

MEDTRONIC PLC
WORLD WIDE REVENUE⁽¹⁾
(Unaudited)

(in millions)	FIRST QUARTER					
	REPORTED				CONSTANT CURRENCY	
	FY23	FY22	Growth	Currency Impact ⁽²⁾	FY23	Growth ⁽³⁾
Cardiovascular	\$ 2,713	\$ 2,890	(6.1)%	\$ (138)	\$ 2,851	(1.3)%
Cardiac Rhythm & Heart Failure	1,393	1,483	(6.1)	(71)	1,464	(1.3)
Structural Heart & Aortic	741	787	(5.8)	(43)	784	(0.4)
Coronary & Peripheral Vascular	579	620	(6.6)	(25)	604	(2.6)
Medical Surgical	2,001	2,322	(13.8)	(115)	2,116	(8.9)
Surgical Innovations	1,338	1,554	(13.9)	(82)	1,420	(8.6)
Respiratory, Gastrointestinal, & Renal	664	768	(13.5)	(34)	698	(9.1)
Neuroscience	2,115	2,204	(4.0)	(64)	2,179	(1.1)
Cranial & Spinal Technologies	1,043	1,123	(7.1)	(28)	1,071	(4.6)
Specialty Therapies	667	641	4.1	(22)	689	7.5
Neuromodulation	405	440	(8.0)	(15)	420	(4.5)
Diabetes	541	572	(5.4)	(33)	574	0.3
TOTAL	\$ 7,371	\$ 7,987	(7.7)%	\$ (351)	\$ 7,722	(3.3)%

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

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

(3) The first quarter of 2023 includes \$20 million of inorganic revenue related to the Intersect ENT acquisition, which is included in the reported results of the Specialty Therapies division of the Neuroscience portfolio. When excluding the impact of currency and the inorganic Intersect ENT revenue, first quarter 2023 revenue declined approximately 3.6 percent organic.

MEDTRONIC PLC
U.S.⁽¹⁾⁽²⁾ REVENUE

(in millions)	FIRST QUARTER		
	REPORTED		
	FY23	FY22	Growth ⁽³⁾
Cardiovascular	\$ 1,298	\$ 1,420	(8.6)%
Cardiac Rhythm & Heart Failure	717	770	(6.9)
Structural Heart & Aortic	312	347	(10.1)
Coronary & Peripheral Vascular	269	303	(11.2)
Medical Surgical	843	990	(14.8)
Surgical Innovations	509	620	(17.9)
Respiratory, Gastrointestinal, & Renal	334	370	(9.7)
Neuroscience	1,419	1,446	(1.9)
Cranial & Spinal Technologies	762	795	(4.2)
Specialty Therapies	380	360	5.6
Neuromodulation	276	291	(5.2)
Diabetes	206	245	(15.9)
TOTAL	\$ 3,766	\$ 4,101	(8.2)%

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

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

(3) The first quarter of 2023 includes \$20 million of inorganic revenue related to the Intersect ENT acquisition, which is included in the reported results of the Specialty Therapies division of the Neuroscience portfolio. When excluding the impact of currency and the inorganic Intersect ENT revenue, first quarter 2023 revenue declined approximately 8.7 percent organic.

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

(in millions)	FIRST QUARTER					
	REPORTED			Currency Impact ⁽³⁾	CONSTANT CURRENCY	
	FY23	FY22	Growth		FY23	Growth ⁽⁴⁾
U.S.	\$ 1,298	\$ 1,420	(8.6)%	\$ —	\$ 1,298	(8.6)%
Non-U.S. Developed	892	1,003	(11.1)	(122)	1,014	1.1
Emerging Markets	523	467	12.0	(16)	539	15.4
Cardiovascular	2,713	2,890	(6.1)	(138)	2,851	(1.3)
U.S.	843	990	(14.8)	—	843	(14.8)
Non-U.S. Developed	767	869	(11.7)	(104)	871	0.2
Emerging Markets	392	463	(15.3)	(11)	403	(13.0)
Medical Surgical	2,001	2,322	(13.8)	(115)	2,116	(8.9)
U.S.	1,419	1,446	(1.9)	—	1,419	(1.9)
Non-U.S. Developed	407	465	(12.5)	(56)	463	(0.4)
Emerging Markets	290	293	(1.0)	(9)	299	2.0
Neuroscience	2,115	2,204	(4.0)	(64)	2,179	(1.1)
U.S.	206	245	(15.9)	—	206	(15.9)
Non-U.S. Developed	264	263	0.4	(33)	297	12.9
Emerging Markets	72	63	14.3	—	72	14.3
Diabetes	541	572	(5.4)	(33)	574	0.3
U.S.	3,766	4,101	(8.2)	—	3,766	(8.2)
Non-U.S. Developed	2,328	2,601	(10.5)	(315)	2,643	1.6
Emerging Markets	1,276	1,286	(0.8)	(35)	1,311	1.9
TOTAL	\$ 7,371	\$ 7,987	(7.7)%	\$ (351)	\$ 7,722	(3.3)%

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

(4) The first quarter of 2023 includes \$20 million of inorganic revenue related to the Intersect ENT acquisition, which is included in the reported results of the Specialty Therapies division of the Neuroscience portfolio. When excluding the impact of currency and the inorganic Intersect ENT revenue, first quarter 2023 revenue declined approximately 3.6 percent organic.

MEDTRONIC PLC
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(in millions, except per share data)	Three months ended	
	July 29, 2022	July 30, 2021
Net sales	\$ 7,371	\$ 7,987
Costs and expenses:		
Cost of products sold, excluding amortization of intangible assets	2,516	2,598
Research and development expense	692	750
Selling, general, and administrative expense	2,567	2,547
Amortization of intangible assets	423	436
Restructuring charges, net	14	11
Certain litigation charges, net	—	26
Other operating expense, net	35	760
Operating profit	1,125	859
Other non-operating income, net	(83)	(111)
Interest expense	164	137
Income before income taxes	1,044	833
Income tax provision	112	64
Net income	931	769
Net income attributable to noncontrolling interests	(2)	(6)
Net income attributable to Medtronic	\$ 929	\$ 763
Basic earnings per share	\$ 0.70	\$ 0.57
Diluted earnings per share	\$ 0.70	\$ 0.56
Basic weighted average shares outstanding	1,329.4	1,344.5
Diluted weighted average shares outstanding	1,334.5	1,356.4

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 29, 2022

(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	\$ 7,371	\$ 2,516	65.9 %	\$ 1,125	15.3 %	\$ 1,044	\$ 929	\$ 0.70	10.7 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(20)	0.3	76	1.0	76	60	0.04	21.1
Acquisition-related items (3)	—	(11)	0.1	35	0.5	35	29	0.02	17.1
(Gain)/loss on minority investments (4)	—	—	—	—	—	(4)	(4)	—	—
Medical device regulations (5)	—	(18)	0.2	32	0.4	32	26	0.02	18.8
Amortization of intangible assets	—	—	—	423	5.7	423	359	0.27	15.4
RCS impairments / costs (6)	—	—	—	74	1.0	74	73	0.05	1.4
Debt redemption premium and other charges (7)	—	—	—	—	—	53	42	0.03	20.8
Certain tax adjustments, net (8)	—	—	—	—	—	—	(13)	(0.01)	—
Non-GAAP	<u>\$ 7,371</u>	<u>\$ 2,467</u>	<u>66.5 %</u>	<u>\$ 1,765</u>	<u>23.9 %</u>	<u>\$ 1,734</u>	<u>\$ 1,502</u>	<u>\$ 1.13</u>	<u>13.3 %</u>
Currency impact	351	82	0.5	50	(0.4)	—	—	0.03	—
Currency Adjusted	<u>\$ 7,722</u>	<u>\$ 2,549</u>	<u>67.0 %</u>	<u>\$ 1,815</u>	<u>23.5 %</u>	—	—	<u>\$ 1.16</u>	—

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 (1) (3)	—	(5)	0.1	19	0.2	19	17	0.01	5.3
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 (9)	—	(58)	0.7	726	9.1	726	564	0.42	22.3
Certain tax adjustments, net (10)	—	—	—	—	—	—	53	0.04	—
Non-GAAP (1)	<u>\$ 7,987</u>	<u>\$ 2,491</u>	<u>68.8 %</u>	<u>\$ 2,168</u>	<u>27.1 %</u>	<u>\$ 2,111</u>	<u>\$ 1,838</u>	<u>\$ 1.36</u>	<u>12.7 %</u>

See description of non-GAAP financial measures contained in the press release dated August 23, 2022.

- (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. 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 industry guidance from the U.S. Securities and Exchange Commission. Historical non-GAAP financial measures presented in our earnings release have been recast for comparability.
- (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 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 (E.U.) medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses. We consider these costs to be duplicative of previously incurred costs and/or one-time costs, which are limited to a specific time period.
- (6) The charges predominantly include non-cash pre-tax impairments, primarily related to goodwill, as a result of the anticipated sale of half of the Company's Renal Care Solutions (RCS) business related to the May 25, 2022 agreement with DaVita Inc.
- (7) The charges relate to the early redemption of approximately \$2.3 billion of debt and were recorded within *interest expense* within the consolidated statements of income.
- (8) The net benefit is due to a valuation allowance release associated with certain carryover attributes as a result of the anticipated RCS transaction listed above in (6) partially offset by the amortization of previously established deferred tax assets from intercompany intellectual property transactions.
- (9) The charges relate to the Company's June 2021 decision to stop the distribution and sale of the Medtronic HVAD System within the Mechanical Circulatory Support Operating Unit (MCS). The charges included \$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 the decision, including customer support obligations, restructuring, and other associated costs. Medtronic is committed to serving the needs of the approximately 3,200 patients currently implanted with the HVAD System.
- (10) 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.

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

Three months ended July 29, 2022

(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 (Income), net	Other Operating Expense, net as a % of Net Sales	Other Non-Operating (Income) Expense, net
GAAP	\$ 7,371	\$ 2,567	34.8 %	\$ 692	9.4 %	\$ 35	0.5 %	\$ (83)
Non-GAAP Adjustments:								
Restructuring and associated costs (2)	—	(41)	(0.6)	—	—	—	—	—
Acquisition-related items (3)	—	—	—	—	—	(24)	(0.3)	—
Medical device regulations (4)	—	—	—	(14)	(0.2)	—	—	—
RCS impairments / costs (5)	—	(7)	(0.1)	—	—	(68)	(0.9)	—
Gain/(loss) on minority investments (6)	—	—	—	—	—	—	—	4
Non-GAAP	\$ 7,371	\$ 2,518	34.2 %	\$ 678	9.2 %	\$ (57)	(0.8)%	\$ (79)
Currency impact	351	95	(0.4)	9	(0.3)	114	1.5	(2)
Currency Adjusted	<u>\$ 7,722</u>	<u>\$ 2,613</u>	<u>33.8 %</u>	<u>\$ 687</u>	<u>8.9 %</u>	<u>\$ 57</u>	<u>0.7 %</u>	<u>\$ (81)</u>

See description of non-GAAP financial measures contained in the press release dated August 23, 2022.

- (1) The data in this schedule has been intentionally rounded to the nearest million, 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 business combination costs and changes in fair value of contingent consideration.
- (4) The charges represent incremental costs of complying with the new European Union (E.U.) medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses. We consider these costs to be duplicative of previously incurred costs and/or one-time costs, which are limited to a specific time period.
- (5) The charges predominantly include non-cash pre-tax impairments, primarily related to goodwill, as a result of the anticipated sale of half of the Company's Renal Care Solutions (RCS) business related to the May 25, 2022 agreement with DaVita Inc.
- (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
	July 29, 2022	July 30, 2021
Net cash provided by operating activities	\$ 1,083	\$ 1,292
Additions to property, plant, and equipment	(426)	(378)
Free Cash Flow (2)	<u>\$ 657</u>	<u>\$ 914</u>

See description of non-GAAP financial measures contained in the press release dated August 23, 2022.

- (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 29, 2022	April 29, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,140	\$ 3,714
Investments	6,733	6,859
Accounts receivable, less allowances and credit losses of \$219 and \$230, respectively	5,308	5,551
Inventories, net	4,809	4,616
Other current assets	3,145	2,318
Total current assets	22,135	23,059
Property, plant, and equipment	13,323	13,365
Accumulated depreciation	(8,043)	(7,952)
Property, plant, and equipment, net	5,281	5,413
Goodwill	40,324	40,502
Other intangible assets, net	15,775	15,595
Tax assets	3,311	3,403
Other assets	3,088	3,008
Total assets	\$ 89,914	\$ 90,981
LIABILITIES AND EQUITY		
Current liabilities:		
Current debt obligations	\$ 5,729	\$ 3,742
Accounts payable	2,180	2,276
Accrued compensation	1,773	2,121
Accrued income taxes	549	704
Other accrued expenses	3,816	3,551
Total current liabilities	14,049	12,394
Long-term debt	17,481	20,372
Accrued compensation and retirement benefits	1,102	1,113
Accrued income taxes	2,102	2,087
Deferred tax liabilities	899	884
Other liabilities	1,440	1,410
Total liabilities	37,071	38,260
Commitments and contingencies		
Shareholders' equity:		
Ordinary shares— par value \$0.0001, 2.6 billion shares authorized, 1,329,276,973 and 1,330,743,395 shares issued and outstanding, respectively	—	—
Additional paid-in capital	24,335	24,566
Retained earnings	30,276	30,250
Accumulated other comprehensive loss	(1,939)	(2,265)
Total shareholders' equity	52,672	52,551
Noncontrolling interests	170	171
Total equity	52,843	52,722
Total liabilities and equity	\$ 89,914	\$ 90,981

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 29, 2022	July 30, 2021
Operating Activities:		
Net income	\$ 931	\$ 769
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	668	671
Provision for credit losses	15	15
Deferred income taxes	(18)	(11)
Stock-based compensation	62	69
Loss on debt extinguishment	53	—
MCS asset impairment and inventory write-down	—	515
Other, net	121	116
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable, net	89	(40)
Inventories, net	(380)	(75)
Accounts payable and accrued liabilities	(147)	(416)
Other operating assets and liabilities	(311)	(321)
Net cash provided by operating activities	1,083	1,292
Investing Activities:		
Acquisitions, net of cash acquired	(1,191)	—
Additions to property, plant, and equipment	(426)	(378)
Purchases of investments	(1,884)	(2,654)
Sales and maturities of investments	1,886	2,324
Other investing activities, net	30	(76)
Net cash used in investing activities	(1,585)	(784)
Financing Activities:		
Proceeds from short-term borrowings (maturities greater than 90 days)	2,284	—
Payments on long-term debt	(2,311)	(1)
Dividends to shareholders	(903)	(846)
Issuance of ordinary shares	43	111
Repurchase of ordinary shares	(336)	(315)
Other financing activities	273	(4)
Net cash used in financing activities	(950)	(1,055)
Effect of exchange rate changes on cash and cash equivalents	(122)	(42)
Net change in cash and cash equivalents	(1,574)	(589)
Cash and cash equivalents at beginning of period	3,714	3,593
Cash and cash equivalents at end of period	\$ 2,140	\$ 3,004
Supplemental Cash Flow Information		
Cash paid for:		
Income taxes	\$ 260	\$ 249
Interest	68	63

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