

Medtronic

Engineering the extraordinary

Medtronic plc

Q2 FY23

Earnings presentation

November 22, 2022



Medtronic

Forward looking statements

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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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Q2 FY23 Executive Summary

Q2 FY23 Key messages

Revenue shortfall due to slower market and supply recovery; Delivered EPS on stringent cost control



Earnings delivered despite revenue below expectations

Delivered revenue of \$7.6B, below our expectations, and adjusted EPS of \$1.30 at the upper end of guidance; FX headwinds contributed over half of the revenue miss vs. consensus



Pace of procedure volume and supply recovery slower than expected in certain businesses

Certain procedure volumes (elective coronary PCI, GI, TAVR, SCS, some less emergent surgical procedures) slower to recover, primarily in developed markets as a result of continued healthcare system staffing challenges

Made meaningful recovery in supply, including the acute packaging issue in Surgical Innovations; however, some improvements came later than expected in Q2, delaying expected momentum



Seeing benefit of operating model changes in several businesses

Despite current operating environment challenges, strong growth in several businesses where our strategy, operating model, and execution are yielding solid results: TAVR, Pacing, U.S. Core Spine, and International Diabetes



Reducing guidance; continue to expect organic revenue growth acceleration

Given slower pace of market and supply recovery, reducing revenue and EPS guidance, although continue to expect organic revenue growth acceleration in the second half compared to the first; driving expense reductions to help offset lower revenue and effects of cost inflation



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're taking decisive actions to improve the performance of the company."


**GEOFF MARTHA,
CHAIRMAN & CEO**




Q2 FY23 Financial summary


Growth in Neuroscience, Cardiovascular, and Diabetes partially offset by Medical Surgical


 **Revenue**
Increased 2.2% Y/Y; product availability challenges offset solid International growth

 **Cardiovascular**
Increased 4% with strength in Cardiac Pacing, CRT-D, TYRX™, TAVR, and Aortic, offset by lingering supply and procedure recovery challenges

 **Medical Surgical**
Declined 3%, 1% ex-ventilators, due to procedure softness and expected VBP challenges in SI; strength in Hernia & Wound Management

 **Neuroscience**
Increased 5%, driven by strength in Neurosurgery, ENT, & U.S. Core Spine, partially offset by product availability challenges and SCS market softness

 **Diabetes**
Increased 3%, driven by robust international growth on continued 780G™ performance; Successful retention programs in the U.S. stabilizing attrition

 **Geographies**
U.S. and Western Europe increased LSD; Emerging Markets increased MSD led by Middle East & Africa, Latin America, Eastern Europe & Russia, and South Asia

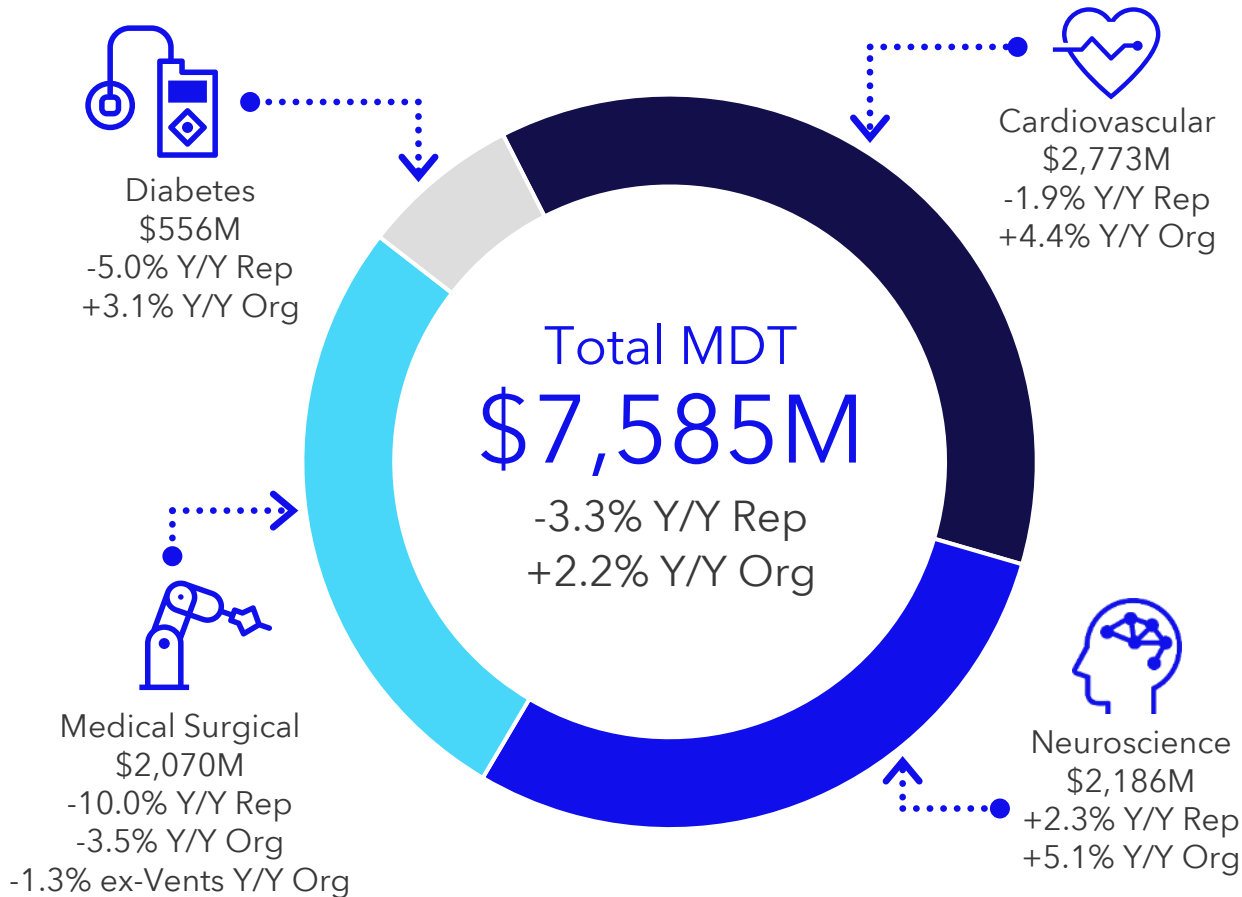
 **EPS & free cash flow**
Non-GAAP EPS \$1.30, declined 1.5% Y/Y reported; YTD \$1.3B free cash flow¹



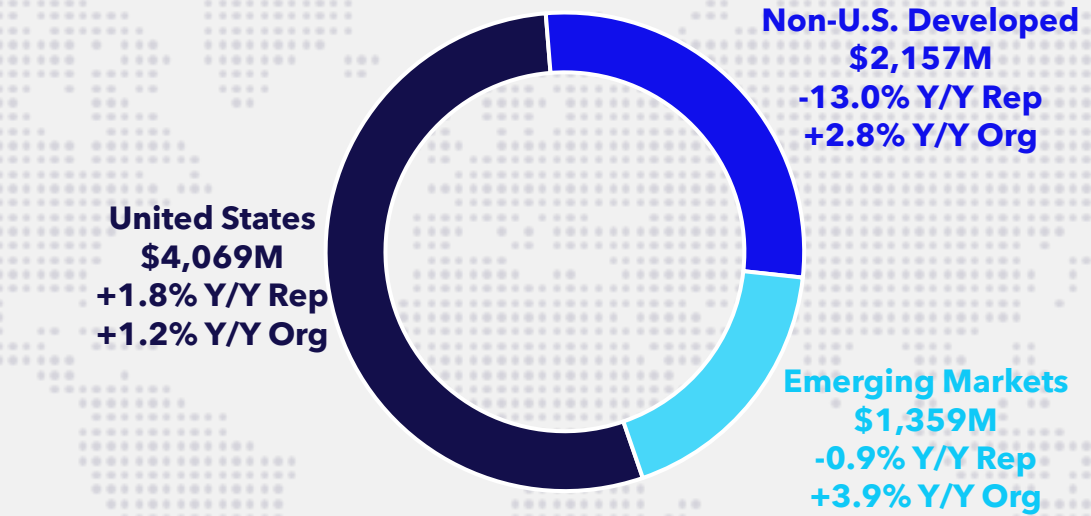
¹Operating cash flows less property, plant, and equipment additions.

Q2 FY23 Financial summary

Revenue¹ by segment



Revenue¹ by geography



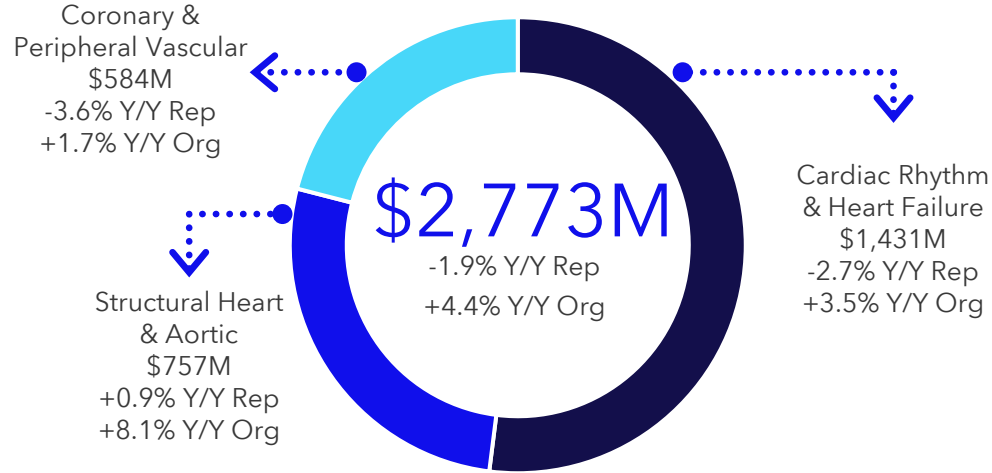
	GAAP	Non-GAAP	Cash flow from operations YTD
Diluted EPS	\$0.32	\$1.30	\$2.0B
Y/Y %	-67%	-2%	Free cash flow ² YTD
CC Y/Y %	N/A	-1%	\$1.3B

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

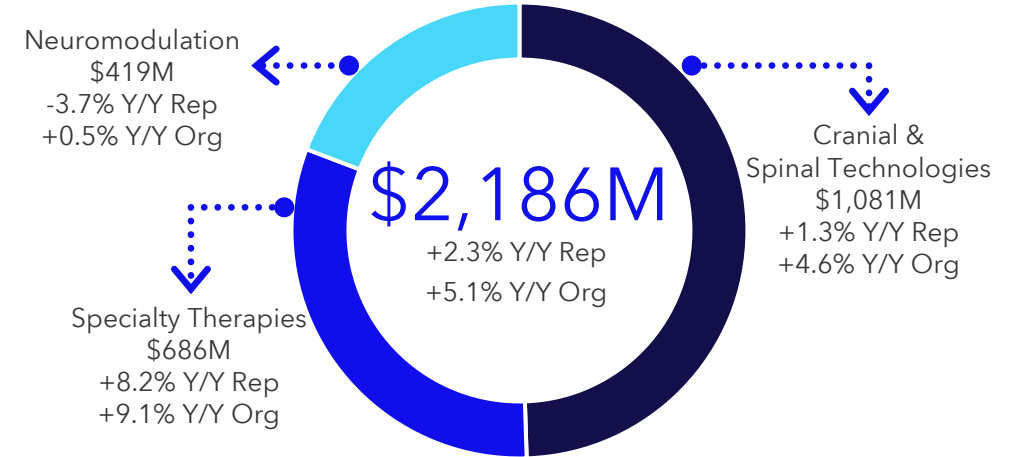
²Operating cash flows less property, plant, and equipment additions.

Q2 FY23 Portfolio summary

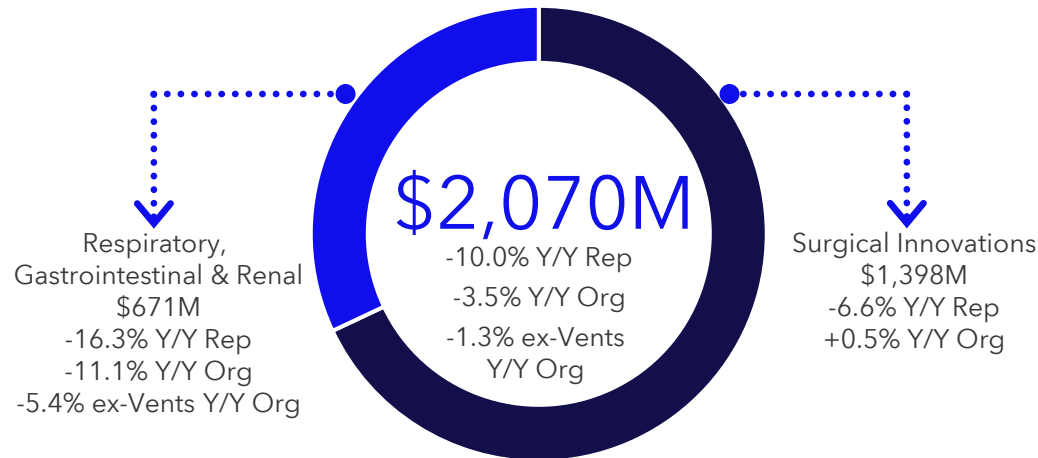
Cardiovascular



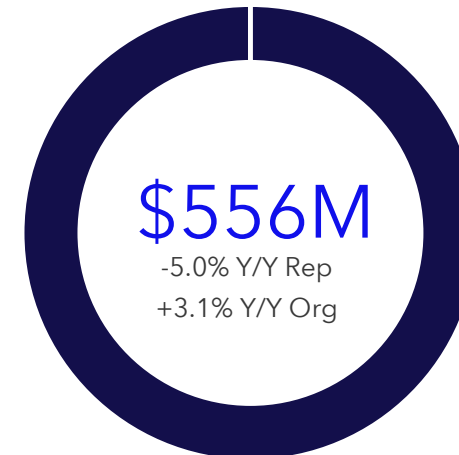
Neuroscience



Medical Surgical



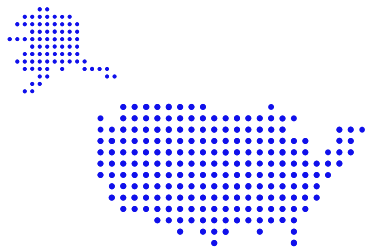
Diabetes



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

Q2 FY23 Regional organic revenue growth

United States Non-U.S. Developed ▲ 2.8%



▲ 1.2%

Western Europe



▲ Low-single digits

Japan



▼ Low-single digits

Australia & New Zealand



▲ High-single digits

Canada



▲ Mid-single digits

South Korea



▲ High-single digits

Emerging Markets ▲ 3.9%

China



▼ High-single digits

Middle East & Africa



▲ Low-double digits

Latin America



▲ Mid-teens

Eastern Europe & Russia



▲ Mid-20's

Southeast Asia



▲ Mid-single digits

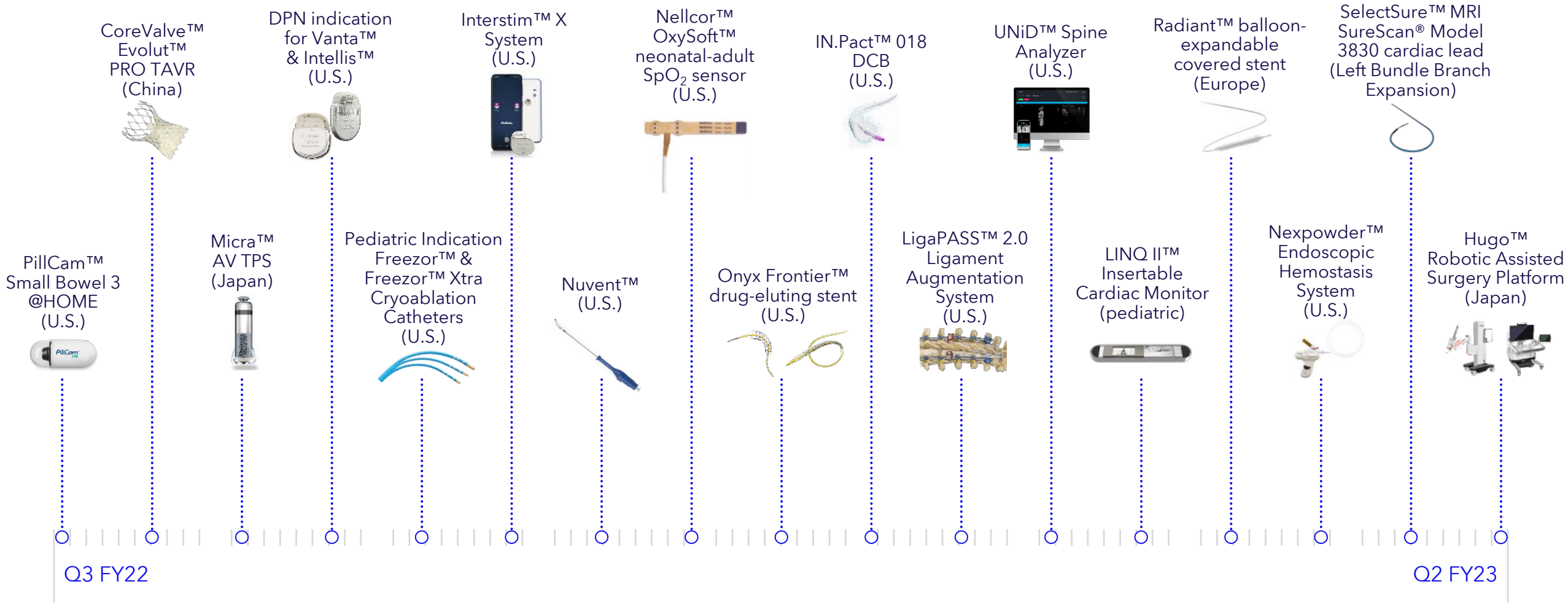
South Asia



▲ Low-double digits

Key product approvals

Last 12 months: 180 product approvals in key geographies¹



¹Includes U.S., EU, Japan and China

Note: Relative positioning is not intended to signify relative timing



Q2 FY23 Portfolio Highlights

Cardiovascular - CRHF

Pacing share gains continue; supply and procedure recovery improving Cardiac Rhythm & Heart Failure (CRHF)

Cardiac Rhythm Management ▲ MSD

- Cardiac Pacing Therapies: MSD growth with Y/Y share gains; high-teens WW Micra™ growth; low-40s International Micra™ growth driven by the launch in China and increased market penetration
- Defibrillation Solutions: Flat growth related to product availability and ICD replacement headwinds
- Procedure Innovations: High-teens growth driven by continued global adoption of TYRX™ and temporary rhythm management products

Cardiac Ablation Systems ▲ LSD

- LDD U.S. growth driven by continued adoption of Arctic Front™ cryoablation catheters, offset by competitive pressure in Europe and Japan and destocking ahead of China VBP
- Strong PROGRESSIVE AF data presented at AHA as a LBCT and published in the NEJM demonstrating a marked reduction in AF progression with fewer adverse events, improvements in quality of life and decreased hospitalizations favoring cryoablation with Arctic Front™ as a first-line therapy in comparison to antiarrhythmic drugs
- Results from PulseSelect™ PFA catheter pivotal trial PULSED AF expected in the first half of 2023
- Completed the acquisition of Affera, Inc., expanding the portfolio to include a cardiac mapping and navigation platform and a differentiated suite of diagnostic and ablation catheters

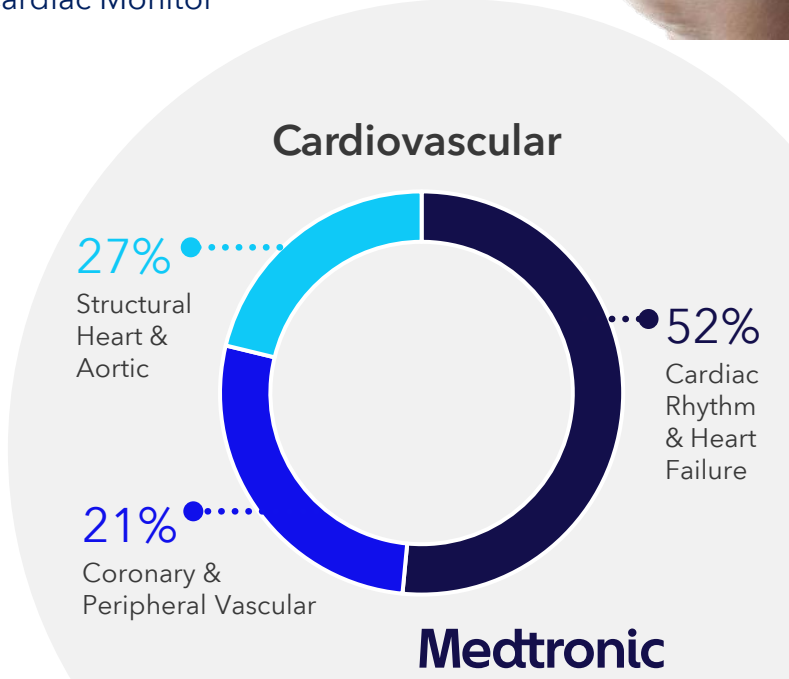
Cardiovascular Diagnostics ▲ LSD

- LINQ II™ launch expansion in the U.S., Europe and Japan late in the quarter with improving supply
- Received FDA clearance for expanded indication of LINQ II™ for use in pediatric patients ages 2+



Micra™ AV and VR Transcatheter Pacing System

LINQ II™ Insertable Cardiac Monitor



Cardiovascular – CPV & SHA

Evolut™ FX receiving extremely positive physician reception; Onyx Frontier™ driving U.S. share gains

Coronary and Peripheral Vascular (CPV)

Coronary & Renal Denervation ▲ LSD

- U.S. & WE PCI procedures below pre-COVID levels; Y/Y & sequential U.S. share gains driven by Onyx Frontier™ DES launch; Stable global share
- SPYRAL HTN-ON MED 6-month missed primary end-point and demonstrated statistically significant and clinically meaningful reduction in both night-time ambulatory and office blood pressure with a significant reduction in medication burden; robust final PMA clinical data module submitted to FDA

Peripheral Vascular Health ▲ LSD

- Growth in DCBs, Vascular Embolization, and Superficial Venous offset by weakness in Directional Atherectomy, Peripheral Stents and PTA balloons

Structural Heart & Aortic (SHA)

Structural Heart ▲ LDD

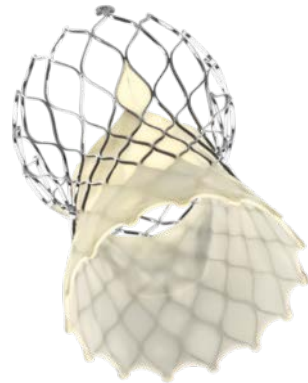
- U.S. TAVR high-teens Y/Y growth, high-teens sequential growth; driven by SVD Durability Data showing CoreValve™ and Evolut™ as first and only TAVR platforms to outperform SAVR at 5 years
- Evolut™ FX U.S. receiving extremely positive physician reception; now in full market release

Aortic ▲ MSD

- Both AAA & TAA supply improving; continued pressure from Valiant Navion™ recall

Cardiac Surgery ▲ MSD

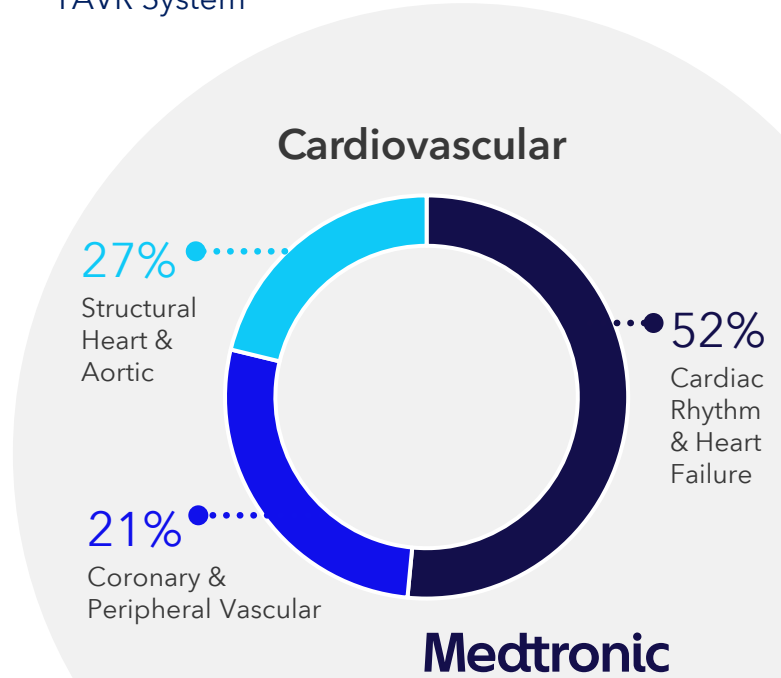
- Y/Y and sequential share gains with strength in Surgical Valve Therapies and Perfusion Systems



Evolut™ FX
TAVR System



Onyx Frontier™
DES



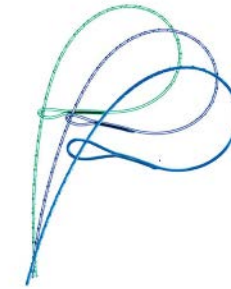
Medical Surgical - SI

Installation and approval progress with Hugo™; procedure softness and VBP headwinds in SI

Surgical Innovations (SI)

Surgical Innovations ▼ LSD

- LSD decline in Advanced Surgical Instruments due to Stapling China VBP partially offset by Advanced Energy mid-teens growth, aided by easing of acute packaging supply chain headwind
- Surgical procedure volume recovery slower than expected
- MSD growth in hernia and wound management due to growth in sutures (V-Loc™ barbed sutures) and hernia (ProGrip™ Self-Fixing Mesh)



V-Loc™
Wound Closure Device - Barbed Sutures

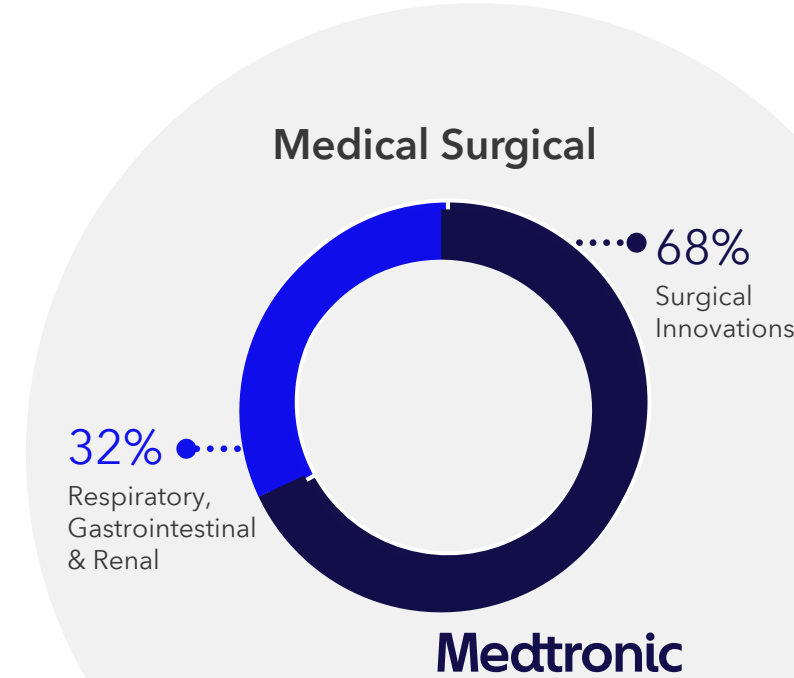


ProGrip™
Self-Fixing Mesh

Surgical Robotics [Limited Market Release]

- Accelerated new Hugo™ system installations in EMEA, LATAM, and India; ongoing healthy order book
- Expanded access through URO/GYN regulatory approval in Japan, the third largest market for robotics sales in the world; general surgery approval in the EU, Canada, and ANZ opens fast-growing hernia specialty
- Strong presence and positive feedback at European Hernia Society and European Robotic Urology Society, highlighted by podium presentations and hands-on demos
- First procedure for U.S. IDE urology clinical trial anticipated in the calendar year

Hugo™
RAS System



Medtronic

Medical Surgical - RGR

Growth in Perioperative Complications; meaningful ventilator sales decline

Respiratory, Gastrointestinal, & Renal (RGR)

Patient Monitoring

▼ MSD

- LDD decline in Nellcor™ pulse oximetry due to difficult comparisons Y/Y
- LDD growth in Perioperative Complications driven by backorder recovery

Respiratory Interventions

▼ Mid-20s

- Low-50s decline in Ventilation sales as demand remained below pre-COVID levels as expected
- MSD decline in Airways despite mid-40s video laryngoscope growth from backorder recovery

Gastrointestinal

▼ LSD

- Flat in esophageal products partially offset by LSD growth in chronic and colorectal products; continued pressure due to COVID-related staffing impacts
- Secured U.S. Dept. of Veteran Affairs contract to install 100+ GI Genius™ units at VA medical facilities

Renal Care Solutions

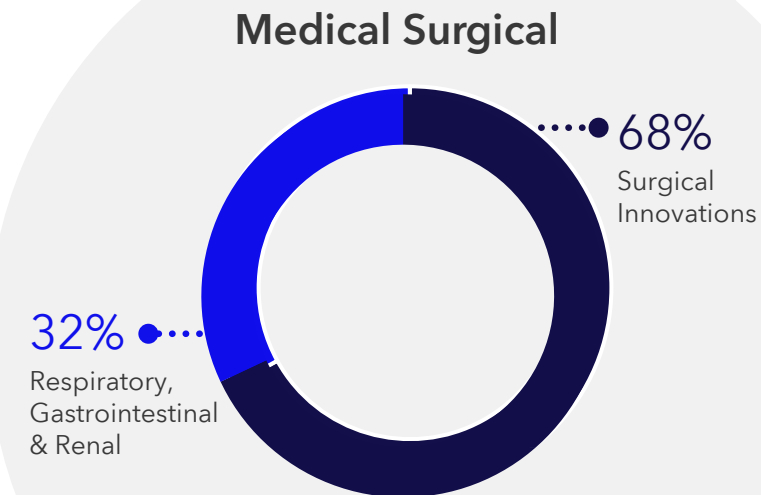
▼ LDD

- New kidney health technology company with DaVita on track to close in calendar 2023
- Decline in chronic and acute catheter sales due to product availability and delayed backorder recovery



McGRATH™ MAC
Video Laryngoscope

GI Genius™



Medtronic

Neuroscience - CST

Strength in U.S. Core Spine, Biologics, Navigation, & Power Tools; partially offset by China Spine VBP & product availability in disposables

Cranial & Spinal Technologies (CST)

Spine & Biologics

▲ MSD

- Mid-teens growth in U.S. Core Spine, partially offset by China VBP impact
- Mid-teens growth in Biologics driven in large part by continued strong Infuse sales in the U.S.
- Continued Catalyft™ & ModuLeX™ strength, contributing to share gains in the U.S.

Neurosurgery

▲ HSD

- Strong Mazor™ robotics growth, LDD growth in StealthStation™ Navigation and Midas Rex™ Powered Surgical Instruments, and MSD growth in Advanced Energy
- Unveiled Aible™ Spinal Surgical Suite at NASS



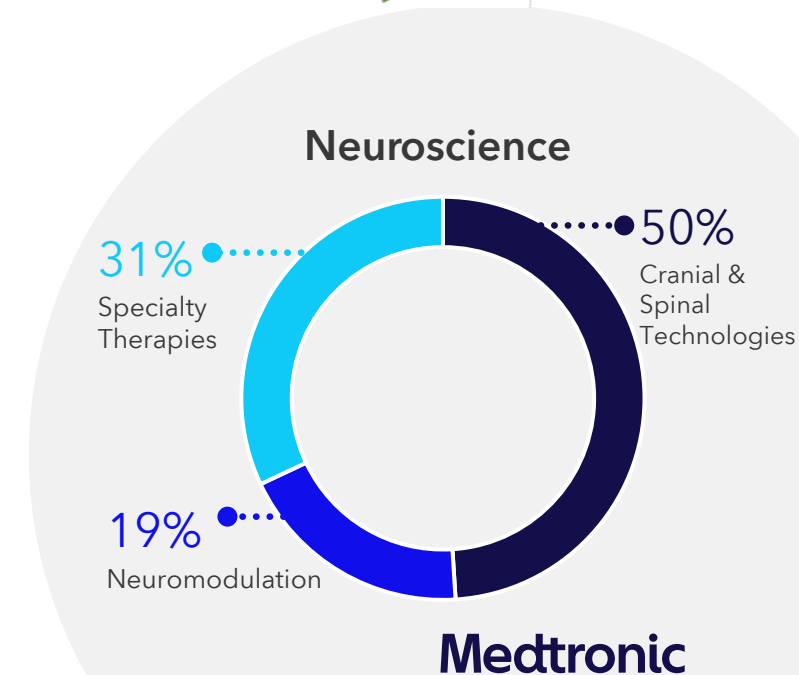
Catalyft™
Expandable
Interbody System



ModuleX™
Modular Screw
System



Aible™
Spinal Surgical Suite



Neuroscience - Neuromodulation

Growth in SCS and improved TDD product availability; offset by replacement headwinds and Interventional share loss

Neuromodulation

Brain Modulation

▼ LSD

- Percept™ PC and SenSight™ Lead System driving share in new patient implants, offset by replacement headwinds

Spinal Cord Stimulation

▲ MSD

- DTM™ SCS on the Intellis™ driving strength and new implant share, partially offset by hospital staffing and procedure volume challenges
- Continued progress in commercial capability for DPN on Intellis™ and Vanta™ neurostimulators

Targeted Drug Delivery

▲ HSD

- Growth driven by continued improvements in product availability conditions

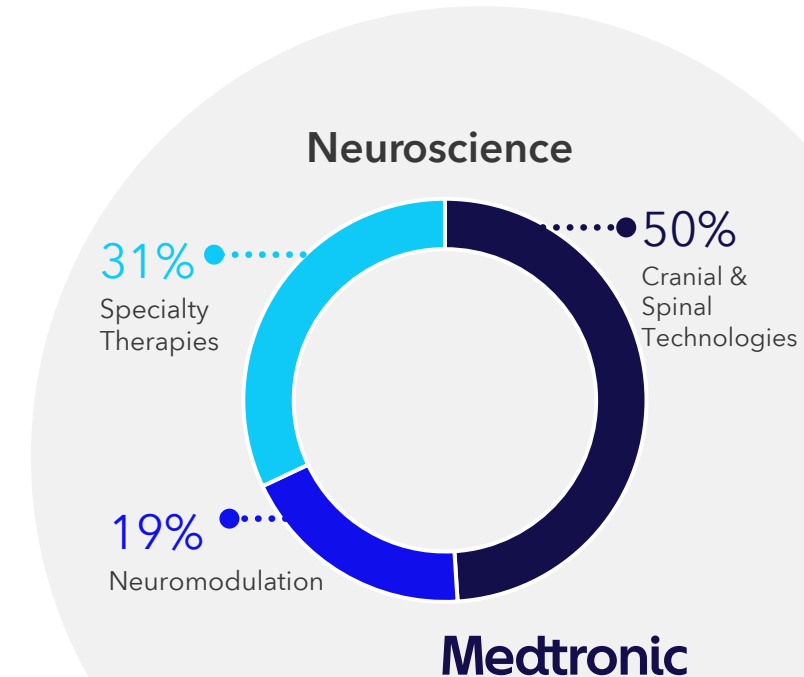
Interventional

▼ MSD

- Decrease driven by product availability and competitive pressure



Vanta™
Recharge Free
SCS



Neuroscience – Specialty Therapies

Strength in ENT and Neurovascular WW; partially offset by continued competition

Specialty Therapies

Pelvic Health

▲ LSD

- LDD growth OUS led by continued market expansion, partially offset by continued U.S. competitive pressures

Neurovascular

▲ HSD

- Strong performance across all major geographies
- Hemorrhagic: Continued WW share gains in Coils and Flow Diverters including Pipeline™ Shield
- Ischemic: Growth driven by Stent Retrievers OUS and Solitaire X™ 3mm launch in WE and Japan

ENT

▲ High-Teens

- Growth driven by strength in Power and Head/Neck Navigation with continued improvements in product availability
- Continued integration of Intersect ENT with strong sequential inorganic growth

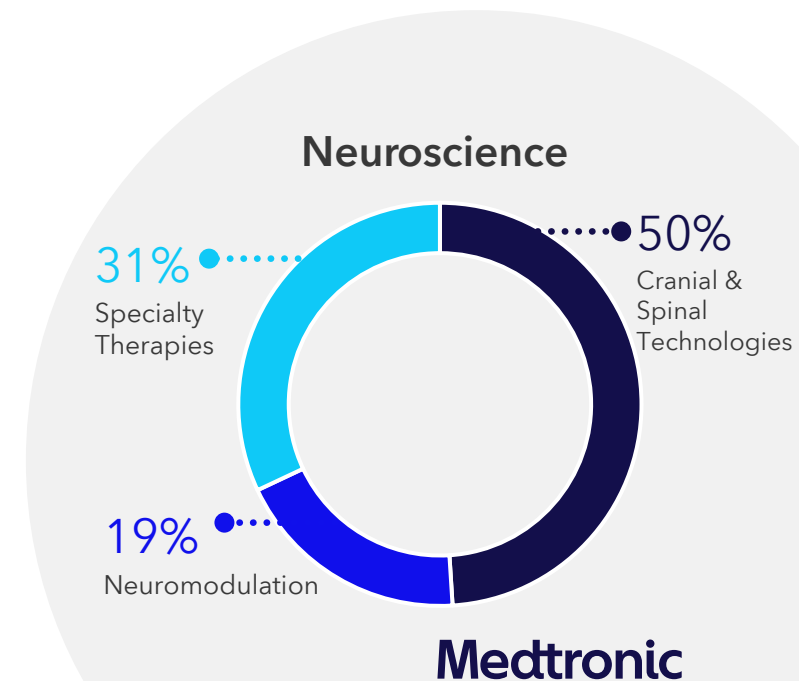
Pipeline™ Shield
Embolization Device
with Shield Technology™



StealthStation™ ENT



InterStim X™ System
Recharge-free
Neurostimulator



Diabetes

Solid commercial execution; Continued strong 780G and CGM performance internationally

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

- MiniMed™ 780G now launched in 60+ markets; Approval secured in Canada; WW installed base more than doubled Y/Y; Accelerating 780G momentum with DD pump growth internationally
- Guardian™ 4 sensor with no fingersticks now in 40+ OUS markets; WW CGM grew MSD
- Extended infusion set (up to 7-day wear) launched in 11 EU countries with high satisfaction scores and rapid market adoption; U.S. launch this month with over 80% payor coverage already secured
- ADAPT study published in Lancet Diabetes and Endocrinology showing an over 27% increase in TIR vs. MDI + intermittent CGM and a reduction in HbA1C of 1.4% compared to the MDI + intermittent CGMI group
- Successful retention programs in the U.S. stabilizing attrition, leading to faster patient renewals

Completed 100% of the warning letter commitments and informed the FDA that we're ready for reinspection while remaining in active review on our submission of the 780G system with the Guardian™ 4 sensor; Continuing to advance our next generation portfolio

- Launched My Insights program in U.S. for MiniMed™ 770G system patients, a first-of-its-kind personalized insights program that relies on the power of data science to provide tailored tips to help users reach diabetes management goals
- Submitted next-generation sensor, Simplera™, for CE Mark approval in Q1FY23; Also ready for submission to U.S. FDA
- U.S. MiniMed™ 770G customers will have access to MiniMed™ 780G software when available at no cost without switching their pump



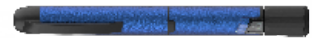
MiniMed™ 780G system¹



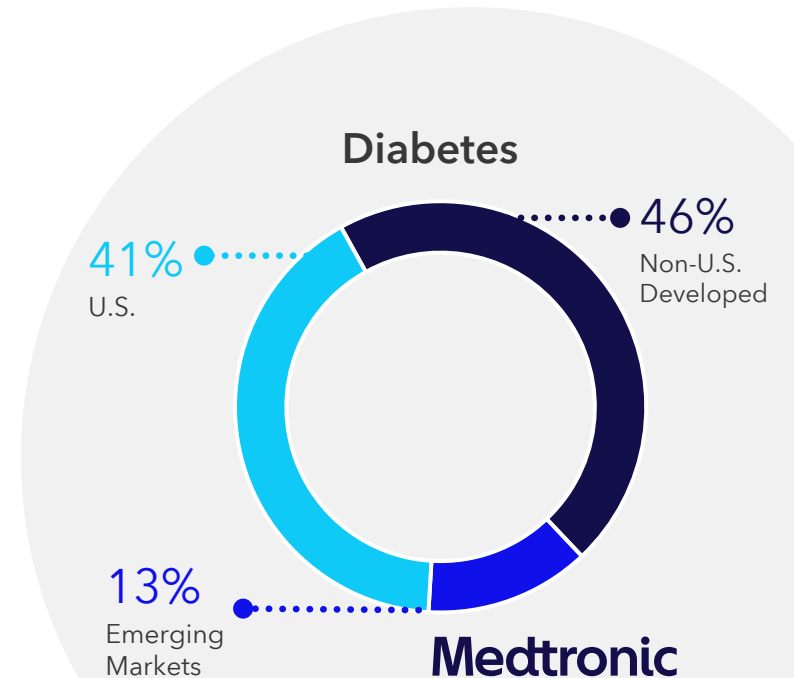
Guardian™ 4 sensor¹



Extended infusion set



InPen™ system



¹ The MiniMed™ 780G and Guardian™ 4 Sensor are not available in the U.S.

Q2 FY23 Financial Highlights

Q2 FY23 Income statement

GAAP¹

(\$ in millions)	Q2 FY22	Q2 FY23	Y/Y
Revenue	\$7,847	\$7,585	-3.3%
Gross Margin	68.2%	66.6%	-160 bps
SG&A % of Sales	33.3%	34.5%	+120 bps
R&D % of Sales	8.6%	8.9%	+30 bps
Operating Margin	19.9%	18.5%	-140 bps
Net Income	\$1,311	\$427	-67.4%
Diluted EPS	\$0.97	\$0.32	-67.0%

Full GAAP to non-GAAP reconciliation in Appendix

Non-GAAP¹

(\$ in millions)	Q2 FY22	Q2 FY23	Y/Y
Revenue	\$7,847	\$7,585	(3.3)%
Gross Margin	68.8%	67.6%	-120 bps
SG&A % of Sales	32.9%	33.8%	+90 bps
R&D % of Sales	8.5%	8.7%	+20 bps
Operating Margin	27.0%	26.6%	-40 bps
Net Income	\$1,792	\$1,725	-3.7%
Diluted EPS	\$1.32	\$1.30	-1.5%

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

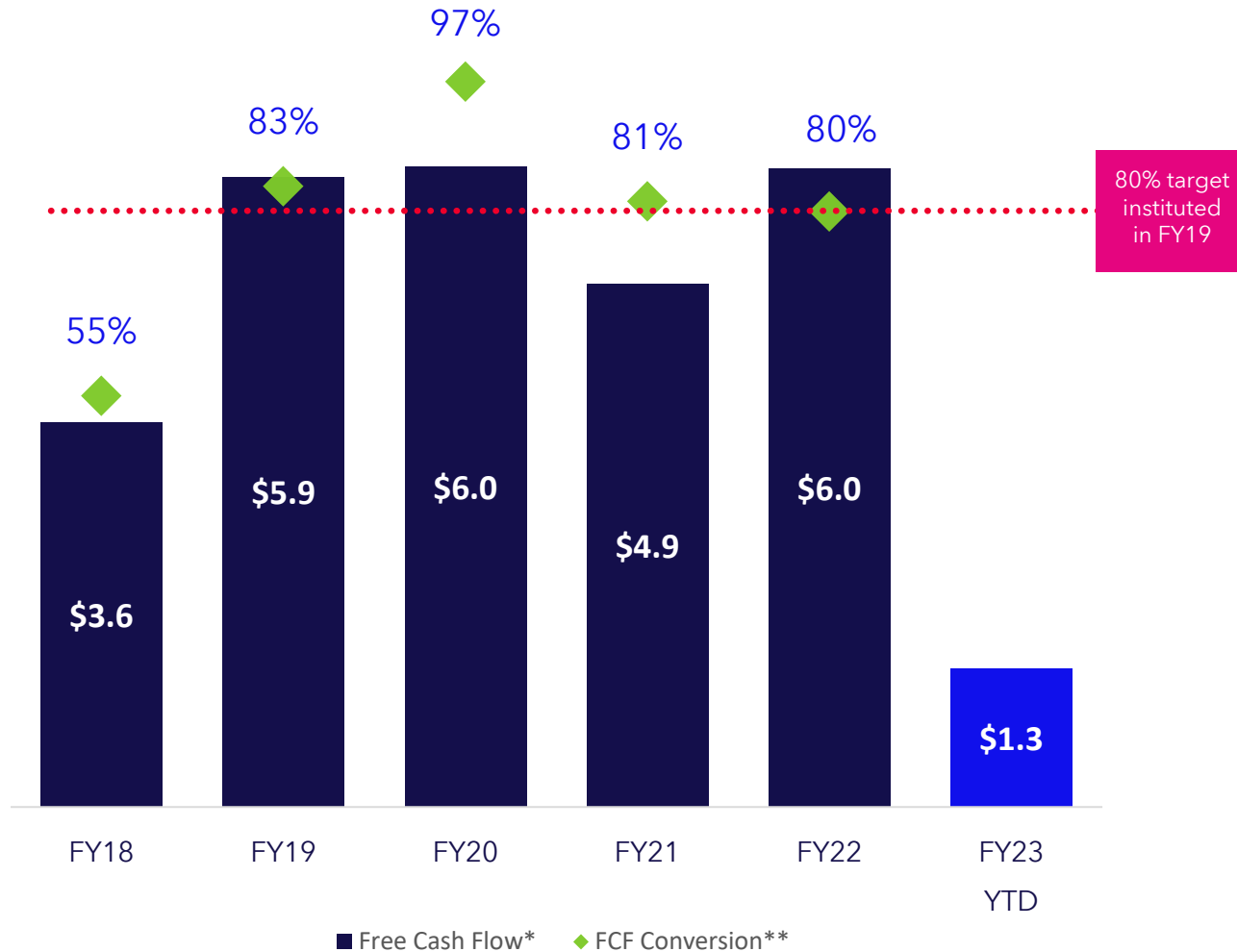
Balance sheet

Continue to maintain a strong balance sheet

(\$ in millions)	Q2 FY22	Q1 FY23	Q2 FY23	Y/Y	Q/Q
Total Assets	\$91,756	\$89,914	\$93,241	\$1,485	\$3,327
Cash & Equivalents	\$2,900	\$2,140	\$4,828	\$1,928	\$2,688
Investments	\$7,769	\$6,733	\$6,602	(\$1,167)	(\$131)
Total Debt	\$25,623	\$23,210	\$26,617	\$994	\$3,407
Short term debt	\$16	\$5,729	\$5,864	\$5,848	\$135
Long term debt	\$25,607	\$17,481	\$20,753	(\$4,854)	\$3,272
Equity	\$52,159	\$52,843	\$52,057	(\$102)	(\$786)

Free cash flow

Continue to target annual FCF conversion of 80% or higher



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

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
Restructuring Payments ¹	\$0.2	\$0.4	\$0.5	\$0.5	\$0.4	\$0.2
Other Payments ^{1,3}	\$0.3	\$0.2	\$0.2	\$0.1	\$0.3	\$0.2
Puerto Rico IRS Pre-Payment	\$1.1	--	--	--	--	--
Certain Other Tax Payments	\$0.4	\$0.4	\$0.1	\$0.2	\$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 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

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

Organic R&D spend in FY22

FY22: **R&D Growth**

outpacing revenue growth

Tuck-in M&A

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

9

Acquisitions announced since beginning of FY21

>\$3.3B

In total consideration

Return to shareholders

Dividend growth

Committed to growing in line with earnings; raised dividend by 8% in May 2022

45 Years

of dividend increases

Member of S&P

500 Aristocrats

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

75+

Companies

\$900M+

Invested as of Q2 FY23



Share repurchases

Will continue to offset dilution from stock-based compensation

Total return

\$5.5B

In net share repurchases and dividends in FY22



92%

of Free Cash Flow 50% LRP Target

Guidance & Assumptions

Guidance and assumptions

REVENUE	FY22 H2 base	Organic FY23 H2 revenue growth guidance	FX ¹	Implied FY23 H2 reported revenue range
	\$15,852M	+3.5 to + 4.0%	(\$0.93B) to (\$1.03B)	~\$15.4B - \$15.6B

EPS	FY22 base	Implied FY23 constant currency growth	FX ¹	FY23 EPS guidance
	\$5.55	(1%) to (2%)	(\$0.18)	\$5.25 - \$5.30

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 rates as of the beginning of November 2022.

An aerial photograph of a vast, lush forest landscape. The trees are in various shades of green and yellow, suggesting a transition in seasons. 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



Department of Defense Employer Support Freedom Award



One of Best Places to Work for LGBTQ Equality 2021 & 2022



One of Forbes America's Best Employers for New Graduates 3rd consecutive year



One of Australia, Japan, Brazil, Asia, Mexico, India, Canada's Best Places to Work in 2022



One of the Top Global 100 Companies for Innovators



2022 Worlds Best Employers List



One of Best Places to Work 2022



One of the 25 Best Workplaces to Grow Your Career in the U.S.



2022 America's Best Employers for Veterans



Best place to work for Disability Inclusion, 5th consecutive year



One of top 50 companies in 2021, receiving perfect scores in innovation & social responsibility



#10 on DiversityInc's Top 50 U.S. Companies List

Citizenship awards



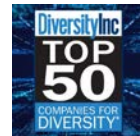
DJSI World & DJSI North America Index



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, 6th 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



Awarded for Creating a Pioneering D&I Program



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

Innovation & industry leadership



Geoff Martha Ranks #3 in the Top 50 Healthcare Technology CEO of 2022



Karen Parkhill Ranks #1 in the Top 25 Women Leaders in Medical Devices of 2022



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



SVP & Chief Communicators Officer, Torod Neptune, 3rd consecutive year



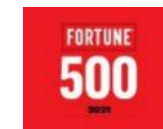
One of Fortune's Most Admired Companies 2021 & 2022



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



Celebrating global excellence in communications



The world's largest medical technology industry company, 2nd year in a row



Orleigh Adelecia Bogle, Ph.D., Head of medical affairs, Digital Surgery - 2021 Fiercest Women In Life Science



Environmental, social & governance

Long-range objectives & targets



For more information, visit [Medtronic.com](https://www.medtronic.com)
 2021 ESG Investor Briefing
 2022 Integrated Performance Report
 2021 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

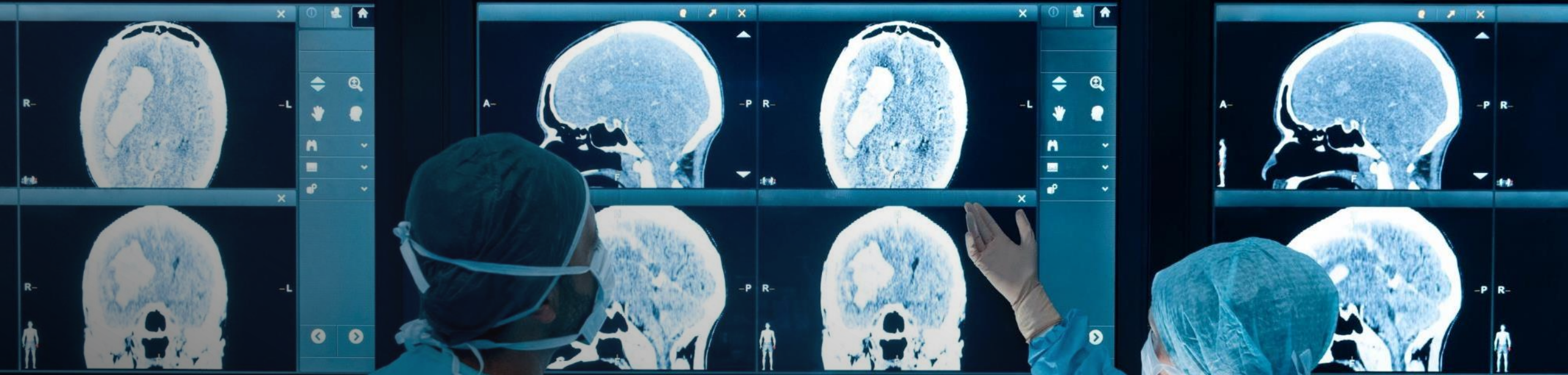
Product Stewardship

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



Appendix

Q2 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	2,773	-1.9%	4.4%	1,424	3.7%	3.7%	802	-15.4%	0.2%	546	7.9%	13.4%
Cardiac Rhythm & Heart Failure	1,431	-2.7%	3.5%									
Structural Heart & Aortic	757	0.9%	8.1%									
Coronary & Peripheral Vascular	584	-3.6%	1.7%									
Medical Surgical	2,070	-10.0%	-3.5%	905	-6.7%	-6.7%	719	-14.5%	0.8%	446	-8.6%	-4.7%
Surgical Innovations	1,398	-6.6%	0.5%									
Respiratory, Gastrointestinal, & Renal	671	-16.3%	-11.1%									
Neuroscience	2,186	2.3%	5.1%	1,512	8.5%	6.7%	382	-11.8%	4.4%	292	-5.5%	-0.6%
Cranial & Spinal Technologies	1,081	1.3%	4.6%									
Specialty Therapies	686	8.2%	9.1%									
Neuromodulation	419	-3.7%	0.5%									
Diabetes	556	-5.0%	3.1%	228	-12.6%	-12.6%	254	-0.8%	16.0%	74	7.2%	13.0%
Total Medtronic	7,585	-3.3%	2.2%	4,069	1.8%	1.2%	2,157	-13.0%	2.8%	1,359	-0.9%	3.9%

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

Q2 FY23 GAAP to non-GAAP financial information

	Q2 FY23 GAAP	Amortization	Restructuring	Acquisition-Related	(Gain) / Loss on Minority Investment	Medical Device Regulations	RCS Impairment / Costs	Exit of Business	Certain Tax Adjustments	Q2 FY23 Non-GAAP	Q2 FY22 Non-GAAP	Y/Y Growth / Change
Net Sales	7,585									7,585	7,847	(3)%
Cost of Products Sold	2,535		(21)	(13)		(22)		(26)		2,454	2,447	
Gross Margin	66.6%		0.3%	0.2%		0.3%		0.3%		67.6%	68.8%	-120 bps
SG&A	2,617		(43)			(1)	(9)			2,563	2,578	(1)%
% of Sales	34.5%		(0.6)%				(0.1)%			33.8%	32.9%	90 bps
R&D	676		(2)			(15)				659	667	(1)%
% of Sales	8.9%					(0.2)%				8.7%	8.5%	
Other Operating Expense (Income), Net	(97)			11			(15)	(11)		(112)	39	387%
% of Sales	(1.3)%			0.1%			(0.2)%	(0.1)%		(1.5)%	0.5%	200 bps
Amortization of Intangible Assets	421	(421)								-	-	
Restructuring Charges, Net	30		(30)							-	-	
Operating Profit	1,404	421	95	2		37	24	37		2,020	2,116	(5)%
Operating Margin	18.5%	5.6%	1.3%			0.5%	0.3%	0.5%		26.6%	27.0%	
Other Non-Operating Income, Net	(109)				11					(98)	(72)	36%
Net Income Attributable to MDT (\$M)	427	356	76	(6)	(11)	30	24	37	793	1,725	1,792	(4)%
Diluted EPS (\$)⁽¹⁾	0.32	0.27	0.06	0.00	(0.01)	0.02	0.02	0.03	0.60	1.30	1.32	(2)%

¹ Data has been intentionally rounded to the nearest million or \$0.01 for EPS figures and, therefore, may not sum

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

[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

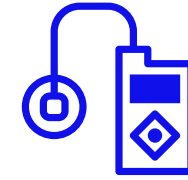
- Spine & Biologics
- Neurosurgery

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

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