

**MEDTRONIC PLC**  
**WORLD WIDE REVENUE<sup>(1)</sup>**  
(Unaudited)

(in millions)	SECOND QUARTER							SECOND QUARTER YEAR-TO-DATE						
	REPORTED				CONSTANT CURRENCY			REPORTED				CONSTANT CURRENCY		
	FY20	FY19	Growth	Currency Impact <sup>(3)</sup>	FY20	Growth	Organic Growth <sup>(4)</sup>	FY20	FY19	Growth	Currency Impact <sup>(3)</sup>	FY20	Growth	Organic Growth <sup>(4)</sup>
<b>Cardiac &amp; Vascular Group</b>	<b>\$ 2,855</b>	<b>\$ 2,858</b>	<b>(0.1)%</b>	<b>\$ (39)</b>	<b>\$ 2,894</b>	<b>1.3 %</b>	<b>1.3 %</b>	<b>\$ 5,645</b>	<b>\$ 5,669</b>	<b>(0.4)%</b>	<b>\$ (98)</b>	<b>\$ 5,743</b>	<b>1.3 %</b>	<b>1.3 %</b>
Cardiac Rhythm & Heart Failure	1,426	1,472	(3.1)	(18)	1,444	(1.9)	(1.9)	2,807	2,898	(3.1)	(45)	2,852	(1.6)	(1.6)
Coronary & Structural Heart	955	906	5.4	(16)	971	7.2	7.2	1,896	1,823	4.0	(39)	1,935	6.1	6.1
Aortic, Peripheral, & Venous	474	480	(1.3)	(5)	479	(0.2)	(0.2)	942	948	(0.6)	(14)	956	0.8	0.8
<b>Minimally Invasive Therapies Group</b>	<b>2,142</b>	<b>2,047</b>	<b>4.6</b>	<b>(30)</b>	<b>2,172</b>	<b>6.1</b>	<b>6.1</b>	<b>4,242</b>	<b>4,099</b>	<b>3.5</b>	<b>(80)</b>	<b>4,322</b>	<b>5.4</b>	<b>5.4</b>
Surgical Innovations	1,454	1,393	4.4	(23)	1,477	6.0	6.0	2,871	2,790	2.9	(62)	2,933	5.1	5.1
Respiratory, Gastrointestinal, & Renal	688	654	5.2	(6)	694	6.1	6.1	1,371	1,309	4.7	(18)	1,389	6.1	6.1
<b>Restorative Therapies Group<sup>(2)</sup></b>	<b>2,112</b>	<b>1,993</b>	<b>6.0</b>	<b>(17)</b>	<b>2,129</b>	<b>6.8</b>	<b>6.0</b>	<b>4,124</b>	<b>3,942</b>	<b>4.6</b>	<b>(43)</b>	<b>4,167</b>	<b>5.7</b>	<b>5.3</b>
Brain Therapies	772	701	10.1	(8)	780	11.3	11.3	1,512	1,375	10.0	(19)	1,531	11.3	11.3
Spine	692	656	5.5	(3)	695	5.9	3.5	1,349	1,308	3.1	(11)	1,360	4.0	2.8
Specialty Therapies	333	322	3.4	(3)	336	4.3	4.3	656	631	4.0	(7)	663	5.1	5.1
Pain Therapies	315	314	0.3	(3)	318	1.3	1.3	607	628	(3.3)	(6)	613	(2.4)	(2.4)
<b>Diabetes Group</b>	<b>596</b>	<b>583</b>	<b>2.2</b>	<b>(12)</b>	<b>608</b>	<b>4.3</b>	<b>4.3</b>	<b>1,188</b>	<b>1,155</b>	<b>2.9</b>	<b>(23)</b>	<b>1,211</b>	<b>4.8</b>	<b>4.8</b>
<b>TOTAL</b>	<b>\$ 7,706</b>	<b>\$ 7,481</b>	<b>3.0 %</b>	<b>\$ (97)</b>	<b>\$ 7,803</b>	<b>4.3 %</b>	<b>4.1 %</b>	<b>\$15,199</b>	<b>\$14,865</b>	<b>2.2 %</b>	<b>\$ (243)</b>	<b>\$15,442</b>	<b>3.9 %</b>	<b>3.8 %</b>

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

(2) In the first quarter of fiscal year 2020, the Company realigned its divisions within the Restorative Therapies Group, which included a movement of revenue from Transformative Solutions product lines within Specialty Therapies to a product line under Brain Therapies. As a result, fiscal year 2019 results have been recast to adjust for this realignment.

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

(4) Organic growth refers to growth calculated excluding the impact of currency and significant acquisitions (Titan Spine).

**MEDTRONIC PLC**  
**U.S.<sup>(1)(2)</sup> REVENUE**  
(Unaudited)

(in millions)	SECOND QUARTER			SECOND QUARTER YEAR-TO-DATE		
	REPORTED			REPORTED		
	FY20	FY19	Growth	FY20	FY19	Growth
<b>Cardiac &amp; Vascular Group</b>	<b>\$ 1,455</b>	<b>\$ 1,482</b>	<b>(1.8)%</b>	<b>\$ 2,816</b>	<b>\$ 2,871</b>	<b>(1.9)%</b>
Cardiac Rhythm & Heart Failure	785	825	(4.8)	1,514	1,589	(4.7)
Coronary & Structural Heart	403	375	7.5	779	737	5.7
Aortic, Peripheral, & Venous	267	282	(5.3)	523	545	(4.0)
<b>Minimally Invasive Therapies Group</b>	<b>922</b>	<b>872</b>	<b>5.7</b>	<b>1,835</b>	<b>1,729</b>	<b>6.1</b>
Surgical Innovations	584	561	4.1	1,157	1,117	3.6
Respiratory, Gastrointestinal, & Renal	338	311	8.7	679	612	10.9
<b>Restorative Therapies Group<sup>(3)</sup></b>	<b>1,440</b>	<b>1,357</b>	<b>6.1</b>	<b>2,778</b>	<b>2,651</b>	<b>4.8</b>
Brain Therapies	468	436	7.3	913	839	8.8
Spine	496	456	8.8	950	900	5.6
Specialty Therapies	244	233	4.7	475	451	5.3
Pain Therapies	231	232	(0.4)	440	461	(4.6)
<b>Diabetes Group</b>	<b>311</b>	<b>334</b>	<b>(6.9)</b>	<b>618</b>	<b>658</b>	<b>(6.1)</b>
<b>TOTAL</b>	<b>\$ 4,129</b>	<b>\$ 4,045</b>	<b>2.1 %</b>	<b>\$ 8,046</b>	<b>\$ 7,909</b>	<b>1.7 %</b>

(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) In the first quarter of fiscal year 2020, the Company realigned its divisions within the Restorative Therapies Group, which included a movement of revenue from Transformative Solutions product lines within Specialty Therapies to a product line under Brain Therapies. As a result, fiscal year 2019 results have been recast to adjust for this realignment.

**MEDTRONIC PLC**  
**WORLD WIDE REVENUE: GEOGRAPHIC** <sup>(1)(2)</sup>  
(Unaudited)

(in millions)	SECOND QUARTER						SECOND QUARTER YEAR-TO-DATE					
	REPORTED			Currency Impact <sup>(3)</sup>	CONSTANT CURRENCY		REPORTED			Currency Impact <sup>(3)</sup>	CONSTANT CURRENCY	
	FY20	FY19	Growth		FY20	Growth	FY20	FY19	Growth		FY20	Growth
U.S.	\$ 1,455	\$ 1,482	(1.8)%	\$ —	\$ 1,455	(1.8)%	\$ 2,816	\$ 2,871	(1.9)%	\$ —	\$ 2,816	(1.9)%
Non-U.S. Developed	890	895	(0.6)	(29)	919	2.7	1,820	1,842	(1.2)	(65)	1,885	2.3
Emerging Markets	510	481	6.0	(10)	520	8.1	1,009	956	5.5	(33)	1,042	9.0
<b>Cardiac &amp; Vascular Group</b>	<b>2,855</b>	<b>2,858</b>	<b>(0.1)</b>	<b>(39)</b>	<b>2,894</b>	<b>1.3</b>	<b>5,645</b>	<b>5,669</b>	<b>(0.4)</b>	<b>(98)</b>	<b>5,743</b>	<b>1.3</b>
U.S.	922	872	5.7	—	922	5.7	1,835	1,729	6.1	—	1,835	6.1
Non-U.S. Developed	782	772	1.3	(21)	803	4.0	1,573	1,600	(1.7)	(51)	1,624	1.5
Emerging Markets	438	403	8.7	(9)	447	10.9	834	770	8.3	(28)	862	11.9
<b>Minimally Invasive Therapies Group</b>	<b>2,142</b>	<b>2,047</b>	<b>4.6</b>	<b>(30)</b>	<b>2,172</b>	<b>6.1</b>	<b>4,242</b>	<b>4,099</b>	<b>3.5</b>	<b>(80)</b>	<b>4,322</b>	<b>5.4</b>
U.S.	1,440	1,357	6.1	—	1,440	6.1	2,778	2,651	4.8	—	2,778	4.8
Non-U.S. Developed	416	412	1.0	(11)	427	3.6	842	840	0.2	(27)	869	3.5
Emerging Markets	256	224	14.3	(6)	262	17.0	504	451	11.8	(16)	520	15.3
<b>Restorative Therapies Group</b>	<b>2,112</b>	<b>1,993</b>	<b>6.0</b>	<b>(17)</b>	<b>2,129</b>	<b>6.8</b>	<b>4,124</b>	<b>3,942</b>	<b>4.6</b>	<b>(43)</b>	<b>4,167</b>	<b>5.7</b>
U.S.	311	334	(6.9)	—	311	(6.9)	618	658	(6.1)	—	618	(6.1)
Non-U.S. Developed	226	203	11.3	(10)	236	16.3	457	406	12.6	(19)	476	17.2
Emerging Markets	59	46	28.3	(2)	61	32.6	113	91	24.2	(4)	117	28.6
<b>Diabetes Group</b>	<b>596</b>	<b>583</b>	<b>2.2</b>	<b>(12)</b>	<b>608</b>	<b>4.3</b>	<b>1,188</b>	<b>1,155</b>	<b>2.9</b>	<b>(23)</b>	<b>1,211</b>	<b>4.8</b>
U.S.	4,129	4,045	2.1	—	4,129	2.1	8,046	7,909	1.7	—	8,046	1.7
Non-U.S. Developed	2,315	2,282	1.4	(71)	2,386	4.6	4,692	4,688	0.1	(162)	4,854	3.5
Emerging Markets	1,262	1,154	9.4	(26)	1,288	11.6	2,460	2,268	8.5	(81)	2,541	12.0
<b>TOTAL</b>	<b>\$ 7,706</b>	<b>\$ 7,481</b>	<b>3.0 %</b>	<b>\$ (97)</b>	<b>\$ 7,803</b>	<b>4.3 %</b>	<b>\$15,199</b>	<b>\$14,865</b>	<b>2.2 %</b>	<b>\$ (243)</b>	<b>\$ 15,442</b>	<b>3.9 %</b>

(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.

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

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

**MEDTRONIC PLC**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

(in millions, except per share data)	Three months ended		Six months ended	
	October 25, 2019	October 26, 2018	October 25, 2019	October 26, 2018
<b>Net sales</b>	\$ 7,706	\$ 7,481	\$ 15,199	\$ 14,865
<b>Costs and expenses:</b>				
Cost of products sold	2,394	2,203	4,760	4,407
Research and development expense	603	590	1,190	1,175
Selling, general, and administrative expense	2,620	2,605	5,163	5,202
Amortization of intangible assets	441	445	881	891
Restructuring charges, net	27	24	74	86
Certain litigation charges	121	—	168	103
Other operating expense, net	149	70	127	221
<b>Operating profit</b>	1,351	1,544	2,836	2,780
Other non-operating income, net	(108)	(52)	(209)	(238)
Interest expense	165	241	774	483
<b>Income before income taxes</b>	1,294	1,355	2,271	2,535
<b>Income tax provision</b>	(77)	235	23	338
<b>Net income</b>	1,371	1,120	2,248	2,197
<b>Net (income) attributable to noncontrolling interests</b>	(7)	(5)	(20)	(7)
<b>Net income attributable to Medtronic</b>	\$ 1,364	\$ 1,115	\$ 2,228	\$ 2,190
<b>Basic earnings per share</b>	\$ 1.02	\$ 0.83	\$ 1.66	\$ 1.62
<b>Diluted earnings per share</b>	\$ 1.01	\$ 0.82	\$ 1.65	\$ 1.61
<b>Basic weighted average shares outstanding</b>	1,340.8	1,349.2	1,340.8	1,350.9
<b>Diluted weighted average shares outstanding</b>	1,351.4	1,360.9	1,351.6	1,363.0

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

Three months ended October 25, 2019									
(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 <sup>(1)</sup>	Effective Tax Rate
<b>GAAP</b>	\$ 7,706	\$ 2,394	68.9 %	\$ 1,351	17.5 %	\$ 1,294	\$ 1,364	\$ 1.01	(6.0)%
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(32)	0.4	94	1.2	94	78	0.06	17.0
Acquisition-related items (3)	—	—	—	27	0.4	27	23	0.02	14.8
Certain litigation charges	—	—	—	121	1.6	121	93	0.07	23.1
(Gain)/loss on minority investments (4)	—	—	—	—	—	(12)	(10)	(0.01)	16.7
Medical device regulations (5)	—	(4)	0.1	10	0.1	10	9	0.01	10.0
Exit of businesses (6)	—	—	—	41	0.5	41	35	0.03	14.6
Contribution to Medtronic Foundation	—	—	—	80	1.0	80	62	0.05	22.5
Amortization of intangible assets	—	—	—	441	5.7	441	374	0.28	15.2
Certain tax adjustments, net (7)	—	—	—	—	—	—	(251)	(0.19)	—
<b>Non-GAAP</b>	<u>\$ 7,706</u>	<u>\$ 2,358</u>	<u>69.4 %</u>	<u>\$ 2,165</u>	<u>28.1 %</u>	<u>\$ 2,096</u>	<u>\$ 1,777</u>	<u>\$ 1.31</u>	<u>14.9 %</u>
Currency impact	97	(24)	0.7	24	—	—	—	0.02	—
<b>Currency Adjusted</b>	<u>\$ 7,803</u>	<u>\$ 2,334</u>	<u>70.1 %</u>	<u>\$ 2,189</u>	<u>28.1 %</u>	<u>—</u>	<u>—</u>	<u>\$ 1.33</u>	<u>—</u>
Three months ended October 26, 2018									
(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 <sup>(1)</sup>	Effective Tax Rate
<b>GAAP</b>	\$ 7,481	\$ 2,203	70.6 %	\$ 1,544	20.6 %	\$ 1,355	\$ 1,115	\$ 0.82	17.3 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(22)	0.3	77	1.0	77	65	0.05	15.6
Acquisition-related items (3)	—	(2)	—	4	0.1	4	3	—	25.0
(Gain)/loss on minority investments (4)	—	—	—	—	—	25	26	0.02	(4.0)
IPR&D charges (8)	—	—	—	15	0.2	15	15	0.01	—
Amortization of intangible assets	—	—	—	445	6.0	445	378	0.28	15.1
Certain tax adjustments, net (9)	—	—	—	—	—	—	58	0.04	—
<b>Non-GAAP</b>	<u>\$ 7,481</u>	<u>\$ 2,179</u>	<u>70.9 %</u>	<u>\$ 2,085</u>	<u>27.9 %</u>	<u>\$ 1,921</u>	<u>\$ 1,660</u>	<u>\$ 1.22</u>	<u>13.3 %</u>

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

- (1) The data in this schedule has been intentionally rounded to the nearest \$0.01 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 costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related costs, and changes in the fair value of contingent consideration.
- (4) We exclude unrealized and realized gains and losses on our minority investments as we do not believe that these components of income or expense have a direct correlation to our ongoing or future business operations.
- (5) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.
- (6) The net charge relates to the exit of businesses and is primarily comprised of intangible asset impairments.
- (7) The benefit relates to the impact of tax reform in Switzerland.
- (8) The charges represent acquired IPR&D in connection with an asset acquisition.
- (9) The charges relate to the impact of tax reform in the United States.

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

Six months ended October 25, 2019

(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 <sup>(1)</sup>	Effective Tax Rate
<b>GAAP</b>	\$ 15,199	\$ 4,760	68.7 %	\$ 2,836	18.7 %	\$ 2,271	\$ 2,228	\$ 1.65	1.0 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(67)	0.4	218	1.4	218	187	0.14	14.2
Acquisition-related items (3)	—	—	—	46	0.3	46	40	0.03	13.0
Certain litigation charges	—	—	—	168	1.1	168	136	0.10	19.0
(Gain)/loss on minority investments (4)	—	—	—	—	—	(11)	(9)	(0.01)	18.2
Debt tender premium and other charges (5)	—	—	—	(7)	—	406	320	0.24	21.2
Medical device regulations (6)	—	(7)	—	18	0.1	18	16	0.01	11.1
Exit of businesses (7)	—	—	—	41	0.3	41	35	0.03	14.6
Contribution to Medtronic Foundation	—	—	—	80	0.5	80	62	0.05	22.5
Amortization of intangible assets	—	—	—	881	5.8	881	746	0.55	15.3
Certain tax adjustments, net (8)	—	—	—	—	—	—	(281)	(0.21)	—
<b>Non-GAAP</b>	<u>\$ 15,199</u>	<u>\$ 4,686</u>	<u>69.2 %</u>	<u>\$ 4,281</u>	<u>28.2 %</u>	<u>\$ 4,118</u>	<u>\$ 3,480</u>	<u>\$ 2.57</u>	<u>15.0 %</u>
Currency impact	243	(29)	0.6	49	(0.2)	—	—	0.04	—
<b>Currency Adjusted</b>	<u>\$ 15,442</u>	<u>\$ 4,657</u>	<u>69.8 %</u>	<u>\$ 4,330</u>	<u>28.0 %</u>	—	—	<u>\$ 2.61</u>	—

Six months ended October 26, 2018

(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 <sup>(1)</sup>	Effective Tax Rate
<b>GAAP</b>	\$ 14,865	\$ 4,407	70.4 %	\$ 2,780	18.7 %	\$ 2,535	\$ 2,190	\$ 1.61	13.3 %
Non-GAAP Adjustments:									
Restructuring and associated costs (2)	—	(37)	0.2	190	1.3	190	162	0.12	14.7
Acquisition-related items (3)	—	(4)	—	40	0.3	40	32	0.02	20.0
Certain litigation charges	—	—	—	103	0.7	103	91	0.07	11.7
(Gain)/loss on minority investments (4)	—	—	—	—	—	(85)	(77)	(0.06)	9.4
IPR&D charges (9)	—	—	—	15	0.1	15	15	0.01	—
Exit of business (7)	—	—	—	80	0.5	80	62	0.05	22.5
Amortization of intangible assets	—	—	—	891	6.0	891	757	0.56	15.0
Certain tax adjustments, net (10)	—	—	—	—	—	—	29	0.02	—
<b>Non-GAAP</b>	<u>\$ 14,865</u>	<u>\$ 4,366</u>	<u>70.6 %</u>	<u>\$ 4,099</u>	<u>27.6 %</u>	<u>\$ 3,769</u>	<u>\$ 3,261</u>	<u>\$ 2.39</u>	<u>13.3 %</u>

See description of non-GAAP financial measures contained in this release.

- (1) The data in this schedule has been intentionally rounded to the nearest \$0.01 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 costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related 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, which include \$413 million recognized in *interest expense* and (\$7 million) recognized in *other operating expense, net*, primarily related to the early redemption of approximately \$5.2 billion of debt.
- (6) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.
- (7) The net charges relate to the exit of businesses and are primarily comprised of intangible asset impairments.

- (8) The net benefit primarily relates to the impact of tax reform in Switzerland and the United States.
- (9) The charges represent acquired IPR&D in connection with an asset acquisition.
- (10) The net charge relates to the impact of tax reform in the United States.

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

Three months ended October 25, 2019

(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 (Income) Expense, net	Other Operating Expense, net as a % of Net Sales	Other Non-Operating Income, net
<b>GAAP</b>	\$ 7,706	\$ 2,620	34.0 %	\$ 603	7.8 %	\$ 149	1.9 %	\$ (108)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(35)	(0.5)	—	—	—	—	—
Acquisition-related items (2)	—	(27)	(0.4)	—	—	—	—	—
(Gain)/loss on minority investments (3)	—	—	—	—	—	—	—	12
Medical device regulations (4)	—	—	—	(6)	(0.1)	—	—	—
Exit of businesses (5)	—	—	—	—	—	(41)	(0.5)	—
Contribution to Medtronic Foundation	—	—	—	—	—	(80)	(1.0)	—
<b>Non-GAAP</b>	\$ 7,706	\$ 2,558	33.2 %	\$ 597	7.7 %	\$ 28	0.4 %	\$ (96)
Currency impact	97	35	—	2	—	60	0.7	—
<b>Currency Adjusted</b>	<u>\$ 7,803</u>	<u>\$ 2,593</u>	<u>33.2 %</u>	<u>\$ 599</u>	<u>7.7 %</u>	<u>\$ 88</u>	<u>1.1 %</u>	<u>\$ (96)</u>

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

- (1) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (2) The charges primarily include costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related costs, and changes in the fair value of contingent consideration.
- (3) 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.
- (4) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.
- (5) The net charge relates to the exit of businesses and is primarily comprised of intangible asset impairments.

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

Six months ended October 25, 2019

(in millions)	Net Sales	SG&A Expense	SG&A Expense as a % of Net Sales	R&D Expense	R&D Expense as a % of Net Sales	Other Operating Expense, net	Other Operating Expense, net as a % of Net Sales	Other Non- Operating Income, net
<b>GAAP</b>	\$ 15,199	\$ 5,163	34.0 %	\$ 1,190	7.8 %	\$ 127	0.8 %	\$ (209)
Non-GAAP Adjustments:								
Restructuring and associated costs (1)	—	(77)	(0.5)	—	—	—	—	—
Acquisition-related items (2)	—	(43)	(0.3)	—	—	(3)	—	—
(Gain)/loss on minority investments (3)	—	—	—	—	—	—	—	11
Debt tender premium and other charges (4)	—	—	—	—	—	7	—	—
Medical device regulations (5)	—	—	—	(11)	(0.1)	—	—	—
Exit of businesses (6)	—	—	—	—	—	(41)	(0.3)	—
Contribution to Medtronic Foundation	—	—	—	—	—	(80)	(0.5)	—
<b>Non-GAAP</b>	\$ 15,199	\$ 5,043	33.2 %	\$ 1,179	7.8 %	\$ 10	0.1 %	\$ (198)
Currency impact	243	74	(0.1)	5	(0.1)	49	0.3	—
<b>Currency Adjusted</b>	<u>\$ 15,442</u>	<u>\$ 5,117</u>	<u>33.1 %</u>	<u>\$ 1,184</u>	<u>7.7 %</u>	<u>\$ 59</u>	<u>0.4 %</u>	<u>\$ (198)</u>

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

- (1) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program and consulting expenses.
- (2) The charges primarily include costs incurred in connection with legacy-Covidien enterprise resource planning deployment activities, business combination related costs, and changes in the fair value of contingent consideration.
- (3) 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.
- (4) The charges, which include \$413 million recognized in *interest expense* and (\$7 million) recognized in *other operating expense, net*, primarily relate to the early redemption of approximately \$5.2 billion of debt.
- (5) The charges represent incremental costs of complying with the new European Union medical device regulations for previously registered products and primarily include charges for contractors supporting the project and other direct third-party expenses.
- (6) The net charge relates to the exit of businesses and is primarily comprised of intangible asset impairments.

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

(in millions)	Six months ended	Three months ended	Three months ended	Fiscal year	Fiscal year
	October 25, 2019	October 25, 2019	October 26, 2018	2019	2018
<b>Net cash provided by operating activities</b>	\$ 3,377	\$ 1,867	\$ 1,163	\$ 7,007	\$ 4,684
Additions to property, plant, and equipment	(584)	(283)	(206)	(1,134)	(1,068)
<b>Free Cash Flow (1)</b>	<u>\$ 2,793</u>	<u>\$ 1,584</u>	<u>\$ 957</u>	<u>\$ 5,873</u>	<u>\$ 3,616</u>

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

(1) Free cash flow represents operating cash flows less property, plant, and equipment additions.

**MEDTRONIC PLC**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(in millions)	October 25, 2019	April 26, 2019
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,962	\$ 4,393
Investments	6,436	5,455
Accounts receivable, less allowances of \$198 and \$190, respectively	6,118	6,222
Inventories, net	4,042	3,753
Other current assets	2,095	2,144
<b>Total current assets</b>	<b>22,653</b>	<b>21,967</b>
Property, plant, and equipment	11,364	10,920
Accumulated depreciation	(6,608)	(6,245)
<b>Property, plant, and equipment, net</b>	<b>4,756</b>	<b>4,675</b>
<b>Goodwill</b>	<b>39,952</b>	<b>39,959</b>
<b>Other intangible assets, net</b>	<b>19,775</b>	<b>20,560</b>
<b>Tax assets</b>	<b>1,804</b>	<b>1,519</b>
<b>Other assets</b>	<b>2,113</b>	<b>1,014</b>
<b>Total assets</b>	<b>\$ 91,053</b>	<b>\$ 89,694</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Current debt obligations	\$ 875	\$ 838
Accounts payable	1,965	1,953
Accrued compensation	1,773	2,189
Accrued income taxes	442	567
Other accrued expenses	3,115	2,925
<b>Total current liabilities</b>	<b>8,170</b>	<b>8,472</b>
<b>Long-term debt</b>	<b>24,752</b>	<b>24,486</b>
<b>Accrued compensation and retirement benefits</b>	<b>1,573</b>	<b>1,651</b>
<b>Accrued income taxes</b>	<b>2,705</b>	<b>2,838</b>
<b>Deferred tax liabilities</b>	<b>1,376</b>	<b>1,278</b>
<b>Other liabilities</b>	<b>1,758</b>	<b>757</b>
<b>Total liabilities</b>	<b>40,334</b>	<b>39,482</b>
<b>Commitments and contingencies</b>		
<b>Shareholders' equity:</b>		
Ordinary shares— par value \$0.0001, 2.6 billion shares authorized, 1,340,375,745 and 1,340,697,595 shares issued and outstanding, respectively	—	—
Additional paid-in capital	26,171	26,532
Retained earnings	27,018	26,270
Accumulated other comprehensive loss	(2,611)	(2,711)
<b>Total shareholders' equity</b>	<b>50,578</b>	<b>50,091</b>
Noncontrolling interests	141	121
<b>Total equity</b>	<b>50,719</b>	<b>50,212</b>
<b>Total liabilities and equity</b>	<b>\$ 91,053</b>	<b>\$ 89,694</b>

**MEDTRONIC PLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

(in millions)	Six months ended	
	October 25, 2019	October 26, 2018
<b>Operating Activities:</b>		
Net income	\$ 2,248	\$ 2,197
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,328	1,317
Provision for doubtful accounts	44	32
Deferred income taxes	(245)	(80)
Stock-based compensation	169	168
Loss on debt extinguishment	406	—
Other, net	119	55
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable, net	39	(37)
Inventories, net	(267)	(312)
Accounts payable and accrued liabilities	(294)	24
Other operating assets and liabilities	(170)	(499)
<b>Net cash provided by operating activities</b>	<b>3,377</b>	<b>2,865</b>
<b>Investing Activities:</b>		
Acquisitions, net of cash acquired	(201)	(119)
Additions to property, plant, and equipment	(584)	(497)
Purchases of investments	(4,226)	(1,444)
Sales and maturities of investments	3,260	2,824
Other investing activities	(16)	—
<b>Net cash (used in) provided by investing activities</b>	<b>(1,767)</b>	<b>764</b>
<b>Financing Activities:</b>		
Change in current debt obligations, net	42	(700)
Issuance of long-term debt	5,568	1
Payments on long-term debt	(5,594)	(17)
Dividends to shareholders	(1,447)	(1,351)
Issuance of ordinary shares	432	800
Repurchase of ordinary shares	(962)	(2,047)
Other financing activities	(54)	11
<b>Net cash used in financing activities</b>	<b>(2,015)</b>	<b>(3,303)</b>
Effect of exchange rate changes on cash and cash equivalents	(26)	(84)
<b>Net change in cash and cash equivalents</b>	<b>(431)</b>	<b>242</b>
Cash and cash equivalents at beginning of period	4,393	3,669
<b>Cash and cash equivalents at end of period</b>	<b>\$ 3,962</b>	<b>\$ 3,911</b>

**Supplemental Cash Flow Information**

Cash paid for:		
Income taxes	\$ 494	\$ 941
Interest	322	482

**MEDTRONIC PLC**  
**U.S. SPINE ORGANIC<sup>(1)</sup> REVENUE GROWTH**  
(Unaudited)

(in millions)	SECOND QUARTER		
	FY20	FY19	Growth
<b>GAAP Revenue</b>	\$ 496	\$ 456	8.8 %
Titan Spine Revenue	(15)	—	NA
<b>Organic<sup>(1)</sup> Revenue</b>	\$ 481	\$ 456	5.5 %

(1) Organic growth refers to growth calculated excluding the impact of significant acquisitions.