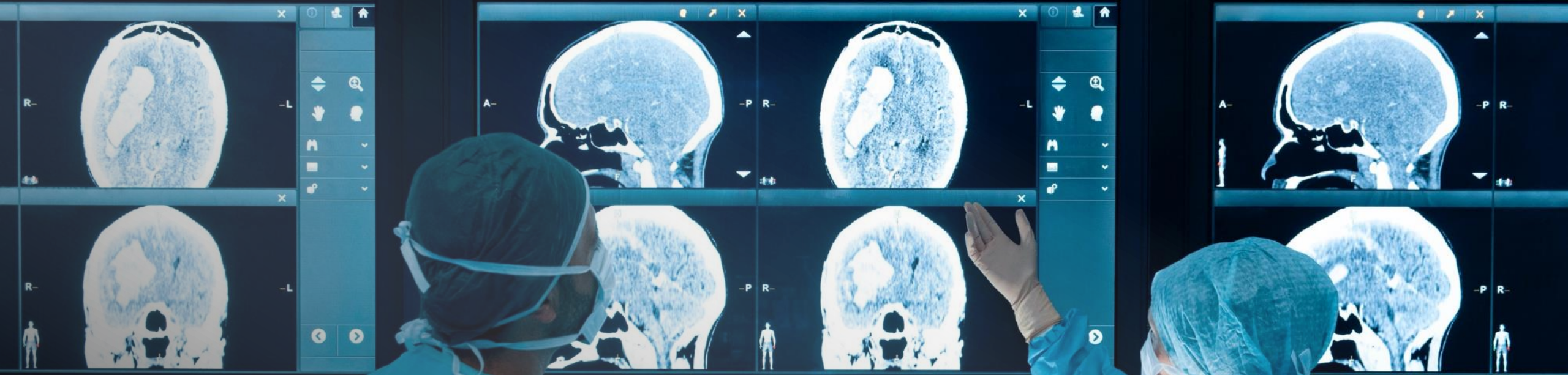
Product Stewardship

25%

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

35%

Paper Reduction by FY25 vs. FY21



Appendix

Q2 FY22 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	2,827	3.7%	3.3%	1,373	-0.3%	-0.3%	948	0.3%	0.5%	506	25.2%	22.0%
Cardiac Rhythm & Heart Failure	1,471	3.2%	2.8%									
Structural Heart & Aortic	750	2.3%	2.0%									
Coronary & Peripheral Vascular	606	6.9%	6.3%									
Medical Surgical	2,299	0.6%	0.3%	970	-2.6%	-2.6%	841	0.5%	0.8%	488	8.0%	5.5%
Surgical Innovations	1,497	7.5%	7.1%									
Respiratory, Gastrointestinal, & Renal	802	-10.2%	-10.5%									
Neuroscience	2,136	3.5%	3.1%	1,394	-0.2%	-0.2%	433	1.6%	1.9%	309	28.8%	24.2%
Cranial & Spinal Technologies	1,067	-0.4%	-0.7%									
Specialty Therapies	634	9.1%	8.1%									
Neuromodulation	435	5.8%	5.6%									
Diabetes	585	1.9%	1.4%	261	-8.1%	-8.1%	256	7.6%	6.7%	69	35.3%	33.3%
Total Medtronic	7,847	2.6%	2.2%	3,997	-1.4%	-1.4%	2,478	1.3%	1.5%	1,372	19.6%	16.4%

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

Q2 FY22 GAAP to non-GAAP financial information

	Q2 FY22 GAAP	Amortization	Restructuring	Litigation	Acquisition-Related	Gain/Loss on Minority Investment	Medical Device Regulations	Certain Tax Adjustments	Q2 FY22 Non-GAAP	Q2 FY21 Non-GAAP	Y/Y Growth / Change
Net Sales	7,847								7,847	7,647	2.6%
Cost of Products Sold	2,497		(31)		(5)		(15)		2,447	2,660	-8.0%
Gross Margin	68.2%		0.4%		0.1%		0.2%		68.8%	65.2%	360 bps
SG&A	2,615		(37)						2,578	2,549	1.1%
<i>% of Sales</i>	33.3%		-0.5%						32.9%	33.3%	40 bps
R&D	676						(9)		667	630	5.9%
<i>% of Sales</i>	8.6%						-0.1%		8.5%	8.2%	-30 bps
Other Operating Expense (Income), Net	21				17				39	106	-63.2%
<i>% of Sales</i>	0.3%				0.2%				0.5%	1.4%	90 bps
Amortization of Intangible Assets	431	(431)							0	0	0
Restructuring Charges, Net	10		(10)						0	0	0
Certain Litigation Charges, Net	34			(34)					0	0	0
Operating Profit	1,563	431	77	34	(13)		24		2,116	1,702	24.3%
Operating Margin	19.9%	5.5%	1.0%	0.4%	-0.2%		0.3%		27.0%	22.3%	470 bps
Other Non-Operating Income, Net	(66)					(6)			(72)	(66)	9.1%
Net Income Attributable to MDT (\$M)	1,311	361	62	30	(15)	6	20	16	1,792	1,380	29.9%
Diluted EPS (\$)	0.97	0.27	0.05	0.02	(0.01)	0.00	0.01	0.01	1.32	1.02	29.4%

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

Medtronic business structure



Cardiovascular

[Learn more](#)

Cardiac Rhythm & Heart Failure

- Cardiac Rhythm Management
- Cardiac Ablation Solutions
- Cardiovascular Diagnostics

Structural Heart & Aortic

- Structural Heart
- Aortic
- Cardiac Surgery

Coronary & Peripheral Vascular

- Coronary & Renal Denervation
- Peripheral Vascular Health



Medical Surgical

[Learn more](#)

Surgical Innovations

- Surgical Innovations
- Surgical Robotics

Respiratory, Gastrointestinal, & Renal (RGR)

- Patient Monitoring
- Respiratory Interventions
- Gastrointestinal
- Renal Care Solutions



Neuroscience

[Learn more](#)

Cranial & Spinal Technologies

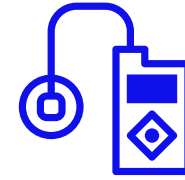
- Spine & Biologics
- Neurosurgery

Specialty Therapies

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

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	
HSD	High-Single Digit	AAA	Abdominal Aortic Aneurysm	GI	Gastrointestinal	\$M	Millions of Dollars	LVAD	Left Ventricular Assist Device
LDD	Low-Double Digit	AF	Atrial Fibrillation	ICD	Implantable Cardioverter Defibrillator	AI	Artificial Intelligence	MDR	Medical Device Regulations
LSD	Low-Single Digit	AS	Aortic Stenosis	MDT	Medtronic	APAC	Asia Pacific	N/A	Not Applicable
MSD	Mid-Single Digit	APV	Aortic, Peripheral & Venous	Med	Medical	B	Billion	NICU	Neonatal Intensive Care Unit
DD	Double Digit	CABG	Coronary Artery Bypass Graft	MITG	Minimally Invasive Therapies Group	Bps	Basis Points	Org	Organic
		CGM	Continuous Glucose Monitoring	MRI	Magnetic Resonance Imaging	CAPEX	Capital Expenditures	Ops	Operations
		COV	Covidien	MS	Medical Surgical	CC	Constant Currency	OUS	Outside the United States
		CPV	Coronary & Peripheral Vascular	NICU	Neonatal Intensive Care Unit	CE	Conformit� europ�enne	PLC	Public Limited Company
		CRHF	Cardiac Rhythm & Heart Failure	NS	Neuroscience	COVID-19	Coronavirus Disease 2019	Q	Quarter
		CRM	Cardiac Rhythm Management	RAS	Robot-Assisted Surgery	Dev	Developed	Q/Q	Quarter-over-Quarter
		CRT-D	Cardiac Resynchronization Therapy - Defibrillator	RGR	Respiratory, Gastrointestinal, & Renal	EM	Emerging Markets	R&D	Research & Development
		CRT-P	Cardiac Resynchronization Therapy - Pacemaker	RTG	Restorative Therapies Group	EMEA	Europe, Middle East, and Africa	Rep	Reported
		CSH	Coronary & Structural Heart	SCS	Spinal Cord Stimulation	EPS	Earnings Per Share	SEC	U.S. Securities & Exchange Commission
		CST	Cranial & Spinal Technologies	SHA	Structural Heart & Aortic	ESG	Environment, Social & Governance	SG&A	Selling, General & Administrative
		CV	Cardiovascular	SI	Surgical Innovations	EU	European Union	Tech	Technology
		CVG	Cardiac & Vascular Group	TAA	Thoracic Aortic Aneurysm	FDA	Food and Drug Administration	OUS	Outside United States
		DBS	Deep Brain Stimulation	TAVR	Transcatheter Aortic Valve Replacement	FX	Foreign Exchange	U.S.	United States
		DCB	Drug Coated Balloon	TAVI	Transcatheter Aortic Valve Implantation	FY	Fiscal Year	VBP	Volume-Based Procurement
		DIAB	Diabetes	TDD	Targeted Drug Delivery	GAAP	Generally Accepted Accounting Principles	WE	Western Europe
		DTM	Differential Target Multiplexed Waveform	TIR	Time In Range	IDE	Investigational Device Exemption	WW	Worldwide
		ECLS	Extracorporeal Life Support	URO	Urology	ID&E	Inclusion, Diversity and Equity	YTD	Year-to-Date
		ECMO	Extracorporeal Membrane Oxygenation			IRS	Internal Revenue Service	Y/Y	Year-over-Year
		ENT	Ear, Nose, & Throat			LGBTQ	Lesbian, Gay, Bisexual, Transgender, Questioning		

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