

**Medtronic**

Engineering the extraordinary

# Medtronic plc

## Q3 FY24

Earnings presentation

February 20, 2024



**Medtronic**

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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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# Q3 FY24 Executive Summary

# Q3 FY24 Key messages

**Delivering on commitments with strong growth in several businesses, and across many international markets; Diabetes increases double digits as U.S. business returns to growth; Raises full-year guidance**



## **Building momentum and solid overall execution; delivering durable MSD revenue growth**

- Notable strength in Core Spine, Cardiac Surgery, Cardiac Pacing, Structural Heart, and Diabetes, with U.S. Diabetes returning to growth
- Strong growth in international markets, as we expand access to our innovative healthcare technologies globally



## **Rapid cadence of new product approvals continued; differentially investing in our pipeline of highest growth opportunities**

- Several recent product approvals that are just starting, or yet to contribute, to growth, including Aurora EV-ICD™, PulseSelect™ pulsed field ablation system, Nitron CryoConsole™ system, Percept™ RC featuring BrainSense™ technology, MiniMed™ 780G System with Simplera Sync™ CGM, and Symplicity Spyral™ RDN system
- Advancing innovative core technologies in robotics, AI, and closed loop systems; 5 AI products already FDA approved



## **Seeing early results from focus on restoring earnings power with margins ahead of expectations and improved cash flow**

- Comprehensive transformation continues; executing programs to leverage our scale and drive efficiencies
- Adj. gross margin improved, overcoming 60 bps FX impact and continued elevated inflation; seeing early benefits of COGS efficiency efforts
  - Adj. EPS grew 8.5% constant currency; \$2.1B in free cash flow



## **On Q3 beat, raising FY24 revenue and EPS guidance**

Given top and bottom line Q3 beat, raising FY24 organic revenue growth guidance to new range of 4.75% to 5%; FY24 EPS guidance moves up 4 cents at midpoint to \$5.19-\$5.21



We're building momentum, with another quarter of solid execution on our commitments. We continue to deliver durable revenue growth, with particular strength in multiple businesses, as well as in international markets as we expand access to our innovative healthcare technologies around the globe.

Our recent major product approvals - including transformative products in the diabetes, cardiac rhythm management, neuromodulation, hypertension, and pulsed field ablation spaces - increase our confidence in driving reliable growth over the coming quarters and years."

**GEOFF MARTHA,  
CHAIRMAN & CEO**

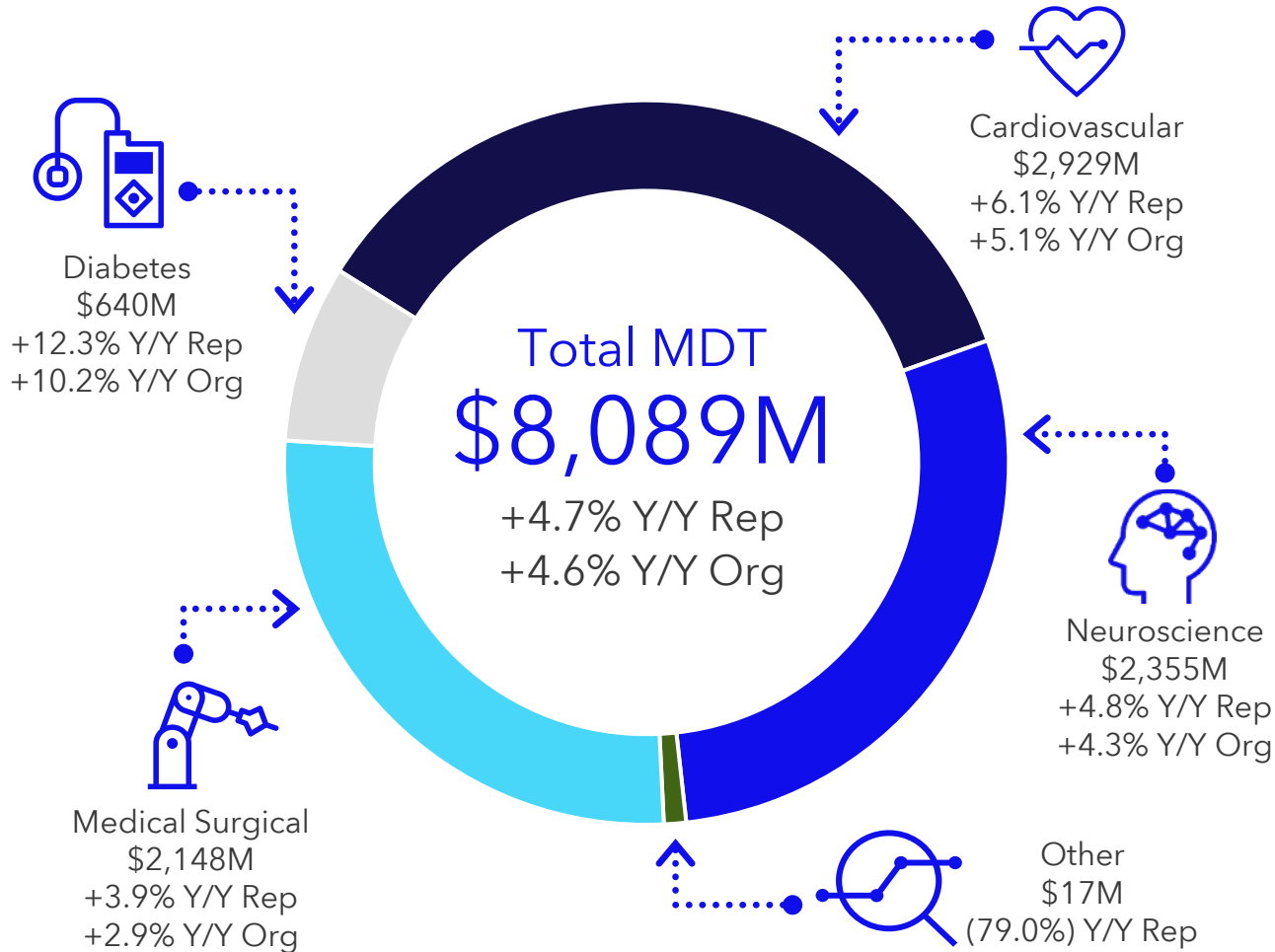


**Medtronic**

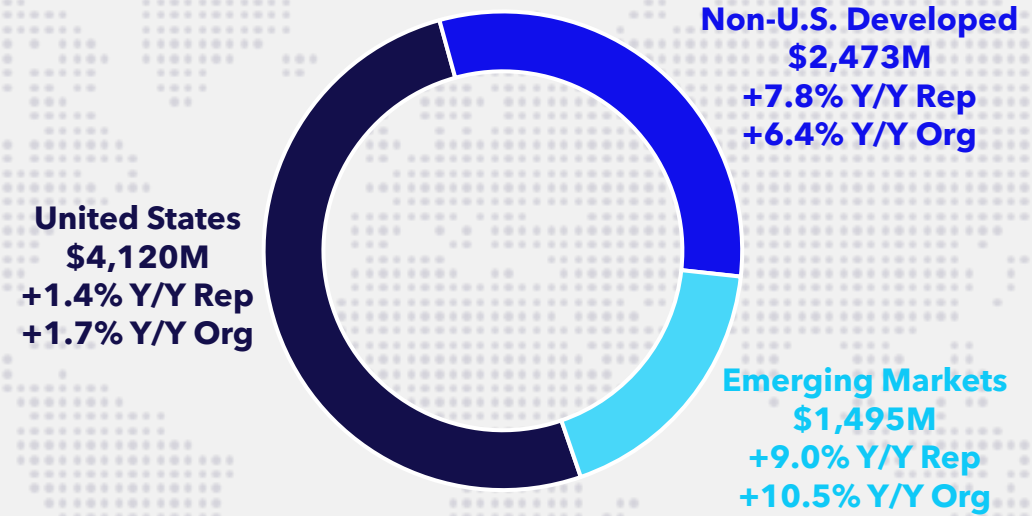


# Q3 FY24 Financial summary

## Revenue<sup>1</sup> by segment



## Revenue<sup>1</sup> by geography



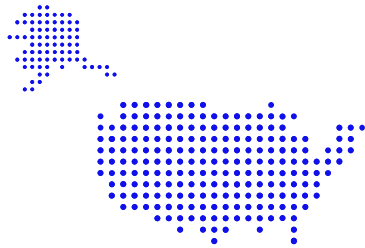
	GAAP	Non-GAAP	Cash flow from operations YTD
Diluted EPS	<b>\$0.99</b>	<b>\$1.30</b>	<b>\$4.0B</b>
Y/Y %	<b>+7.6%</b>	<b>flat</b>	Free cash flow <sup>2</sup> YTD
CC Y/Y %	<b>N/A</b>	<b>+8.5%</b>	<b>\$2.8B</b>

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

# Q3 FY24 Regional organic revenue growth

MSD WW growth benefited from MSD growth in Non-U.S. Developed markets; growth in China helped offset Russia headwinds

## United States Non-U.S. Developed ▲ MSD



▲ Low-single digits

Western Europe



▲ High-single digits

Japan



▲ High-single digits

Australia & New Zealand



▲ Mid-single digits

Canada



▲ Mid-single digits

South Korea



▼ Mid-single digits

## Emerging Markets ▲ LDD

China



▲ Low-double digits

Middle East & Africa



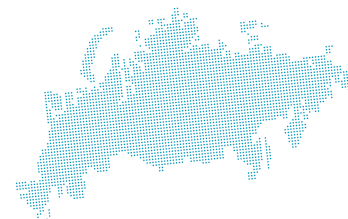
▲ High-teens

Latin America



▲ Mid-single digits

Eastern Europe



▲ Low-single digits

Southeast Asia



▲ Low-double digits

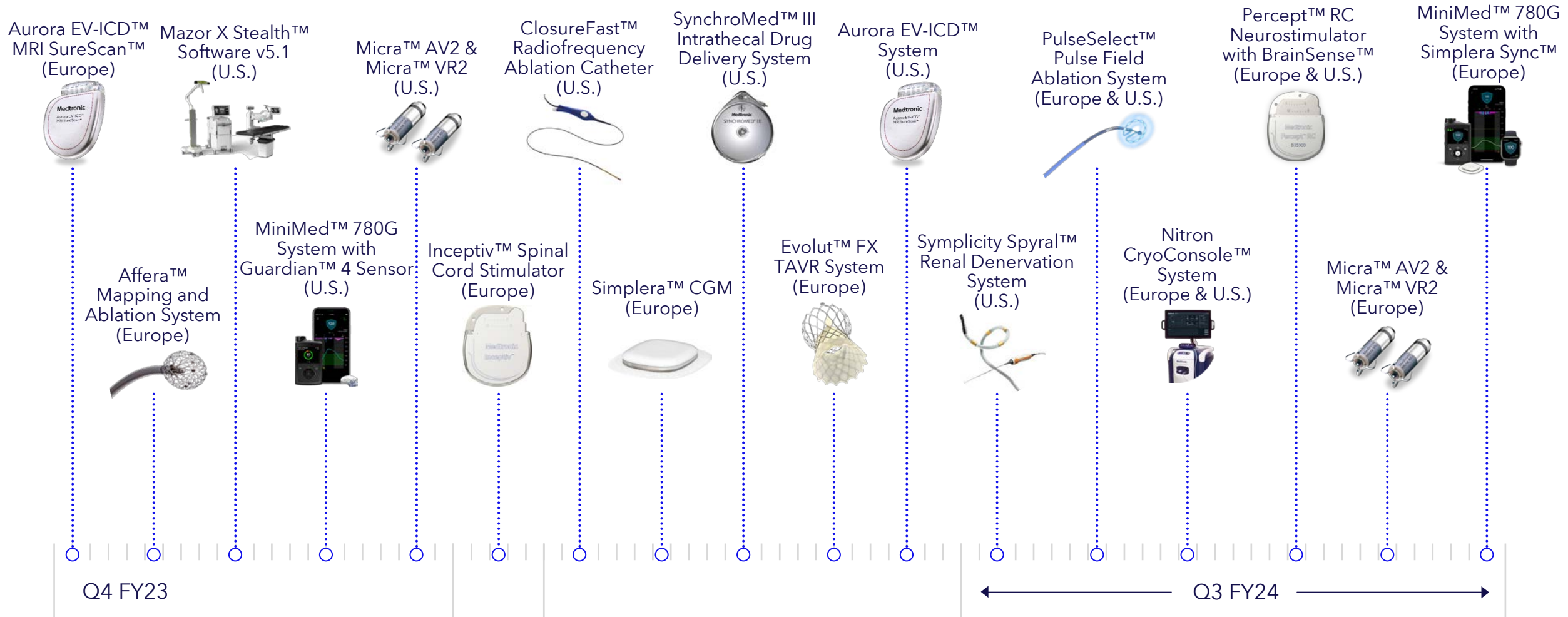
South Asia



▲ Mid-teens

# Key product approvals

Recent rapid cadence of meaningful innovative approvals; ~130 product approvals in last 12 months in key geographies<sup>1</sup>



Note: Relative positioning is not intended to signify relative timing

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





# Q3 FY24 Portfolio Highlights

# Cardiovascular

5% growth driven by strong performance in Pacing, Structural Heart, Aortic, Cardiac Surgery and Coronary

## Cardiac Rhythm & Heart Failure (CRHF)

- Cardiac Pacing Therapies: HSD growth; Mid-teens WW Micra™ growth driven by U.S. launch of Micra™ AV2 and VR2; mid-20s WW SelectSure™ 3830 lead growth, the only lead approved for conduction system pacing in the U.S.
- Defibrillation Solutions: LSD growth; Aurora EV-ICD™ LMR underway in U.S. & EU
- Diagnostics: LSD growth; LINQ II™ continues global expansion
- CAS: LDD OUS growth driven by Arctic Front™ cryoablation; LDD U.S. declines due primarily to competitive headwinds; PulseSelect™ PFA catheter received FDA approval with first commercial cases performed in Q4; ramping manufacturing of Affera™ mapping and focal ablation system

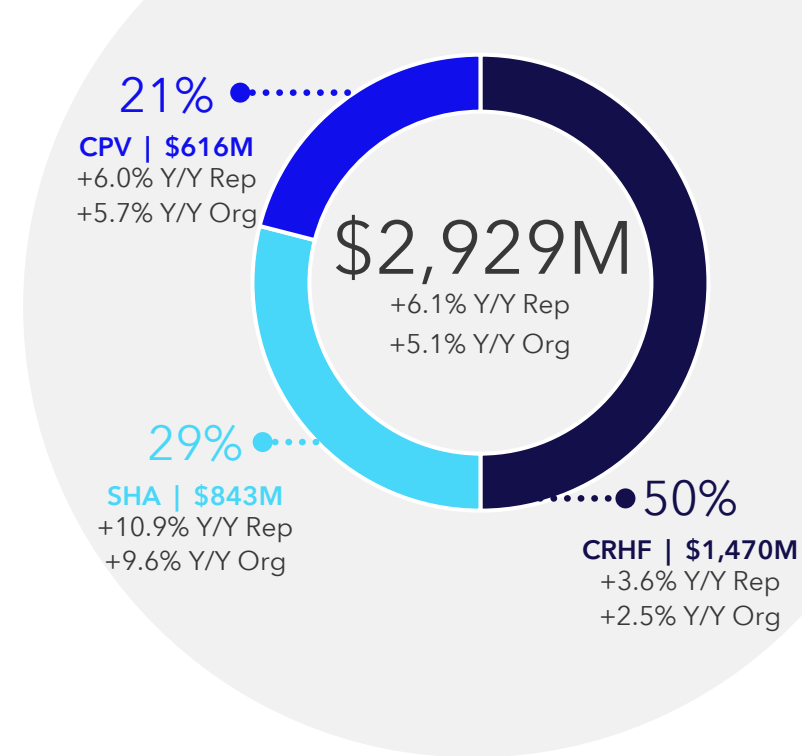


## Structural Heart & Aortic (SHA)

- Structural Heart: HSD WW growth; MSD U.S. growth due to difficult U.S. comp from Evolut™ FX launch last year, but grew sequentially; LDD OUS growth driven by Evolut™ FX adoption in EU & Japan; SMART Trial results to be presented at ACC.24 on April 7<sup>th</sup>; Evolut™ FX+ submitted to FDA for U.S. approval
- Aortic: LDD growth on improved supply and Endurant AAA growth
- Cardiac Surgery: LDD growth driven by broad portfolio strength; Pendenture™ LAA Clip U.S. launch underway

## Coronary and Peripheral Vascular (CPV)

- Coronary: Y/Y DES share gains driven by Onyx Frontier™ launch; high-teens growth in Guide Catheters and mid-teens growth in Balloons
- Peripheral Vascular Health: HSD growth in DCBs driven by strength of IN.PACT™ 018 DCB; LDD growth in Vascular Embolization offset by HSD declines in Atherectomy



### Operating Unit Growth

Cardiac Rhythm Management	▲	LSD
Cardiac Ablation Solutions	▼	0.7%
Structural Heart & Aortic	▲	HSD
Cardiac Surgery	▲	LDD
Coronary	▲	HSD
Peripheral Vascular Health	▲	MSD

# Neuroscience

4% growth benefitting from strength in Spine & Biologics

## Cranial & Spinal Technologies (CST)

- Core Spine: HSD WW and U.S. growth driven by AiBLE™ ecosystem pull-through
- Biologics: Mid-teens growth driven by strong Infuse™ Bone Graft performance
- Neurosurgery: MSD growth, with HSD growth in StealthStation™ navigation and strong DD growth of Mazor™ robotic system, the first and only solution with bone cutting technology
- Continued momentum of the AiBLE™ ecosystem with its AI enabled surgical planning, implants, navigation, robotics, interoperative imaging, and surgical tools; strong double-digit instillation growth an indicator of broad base adoption



**AiBLE™**  
Surgical Ecosystem

## Specialty Therapies (ST)

- Neurovascular: HSD growth ex-China, with continued DD growth in Flow Diversion on strong adoption of Shield Technology™
- Ear, Nose & Throat: MSD growth driven by strong Power capital and disposable sales and localized drug delivery sinus implants
- Pelvic Health: MSD growth ex-Enterra divestiture, with strong DD WE growth of InterStim™ X



**PROPEL™**  
Sinus Implant

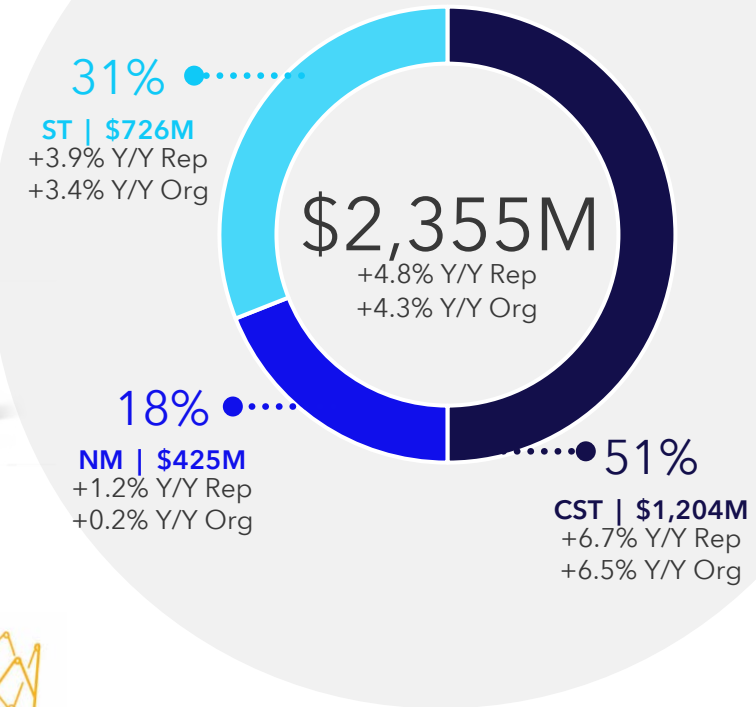
## Neuromodulation (NM)

- Spinal Cord Stimulation: Flat WW; LSD U.S. growth driven by our differentiated DTM™ on Intellis™ platform; HSD trailing and MSD new implant growth in U.S.
- Brain Modulation: LSD WW growth; Mid-teens WE growth driven by the launch of our Percept™ RC neurostimulator with BrainSense™ technology

**DTM™ SCS**  
on the Intellis™  
Platform



**Percept™ RC DBS**  
with BrainSense™  
technology



### Operating Unit Growth

Cranial & Spinal Technologies	▲	MSD
Neurovascular	▲	MSD
ENT	▲	MSD
Pelvic Health	▬	Flat
Neuromodulation	▬	Flat



# Medical Surgical

MSD growth ex-Vents driven by General Surgical Technologies & Patient Monitoring

## Surgical & Endoscopy (SE)

- General Surgical: WW MSD growth driven by Hernia performance on physician-preferred ProGrip™ synthetic mesh; Wound Management high-teens growth driven by V-loc™ barbed suture
- Advanced Surgical: WW LSD growth driven continued supply recovery of Signia™ stapling and growth in LigaSure™, partially offset by continued near-term impact in bariatric procedures
- Robotics: EXPAND URO U.S. pivotal trial enrollment continues; growth in OUS install base
- Endoscopy: Strong market adoption of Endoflip™ 300 system and performance in the Ablation portfolio, namely Emprint™ HP and Emprint™ SX ablation systems; Nexpowder™ endoscopic hemostatic spray acceleration continues

## Patient Monitoring & Respiratory Interventions (PMRI)

- Patient Monitoring: MSD growth driven by high-20s growth in Nellcor™ pulse oximetry monitors, including RespArray™ patient monitor; Perioperative Complications grew MSD
- Respiratory Interventions: MSD declines driven by mid-20s declines in ventilators while partly offset by LSD Airways growth on continued McGRATH™ MAC Video Laryngoscope adoption

**ProGrip™**  
Self-Fixating  
Mesh



**V-Loc™**  
Barbed Sutures



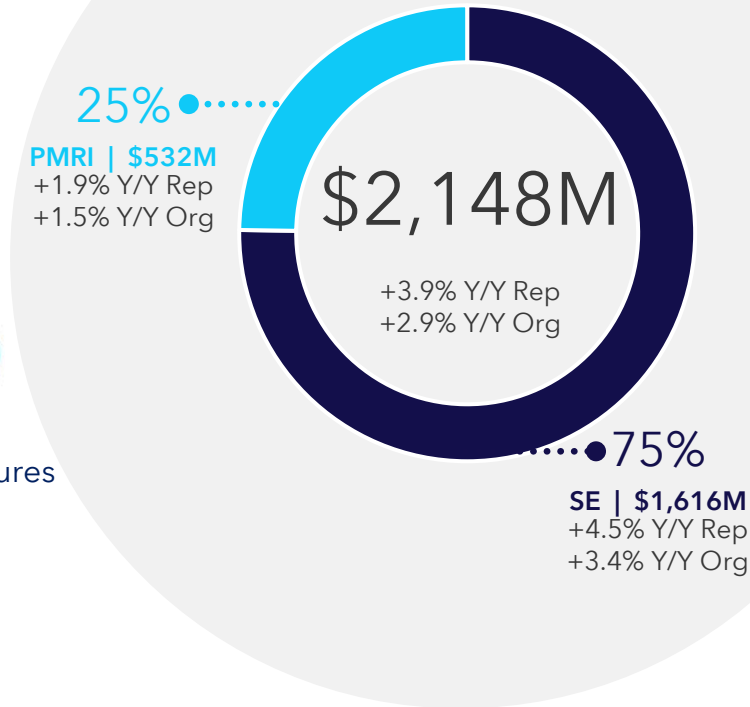
**Hugo™**  
RAS System



**McGRATH™**  
MAC Video  
Laryngoscope



**RespArray™**  
Patient Monitor



### Operating Unit Growth

Surgical	▲	LSD
Endoscopy	▲	MSD
Patient Monitoring	▲	MSD
Respiratory Interventions	▼	MSD

# Diabetes

## DD growth including MSD U.S. growth on adoption of MiniMed™ 780G system

### United States

High-40s pump growth led by strong new user adoption and CGM sales growth

- Nearly doubled new user growth Y/Y; with strong growth in both MDI users and competitive switchers
- Double-digit sensor growth Q/Q; continued growth in CGM attachment rates
- In most recent U.S. dQ&A survey<sup>1</sup>, MiniMed™ 780G scores #1 in pump satisfaction; Guardian 4 Sensor satisfaction scores mirroring competitive sensors among type1 CGM users

### International

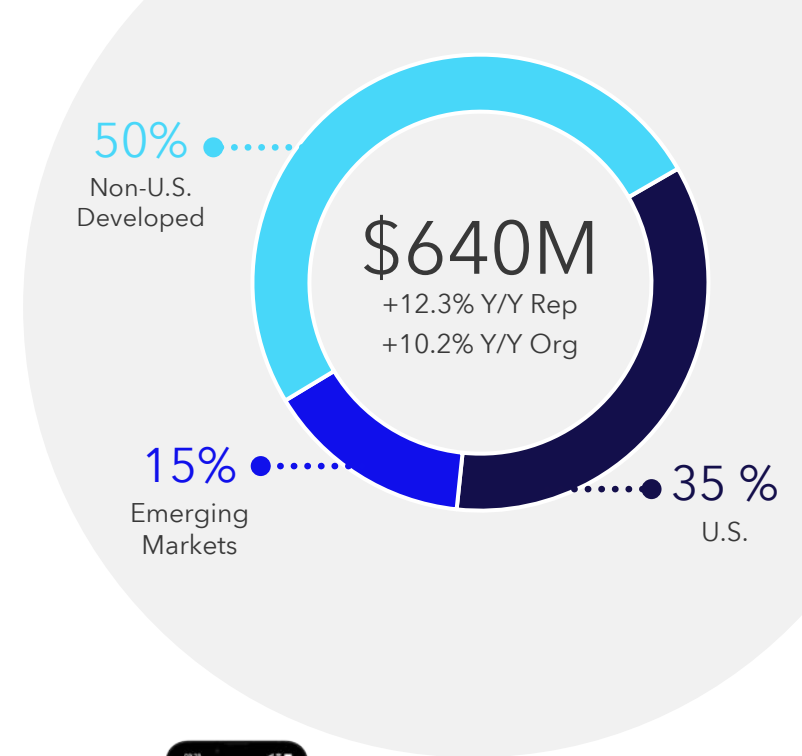
Consistent mid-teens growth driven by MiniMed™ 780G system expansion and CGM growth

- MiniMed™ 780G system remains most widely used pump in EMEA; another quarter of double-digit growth
- Launched Simplera™ Smart MDI in 11 initial EU countries; HCPs showing high interest as gateway into insulin delivery tech

### Pipeline

Advancing next-gen pipeline to offer the largest portfolio of diabetes solutions

- Secured CE Mark for Simplera Sync™ with MiniMed™ 780G system, enabling access in 30+ EMEA countries; limited release beginning spring 2024 with full launch anticipated in summer 2024
- Final user follow-up completed in MiniMed™ 780G with Simplera Sync™ U.S. pivotal trial (ages 7+); FDA submission planned for 1HCY24
- MiniMed™ 780G system secured CE-mark for both Fiasp<sup>2</sup>® and Lyumjev<sup>2</sup>™, expanding indications by ~30% of the fast-acting insulin market in Europe



**MiniMed™ 780G system with Simplera Sync™**  
Global Real-world Data Achieves ~80% TIR<sup>3</sup>

1) dQ&A Q4 2023 U.S. Pump Patient Survey (n=1,997)  
2) Fiasp® and Lyumjev™ are trademarks of Novo Nordisk and Eli Lilly, respectively  
3) 79% Time In Range using recommended settings as shown in real-world evidence for MM780G system (n=5,762)



# Q3 FY24 Financial Highlights

# Q3 FY24 Income statement

## GAAP<sup>1</sup>

(\$ in millions)	Q3 FY23	Q3 FY24	Y/Y
Revenue	\$7,727	\$8,089	4.7%
Gross Margin	65.2%	65.6%	+40 bps
SG&A % of Sales	33.8%	33.0%	-80 bps
R&D % of Sales	8.9%	8.6%	-30 bps
Operating Margin	18.0%	18.3%	+30 bps
Net Income	\$1,222	\$1,322	8.2%
Diluted EPS	\$0.92	\$0.99	7.6%

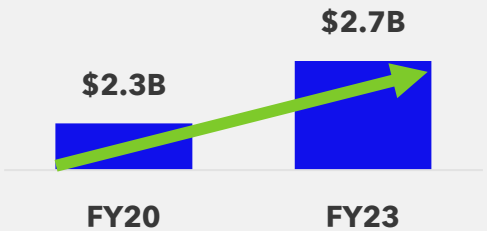


Full GAAP to non-GAAP reconciliation in Appendix

## Non-GAAP<sup>1</sup>

(\$ in millions)	Q3 FY23	Q3 FY24	Y/Y
Revenue	\$7,727	\$8,089	4.7%
Gross Margin	66.0%	66.1%	+10 bps
SG&A % of Sales	33.1%	32.5%	-60 bps
R&D % of Sales	8.7%	8.5%	-20 bps
Operating Margin	25.9%	25.2%	-70 bps
Net Income	\$1,727	\$1,728	0.1%
Diluted EPS	\$1.30	\$1.30	flat

# Exercising decisive capital allocation

Prioritizing innovation-driven growth investments while delivering consistent dividends to shareholders

Investments for Growth	<b>Research &amp; Development</b> Target R&D growth at/above revenue growth	<b>5% CAGR</b> 	<b>Minority investments, strategic partnerships, &amp; incubators</b> Add to traditional investment 
	<b>Smart M&amp;A &amp; Divestitures</b> Focus on tuck-in M&A and reinvest proceeds from divestitures to add exposure to high-growth markets and streamline portfolio	<b>9</b> acquisitions announced for <b>\$3.5B</b> in total consideration since FY21 	
Return to Shareholders	<b>Dividend &amp; Share Repurchase</b> Target minimum of 50% of Free Cash Flow returned to shareholders annually; prioritizing dividends	FY23 <b>\$4.0B</b> Net share repurchases & dividends <b>86%</b> of Free Cash Flow	<b>46 Years</b> of dividend increases Member of <b>S&amp;P 500 Dividend Aristocrats</b> <b>\$4.4B</b> shares repurchased since FY21

# Guidance & Assumptions

# Guidance and assumptions

FY24 REVENUE	FY23 base <sup>1</sup>	Organic revenue growth guidance	FX <sup>2</sup>	Inorganic	Other <sup>3</sup>	Implied reported revenue range <sup>1</sup>	
Q4 Earnings Call May 25, 2023		<b>4.0% to 4.5%</b>	+\$110M to +\$210M	\$0	~\$50M	~\$32.0B to \$32.3B	
Q1 Earnings Call August 22, 2023		<b>4.5%</b>	(\$25M) to +\$75M	\$0	~\$50M	~\$32.1B to \$32.2B	
Q2 Earnings Call November 21, 2023	FY23 Reported Less IP Agreement Less Other <sup>3</sup>	\$31,227M (\$265M) (\$358M)	<b>4.75%</b>	(\$200M) to (\$100M)	\$0	~\$65M	~\$32.0B to \$32.1B
Q3 Earnings Call February 20, 2024	<b>FY23 base</b>	<b>\$30,604M</b>	<b>4.75% to 5.0%</b>	(\$15M) to \$35M	\$0	~\$80M	~\$32.1B to \$32.2B

FY24 EPS	FY23 base	Implied constant currency growth	FX <sup>2</sup>	FY24 EPS guidance
Q4 Earnings Call May 25, 2023		+1% to +3%	~(6%)	\$5.00 to \$5.10
Q1 Earnings Call August 22, 2023		+2% to +3%	~(6%)	\$5.08 to \$5.16
Q2 Earnings Call November 21, 2023	\$5.29	+3% to +4%	~(6%)	\$5.13 to \$5.19
Q3 Earnings Call February 20, 2024		+5% to +5%	~(7%)	<b>\$5.19 to \$5.21</b>

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

1) FY23 base of \$30,604 included vents for Q1-Q3; In Q4, vents moved to Other and are excluded from organic growth calculations

2) While FX rates are fluid, assumptions above are based on rates as of February 2024

3) Other includes Cardinal Health Manufacturing Agreements, Mozarc Medical Manufacturing & Servicing Agreements and Ventilators & Associated Service



# New Business Structure

# Patient Monitoring & Respiratory Interventions Update

## Exiting vents and retaining remaining PMRI businesses to maximize shareholder value

### Exiting unprofitable ventilator product line

- Decision reflects increasing unprofitability and market preference shift to lower acuity ventilators
- Committed to serving ventilator customer needs and honoring long-term service commitments

### Retaining and refocusing remaining PMRI businesses into one business unit called Acute Care & Monitoring (ACM)

- Increasing investment in ACM with a focus on profitable growth using savings from exiting ventilators and combining two businesses (PM and RI)
- Given increased investment and shifting Patient Monitoring competitive landscape, strong conviction in driving durable category leadership in ACM

### Aligned with enterprise focus on prioritizing durable category leadership and profitable growth

- No expected dilution to adjusted EPS and ongoing cash flow
- Improves organic revenue growth and margin profile of ACM compared to prior PM and RI businesses
- Expect an estimated \$350-425M non-GAAP charge in Q4

## Acute Care & Monitoring Key Products

### Pulse Oximetry + Connected Care

**Nellcor™ Pulse Oximetry**

**Healthcast™ Connectivity Solutions**

Pioneering blood oxygen management and remote monitoring

### Perioperative

**BIST™ Brain Monitoring System, INVOS™**

**Perfusion Monitoring, McGRATH™ Video**

**Laryngoscope**

Market-leading solutions to help reduce perioperative complications

### Respiratory

**Microstream™ Capnography, Shiley™**

**Airway Protection, DAR™ Breathing Systems**

Best-in-class airway management and respiratory monitoring

# Recasted Medical Surgical and Other revenue

Ventilator revenue will be recorded in Other and excluded from organic growth calculations starting in Q4 FY24

	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY 2023	Q1 FY24	Q2 FY24	Q3 FY24	
<b>Worldwide</b>	Medical Surgical	\$1,893	\$1,952	\$2,018	\$2,123	\$7,986	\$2,004	\$2,102	\$2,111
	Acute Care & Monitoring	\$438	\$439	\$472	\$485	\$1,834	\$458	\$461	\$495
	Other	\$121	\$132	\$131	\$115	\$498	\$51	\$61	\$54
<b>United States</b>	Medical Surgical	\$814	\$874	\$941	\$919	\$3,549	\$867	\$948	\$947
	Acute Care & Monitoring	\$233	\$241	\$267	\$266	\$1,008	\$248	\$260	\$284
	Other	\$42	\$44	\$35	\$39	\$160	\$22	\$23	\$20
<b>Non-U.S. Developed</b>	Medical Surgical	\$726	\$675	\$715	\$799	\$2,915	\$763	\$730	\$749
	Acute Care & Monitoring	\$146	\$136	\$148	\$159	\$589	\$153	\$144	\$153
	Other	\$41	\$44	\$45	\$36	\$165	\$13	\$17	\$11
<b>Emerging Markets</b>	Medical Surgical	\$353	\$402	\$362	\$405	\$1,522	\$373	\$424	\$414
	Acute Care & Monitoring	\$59	\$61	\$57	\$60	\$237	\$57	\$57	\$57
	Other	\$39	\$44	\$50	\$39	\$172	\$16	\$21	\$23

## External Reporting Structure



Segment  
 Division  
 Operating Unit

Revenue will be reported for the segments and at the division levels. Qualitative performance color will be provided at the operating unit level.

### Starting Q4'FY24



Medical Surgical Portfolio

#### Surgical & Endoscopy

Surgical  
 Endoscopy

#### Acute Care & Monitoring



Other

Cardinal Health Manufacturing Agreements  
 Mozarc Medical Manufacturing & Servicing Agreements  
 Ventilators & Associated Service



# Sustainability

# Leading in engagement, citizenship & innovation



DiversityInc

#2 in Diversity Top 50, #2 for Mentorship, #7 for Supplier Diversity, #5 for ESG, #1 for Top company for executive women, #1 for Latino executives, #4 for Asian American executives



2022 Great Place To Work® And Fortune Magazine  
 #12 Worlds Best Workplaces™



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



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



U.S. Chamber of Commerce Foundation  
 Best Corporate Citizens Awards  
 Named Best Corporate Steward - Large Business



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



Ethisphere  
 One of the 2023 Worlds Most Ethical Companies®



2023 Disability:IN and the American Association of People with Disabilities Disability Equality Index® Best Places to Work™ – 100% Score 6<sup>th</sup> consecutive year with top score



2023 Hispanic Association on Corporate Responsibility  
 5-star awards across all 4 pillars – Employment, Philanthropy, Procurement, & Governance – 2<sup>nd</sup> consecutive year

Member of  
**Dow Jones Sustainability Indices**  
 Powered by the S&P Global CSA

Dow Jones Sustainability Index  
 DJSI World Index for 2 consecutive years  
 DJSI North American Index for 15 consecutive years

Named one of America's 2022  
**Best Employers for Veterans**  
 by Forbes

Forbes  
 America's Best Employers for Veterans 2022



Glassdoor  
 Best Places to Work 2022



Just Capital  
 One of America's Most JUST Companies in 2024



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



IR Magazine  
 2023 Best IR Website; Runner-up for Best IR in Healthcare



# Near and long-term sustainability objectives

## Robust governance structures and processes underpin our sustainability strategy



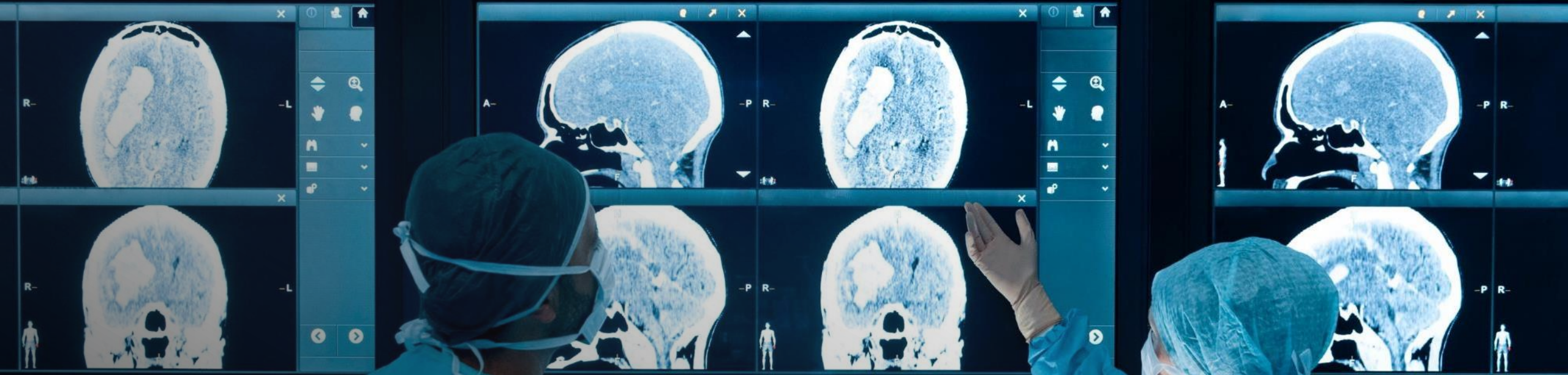
Carbon neutral in Operations (scope 1 and 2)



Net-zero emissions

Sustainability targets and progress		Baseline	End date	FY23 status
Climate stewardship	Reduce greenhouse gas emissions intensity by 50%	FY20	FY25	<b>35%</b>
	Reduce energy intensity by 20%	FY20	FY25	<b>6%</b>
	Source 50% of energy from renewable and alternative sources	FY20	FY25	<b>31%<sup>1</sup></b>
	Reduce water usage intensity by 15%	FY20	FY25	<b>9%</b>
	Reduce waste intensity by 15%	FY20	FY25	<b>17%</b>
	Become carbon neutral in our operations (scope 1 and 2)	N/A	FY30	<b>On track</b>
	Reach net-zero emissions	N/A	FY45	<b>On track</b>
Product stewardship	Reduce packaging waste by 25% for four <sup>2</sup> targeted high-volume product families <sup>3</sup>	FY21	FY25	<b>7%</b>
	Minimize impact of instructions for use (IFU) through a 35% paper reduction	FY21	FY27	<b>1%</b>
	Publish partial life cycle assessments (LCA) for 100% of products and full LCAs for 50% of products	N/A	FY30	<b>New in FY23</b>
	Convert 50% of eligible product codes to electronic IFUs within applicable regions	N/A	FY30	<b>New in FY23</b>
	Integrate circularity and eco-design criteria into the New Product Development process	N/A	FY30	<b>New in FY23</b>
	Achieve one of the following for 95% of eligible plastic packaging: is industrially recyclable, contains postindustrial recycled content, demonstrates optimized design	N/A	FY30	<b>New in FY23</b>
	Reduce packaging for 20 additional high-volume products for a total of 50% reduction	N/A	FY30	<b>New in FY23</b>
Access and Innovation	Flow 20% of revenue from products released in the prior 36 months (vitality index)	N/A	FY25	<b>16%</b>
	Serve 79 million patients annually through strategies that increase healthcare access <sup>4</sup>	N/A	FY25	<b>74 million +</b>
Product quality	Reduce aggregate product complaint rate by 10% for identified product families <sup>5</sup>	FY20	FY25	<b>39%</b>
ID&E	Reach 45% representation of women in manager-and-above roles globally through focus on effective practices	N/A	FY26	<b>43%</b>
	Reach 30% representation of ethnically diverse groups in manager-and-above roles in the U.S. through focus on effective practices	N/A	FY26	<b>28%</b>
	Increase spend with U.S. diverse-owned suppliers by 5% Y/Y through FY26 through focus on effective practices	FY22	FY23	<b>37%</b>

1) Annual progress is cumulative and represented as the growth in sourcing over the FY20 baseline year. Value includes purchases renewable electricity credits.  
 2) Four product families include: Tri-staple, Polysorb, Absorbatack, Spinal Implants  
 3) High-volume product families identified based on weight, material selection, and sourcing  
 4) Target was adjusted in FY23 after announcement of plans to divest the PMRI businesses  
 5) For more information see page 17 of the FY23 Sustainability Report found on the Medtronic [Investor Relations website](#)



# Appendix

# Q3 FY24 Revenue by portfolio and geography

	Worldwide			U.S.			Non-U.S. Developed			Emerging Markets		
	Revenue (\$M) <sup>1</sup>	As reported Y/Y%	Organic Y/Y%	Revenue (\$M) <sup>1</sup>	As reported Y/Y%	Organic Y/Y%	Revenue (\$M) <sup>1</sup>	As reported Y/Y%	Organic Y/Y%	Revenue (\$M) <sup>1</sup>	As reported Y/Y%	Organic Y/Y%
<b>Cardiovascular</b>	<b>2,929</b>	<b>6.1%</b>	<b>5.1%</b>	<b>1,373</b>	<b>0.7%</b>	<b>0.7%</b>	<b>950</b>	<b>10.6%</b>	<b>7.1%</b>	<b>607</b>	<b>12.8%</b>	<b>13.2%</b>
Cardiac Rhythm & Heart Failure	1,470	3.6%	2.5%									
Structural Heart & Aortic	843	10.9%	9.6%									
Coronary & Peripheral Vascular	616	6.0%	5.7%									
<b>Neuroscience</b>	<b>2,355</b>	<b>4.8%</b>	<b>4.3%</b>	<b>1,556</b>	<b>3.3%</b>	<b>3.3%</b>	<b>442</b>	<b>10.2%</b>	<b>7.7%</b>	<b>357</b>	<b>4.7%</b>	<b>4.7%</b>
Cranial & Spinal Technologies	1,204	6.7%	6.5%									
Specialty Therapies	726	3.9%	3.4%									
Neuromodulation	425	1.2%	0.2%									
<b>Medical Surgical</b>	<b>2,148</b>	<b>3.9%</b>	<b>2.9%</b>	<b>960</b>	<b>0.1%</b>	<b>0.1%</b>	<b>758</b>	<b>4.6%</b>	<b>2.5%</b>	<b>429</b>	<b>11.7%</b>	<b>10.4%</b>
Surgical & Endoscopy	1,616	4.5%	3.4%									
Patient Monitoring & Respiratory Interventions	532	1.9%	1.5%									
<b>Diabetes</b>	<b>640</b>	<b>12.3%</b>	<b>10.2%</b>	<b>224</b>	<b>4.2%</b>	<b>4.2%</b>	<b>322</b>	<b>17.5%</b>	<b>12.8%</b>	<b>94</b>	<b>17.5%</b>	<b>18.8%</b>
<b>Other</b>	<b>17</b>	<b>-79.0%</b>	<b>-</b>	<b>7</b>	<b>-58.8%</b>	<b>-</b>	<b>2</b>	<b>-94.4%</b>	<b>-</b>	<b>8</b>	<b>-71.4%</b>	<b>-</b>
<b>Total Medtronic</b>	<b>8,089</b>	<b>4.7%</b>	<b>4.6%</b>	<b>4,120</b>	<b>1.4%</b>	<b>1.7%</b>	<b>2,473</b>	<b>7.8%</b>	<b>6.4%</b>	<b>1,495</b>	<b>9.0%</b>	<b>10.5%</b>

# Q3 FY24 GAAP to non-GAAP reconciliations

	Q3 FY24 GAAP	Amortization	Restructuring	Acquisition and Divestiture- Related Items	(Gain) / Loss on Minority Investment	Medical Device Regulations	Certain Tax Adjustments	Q3 FY24 Non-GAAP	Q3 FY23 Non-GAAP	Y/Y Growth / Change
<b>Net Sales</b>	<b>8,089</b>	-	-	-	-	-	-	<b>8,089</b>	<b>7,727</b>	<b>4.7%</b>
Cost of Products Sold	2,782	-	(12)	(12)	-	(18)	-	2,740	2,630	4.2%
<b>Gross Margin</b>	<b>65.6%</b>	-	<b>0.1%</b>	<b>0.1%</b>	-	<b>0.2%</b>	-	<b>66.1%</b>	<b>66.0%</b>	<b>+10 bps</b>
SG&A	2,673	-	(23)	(24)	-	-	-	2,625	2,558	2.6%
% of Sales	33.0%	-	(0.3%)	(0.3%)	-	-	-	32.5%	33.1%	-60 bps
R&D	695	-	-	-	-	(8)	-	687	673	2.1%
% of Sales	8.6%	-	-	-	-	(0.1%)	-	8.5%	8.7%	-20 bps
Other Operating Expense (Income), Net	17	-	-	(23)	-	-	-	(6)	(133)	(95.5%)
% of Sales	0.2%	-	-	(0.3%)	-	-	-	(0.1%)	(1.7%)	-160 bps
Amortization of Intangible Assets	419	(419)	-	-	-	-	-	-	-	-
Restructuring Charges, Net	20	-	(20)	-	-	-	-	-	-	-
<b>Operating Profit</b>	<b>1,483</b>	<b>419</b>	<b>55</b>	<b>58</b>	-	<b>26</b>	-	<b>2,042</b>	<b>1,998</b>	<b>2.2%</b>
<b>Operating Margin</b>	<b>18.3%</b>	<b>5.2%</b>	<b>0.7%</b>	<b>0.7%</b>	-	<b>0.3%</b>	-	<b>25.2%</b>	<b>25.9%</b>	<b>-70 bps</b>
Other Non-Operating Income, Net	(177)	-	-	-	(24)	-	-	(201)	(142)	41.5%
<b>Net Income Attributable to MDT (\$M)</b>	<b>1,322</b>	<b>354</b>	<b>46</b>	<b>52</b>	<b>24</b>	<b>21</b>	<b>(92)</b>	<b>1,728</b>	<b>1,727</b>	-
<b>Diluted EPS (\$)<sup>(1)</sup></b>	<b>0.99</b>	<b>0.27</b>	<b>0.03</b>	<b>0.04</b>	<b>0.02</b>	<b>0.02</b>	<b>(0.07)</b>	<b>1.30</b>	<b>1.30</b>	-

# Medtronic business structure

Beginning in Q4'FY24



## Cardiovascular

[Learn more](#)

### Cardiac Rhythm & Heart Failure

- Cardiac Rhythm Management
- Cardiac Ablation Solutions

### Structural Heart & Aortic

- Structural Heart & Aortic
- Cardiac Surgery

### Coronary & Peripheral Vascular

- Coronary & Renal Denervation
- Peripheral Vascular Health



## Neuroscience

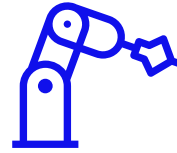
[Learn more](#)

### Cranial & Spinal Technologies

#### Specialty Therapies

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

#### Neuromodulation



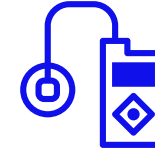
## Medical Surgical

[Learn more](#)

### Surgical & Endoscopy

- Surgical
- Endoscopy

### Acute Care & Monitoring



## Diabetes

[Learn more](#)

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



## Other

[Learn more](#)

- Cardinal Health Manufacturing Agreements
- Mozarc Medical Manufacturing & Servicing Agreements
- Ventilators & Associated Service



# Abbreviations & acronyms

Growth		Business specific		Business specific		Other	
▼	Revenue Decreased Y/Y Organic	AAA	Abdominal Aortic Aneurysm	ICD	Implantable Cardioverter Defibrillator	ACC	American College of Cardiology
—	Revenue flat Y/Y Organic	AID	Automated Insulin Delivery	LAA	Left Atrial Appendage	ADA	American Diabetes Association
▲	Revenue Increased Y/Y Organic	CAS	Cardiac Ablation Solutions	MDI	Multiple Daily Injections	Ex-Vent	Excluding Ventilator
WAMGR	Weighted Average Market Growth Rate	CGM	Continuous Glucose Monitoring	PFA	Pulse Field Ablation	HCP	Health Care Provider
		CRM	Cardiac Rhythm Management	RAS	Robot-Assisted Surgery	IDE	Investigational Device Exemption
		CRT-D	Cardiac Resynchronization Therapy - Defibrillator	RDN	Renal Denervation	ID&E	Inclusion, Diversity and Equity
		DBS	Deep Brain Stimulation	SAVR	Surgical Aortic Valve Replacement	LMR	Limited Market Release
		DCB	Drug Coated Balloon	SCS	Spinal Cord Stimulation	NICE	National Institute for Health and Care Excellence
		DES	Drug Eluting Stent	SVD	Structural Valve Deterioration	OU	Operating Unit
		DTM	Differential Target Multiplexed Waveform	TAA	Thoracic Aortic Aneurysm	RCT	Randomized Controlled Trial
		ENT	Ear, Nose, & Throat	TAVR	Transcatheter Aortic Valve Replacement	UEG	United European Gastroenterology
		EV-ICD	Extravascular Implantable Cardioverter Defibrillator	TIR	Time In Range	VBP	Volume-Based Procurement
		GI	Gastrointestinal	URO	Urology	WE	Western Europe
						WW	World Wide

# Medtronic

Engineering the extraordinary

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