

MEDTRONIC PLC

Q1 FY20

EARNINGS PRESENTATION
AUGUST 20, 2019

- Q1 FY20 CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS
- FREE CASH FLOW
- FY20 GUIDANCE & OTHER ASSUMPTIONS
- PREVIOUSLY COMMUNICATED FY20 RTG STRUCTURE / REVENUE REPORTING CHANGES

Medtronic
Further, Together

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This presentation contains forward-looking statements. They are based on current assumptions and expectations that involve uncertainties or risks. These uncertainties and risks include, but are not limited to, those described in the filings we make with the U.S. Securities and Exchange Commission (SEC). Actual results may differ materially from anticipated results. Forward-looking statements are made as of today's date, and we undertake no duty to update them or any of the information contained in this presentation.

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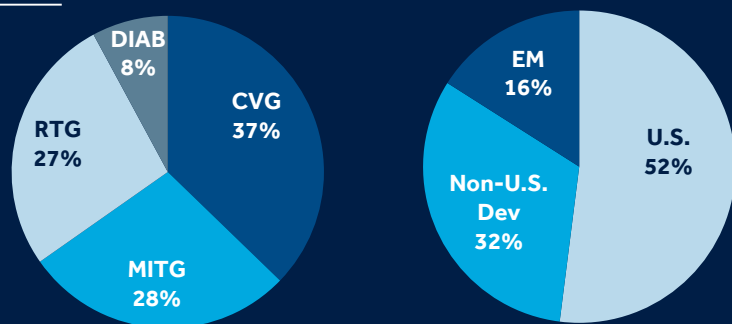
Financial Comparisons

References to quarterly results increasing, decreasing, or remaining flat are in comparison to Q1 FY19, and references to annual results increasing, decreasing, or remaining flat are in comparison to FY19. References to organic revenue growth exclude the impact of material acquisitions and currency. Unless stated otherwise, quarterly and annual rates and ranges are given on a constant currency basis, which adjusts for the impact of currency.

Q1 FY20 CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS

STRONG EXECUTION ACROSS ENTERPRISE; \$0.10 EPS GUIDANCE RAISE

Revenue:



	Revenue \$M ¹	As Rep Y/Y %	CC ² Y/Y %
CVG	2,790	(0.7)	1.4
MITG	2,100	2.3	4.8
RTG	2,012	3.2	4.6
Diabetes	592	3.5	5.4
Total	\$7,493	1.5%	3.5%

U.S.	3,918	1.4	1.4
Non-U.S. Dev	2,377	(1.2)	2.6
EM	1,198	7.5	12.5
Total	\$7,493	1.5%	3.5%

Other Financial Highlights:

	Diluted EPS	As Rep Y/Y	CC ² Y/Y%	Cash Flow from Ops	
GAAP	\$0.64	-19.0%	NC		\$1.5B
Non-GAAP	\$1.26	7.7%	9.4%	Free Cash Flow ³	\$1.2B

- REVENUE:** 3.5% growth with outperformance in MITG, RTG, and CVG; continued strength in Emerging Markets
 - MITG growth of 4.8% reflected mid-single digit growth across both SI and RGR; strong contributions from Advanced Energy, Advanced Stapling, and Respiratory & Patient Monitoring
 - RTG growth of 4.6% driven by mid-teens strength in Neurovascular and low-double digit growth in Neurosurgery driven strong capital sales across the portfolio
 - CVG growth of 1.4% driven by mid-teens growth in TAVR, reflecting the clinical benefits of the CoreValve™ Evolut™ PRO platform, and mid-single digits growth in Pacemakers
 - Diabetes growth of 5.4% in line with expectations, driven by 20% International growth
 - Emerging Markets grew 12.5%, driven by low-20's growth in Eastern Europe, mid-teens growth in the Middle East & Africa and South Asia, and low-double digit growth in China and Southeast Asia
- OP MARGIN:** Delivered +90 bps non-GAAP operating margin expansion
- EPS:** Delivered 7.7% non-GAAP diluted EPS growth; 8 cents above guidance mid-point
- PIPELINE:** Series of major product launches planned over next 12 months, to drive accelerating revenue growth
- FY20 GUIDANCE:**
 - Organic Revenue Growth: Guidance unchanged at approx. 4.0%
 - Non-GAAP EPS: Increasing guidance by \$0.10 to \$5.54-\$5.60, from \$5.44 - \$5.50

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

² Figures represent comparison to Q1 FY19 on a constant currency basis.

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

	Q1 FY19	Q1 FY20	Y/Y Growth / Change	FX Impact / Change	Q1 FY20 Constant Currency	Q1 FY20 CC Growth / Change ¹
Net Sales (\$M)	7,384	7,493	1.5%	(146)	7,639	3.5%
Operating Profit²	2,014	2,116	5.1%	(25)	2,141	6.3%
Operating Margin²	27.3%	28.2%	90 bps	20 bps	28.0%	70 bps
Diluted EPS² (\$)	1.17	1.26	7.7%	(0.02)	1.28	9.4%



¹ Figures represent comparison to Q1 FY19 on a constant currency basis.

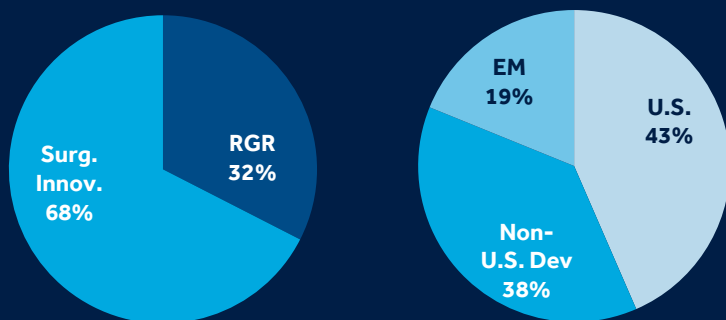
² Non-GAAP.

Q1 FY20 GAAP TO NON-GAAP SELECT FINANCIAL INFORMATION

	Non-GAAP Adjustments									Q1 FY20 Non-GAAP	Q1 FY19 Non-GAAP	Y/Y Growth / Change
	Q1 FY20 GAAP	Amortization	Restructuring	Litigation	Acquisition-Related	Gain/Loss on Minority Investments	Debt Tender Premium & Other Charges	Medical Device Regulations	Certain Tax Adjustments			
Net Sales (\$M)	7,493									7,493	7,384	1.5%
Cost of Products Sold	2,366		(35)					(3)		2,328	2,187	6%
<i>Gross Margin</i>	<i>68.4%</i>									<i>68.9%</i>	<i>70.4%</i>	<i>(150 bps)</i>
SG&A	2,543		(42)		(16)					2,485	2,538	-2%
<i>% of Sales</i>	<i>33.9%</i>									<i>33.2%</i>	<i>34.4%</i>	<i>120 bps</i>
R&D	587							(5)		582	585	-1%
<i>% of Sales</i>	<i>7.8%</i>									<i>7.8%</i>	<i>7.9%</i>	<i>10 bps</i>
Other Operating (Income) Expense, Net	(22)				(3)		7			(18)	60	-130%
<i>% of Sales</i>	<i>-0.3%</i>									<i>-0.2%</i>	<i>0.8%</i>	<i>100 bps</i>
Amortization of Intangible Assets	440	(440)								--	--	--
Restructuring Charges, Net	47		(47)							--	--	--
Certain Litigation Charges	47			(47)						--	--	--
Operating Profit	1,485	440	124	47	19	--	(7)	8	--	2,116	2,014	5%
Operating Margin	19.8%									28.2%	27.3%	90 bps
Other Non-Operating Income, Net	(101)					(1)				(102)	(76)	34%
Interest Expense	609						(413)			196	242	-19%
Net Income Attributable to MDT (\$M)	864	372	109	43	17	1	320	7	(30)	1,703	1,601	6%
Diluted EPS (\$)¹	0.64	0.28	0.08	0.03	0.01	--	0.24	0.01	(0.02)	1.26	1.17	7.7%

¹ The data in this row has been intentionally rounded to the nearest \$0.01 and, therefore, may not sum.

Strength from SI, RGR, and Emerging Markets



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
SI	1,417	1.4	4.2
RGR	683	4.3	6.1
Total	\$2,100	2.3%	4.8%

U.S.	913	6.5	6.5
Non-U.S. Dev	791	(4.5)	(0.8)
EM	396	7.9	13.4
Total	\$2,100	2.3%	4.8%

BROAD BASED STRENGTH DRIVES OUTPERFORMANCE OVERCAME STERILIZATION CHALLENGE TO DRIVE RESULTS

- Surgical Innovations (SI): +4.2% growth led by Advanced Energy and Advanced Stapling**
 - Advanced Surgical:** MSD growth behind continued conversion of surgical procedures from open to minimally invasive
 - Advanced Energy:** consistent HSD growth led by strong growth from new innovations:
 - LigaSure™ vessel sealing instruments with nano-coating
 - LigaSure™ Exact Dissector and L-Hook™ Laparoscopic Sealer/Divider
 - Valleylab™ FT10 energy platform
 - Advanced Stapling:** MSD growth driven by the Tri-Staple™ 2.0 endo stapling specialty reloads, Signia™ powered stapler and the EEA™ circular stapler with Tri-Staple™ technology for colorectal procedures
 - General Surgical:** Q1 results impacted by sterilizer product prioritization, recovery in Q2 expected; LSD declines with MSD strength in wound closure
- Respiratory, Gastrointestinal, & Renal (RGR): +6.1% growth driven by broad-based strength across Patient Monitoring, GIH, and Respiratory**
 - Patient Monitoring:** MSD strength continues, driven by Nellcor™ Pulse Oximetry and Microstream™ capnography systems, and INVOS™ cerebral oximetry and BIS™ brain monitoring consumables
 - GI Solutions:** LDD strength driven by diagnostics: PillCam™ system; HSD growth in therapeutics: Emprint™ ablation system and Beacon™ endoscopic ultrasound products
 - Respiratory:** Another quarter of above-market MSD growth behind momentum of Puritan Bennett™ 980 ventilators and McGRATH™ MAC video laryngoscopes
 - Renal Care Solutions:** MSD growth with continued strength from renal access products
- Emerging Markets continued strength, growing LDD**

Signia™ Stapling System



LigaSure™ Exact Dissector



Puritan Bennett™ 980



Capnostream™ 35 Portable Respiratory Monitor

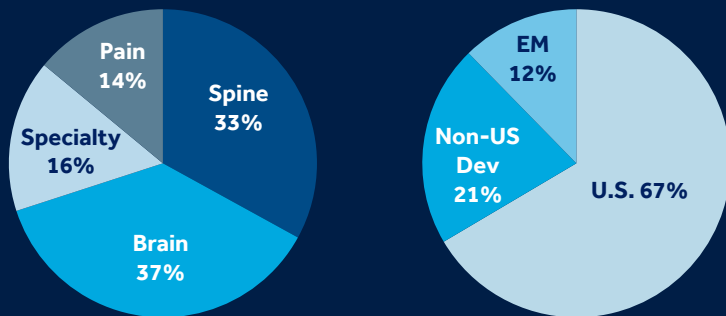


¹ Figures represent comparison to Q1 FY19 on a constant currency basis.

ANOTHER QUARTER OF OUTPERFORMANCE

CONTINUED DOUBLE DIGIT GROWTH IN BRAIN

Led by Continued Strength in Neurovascular and Neurosurgery



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Brain	740	9.8	11.4
Spine	658	0.9	2.0
Specialty	322	4.2	5.5
Pain	292	(7.0)	(6.1)
Total	\$2,012	3.2%	4.6%

U.S.	1,338	3.4	3.4
Non-U.S. Dev	426	(0.5)	3.3
EM	248	9.3	13.7
Total	\$2,012	3.2%	4.6%

Brain Therapies: +11.4% growth driven by Neurovascular & Neurosurgery

- **Neurovascular:** Mid-teens growth, including double digit growth in both Hemorrhagic and Ischemic stroke therapy products
 - Hemorrhagic led by high-teens growth in flow diversion and low-double digit growth in coils
 - Strong adoption of the recently launched Solitaire™ X stent retriever, as well as the Riptide™ aspiration system and React™ aspiration catheters drove Ischemic growth
- **Neurosurgery:** Continued strong demand for StealthStation® S8 navigation systems, O-arm™ imaging systems, and Mazor X™ Stealth Edition robotic guidance systems drove LDD Neurosurgery growth

Spine: +2.0% growth, with strength in BMP and cervical products

- **Spine revenue combined with enabling technologies² grew 4.7%;** U.S. Spine plus enabling tech grew 6.0%, driven by the ongoing success of the Surgical Synergy strategy
- **Core Spine:** Cervical spine products grew MSD, driven by the continued launch of the Infinity™ OCT system and solid growth of the Prestige LP™ cervical disc system
- **Closed Titan Spine acquisition;** integration proceeding smoothly

Specialty Therapies: +5.5% on MSD growth in both ENT and Pelvic Health

- **ENT:** MSD growth driven by capital equipment sales of the StealthStation® ENT surgical navigation system and intraoperative NIM nerve monitoring system
- **Pelvic Health:** MSD growth on strong sales of the InterStim™ neurostimulator

Pain Therapies: International growth partially offsets declines in the US

- **Pain Stim:** Declined given market slowdown and associated customer destocking, although implant rates growing, ahead of revenue; next generation Intellis™ to launch H2 FY20

Solitaire™ X Revascularization Device



Enabling Technologies



Infinity™ OCT System



InterStim™ II Neurostimulator

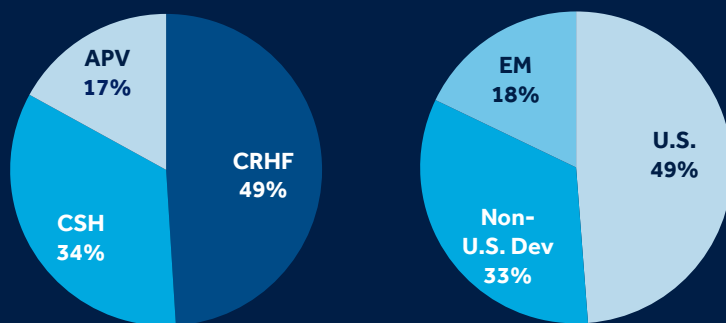


1 Figures represent comparison to Q1 FY19 on a constant currency basis.

2 Spine-related enabling technologies revenue reflected in Neurosurgery business within Brain division.



Growth Driven by CSH and Emerging Markets



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CRHF	1,382	(3.1)	(1.2)
CSH	941	2.6	5.2
APV	467	(0.2)	1.7
Total	\$2,790	(0.7%)	1.4%

U.S.	1,361	(2.0)	(2.0)
Non-U.S. Dev	930	(1.8)	2.0
EM	499	5.1	9.9
Total	\$2,790	(0.7%)	1.4%

SOLID QUARTER; AHEAD OF EXPECTATIONS

TAVR AND PACING STRENGTH DRIVE SEQUENTIAL ACCELERATION

- Coronary & Structural Heart: +5.2% growth driven by strength from TAVR in Structural Heart and guide catheters and balloons in Coronary**
 - TAVR:** Mid-teens WW growth, in-line with the market, driven by continued strong uptake of the Evolut™ PRO valve in the US and Europe; awareness and enthusiasm around TAVR continues to build
 - Expect June NCD memo will result in ~200 new US TAVR centers; already in active negotiations with ~100 of these centers, as we aim to be their preferred TAVR partner
 - Aug. 16 FDA approved low risk indication expansion
 - Coronary:** HSD strength in guide catheters and balloons offset DES headwinds
- Cardiac Rhythm & Heart Failure: -1.2% decline as growth in Pacing, AF, and Diagnostics is offset by Heart Failure and Services & Solutions headwinds**
 - Arrhythmia Management:** MSD growth driven by Pacing, TYRX, AF, and Diagnostics
 - Mid-20's Micra™ growth drove MSD Pacing strength; MSD declines in ICDs
 - Acceleration to mid-30's growth for TYRX™ absorbable antibacterial envelope
 - HSD growth in Diagnostics behind continued uptake of Reveal LINQ™
 - HSD AF growth driven by Arctic Front™ cryoballoon
 - Heart Failure:** As expected, LDD declines as CRT-D replacement and LVAD headwinds continue, partially offset by high-teens CRT-P strength; LVADs declined high-40's WW, low-60's U.S.
- Aortic, Peripheral & Venous: +1.7% growth behind continued strength in TAA and Venous, partially offset by DCB headwinds**
 - Mid-teens TAA strength driven by continued Valiant Navion™ launch momentum
 - HSD Venous growth led by ongoing adoption of VenaSeal™ closure system
 - Better than expected low-30's DCB WW declines; expect roughly similar declines post FDA letter until March anniversary

CoreValve™ Evolut™ PRO



Telescope™ Guide Extension Catheter



Micra™ Transcatheter Pacing System



TYRX™ Absorbable Antibacterial Envelope



Valiant Navion™



VenaSeal™ Closure System

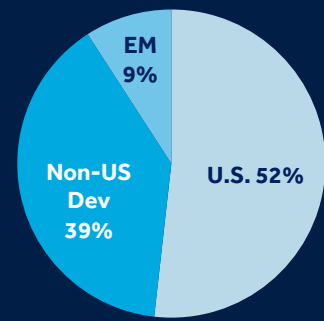


¹ Figures represent comparison to Q1 FY19 on a constant currency basis.

DIABETES

Q1 FY20 HIGHLIGHTS

Strong WW CGM & International Pump Growth; MiniMed™ 670G Installed Base Expands



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
U.S.	306	(5.6)	(5.6)
Non-U.S. Dev	231	13.8	18.2
EM	55	22.2	26.7
Total	\$592	3.5%	5.4%

MID-SINGLE DIGIT GROWTH IN LINE WITH EXPECTATIONS

20% INTERNATIONAL GROWTH OFFSET US PRESSURES

- **Sequential WW acceleration** on 2-year stacked basis
- **International revenue:** accounting for approximately half of total sales, continued its double digit momentum with 20% growth
- **US revenue** decline due to competitive pressure and difficult comparisons versus the prior year when the US grew 33% on the strength of our product launch and a competitor's market exit
- **CGM:** Growth driven by WW strength in both Integrated and Stand Alone CGM
 - **Integrated CGM:**
 - Strong global growth driven by increased CGM penetration & new patient acquisitions
 - Submitted PMA application for non-adjunctive labeling on Guardian™ Sensor 3, as part of the MiniMed™ 670G system
 - **Stand-Alone CGM:**
 - Guardian™ Connect Smart CGM system continues momentum with high-80's growth
- **Insulin Pumps:** Growth driven by the ongoing MiniMed™ 670G system launch in international markets, offset by competitive pressures in the U.S.
 - Double digit growth in Western Europe due to strong MiniMed™ 670G sales
 - MiniMed™ 670G launches coming in FY20 to key markets, including France & Germany
 - MiniMed™ 670G installed base increased sequentially to ~200,000 trained, active users benefiting from SmartGuard™ technology
 - Received IDE approval from FDA for 7-day, extended wear infusion set; doubles life of existing infusion sets and aligns with CGM replacement cycle

MiniMed™ 670G



MiniMed™ 640G



Guardian™ Sensor 3



Guardian™ Connect w/ Sugar.IQ™



¹ Figures represent comparison to Q1 FY19 on a constant currency basis.

FREE CASH FLOW

COMPONENTS OF FREE CASH FLOW

	FY16	FY17	FY18	FY19	Q1 FY20
<i>\$ Billions</i>					
Operating Cash Flow	\$5.2	\$6.9	\$4.7	\$7.0	\$1.5
CAPEX	<u>(\$1.0)</u>	<u>(\$1.3)</u>	<u>(\$1.1)</u>	<u>(\$1.1)</u>	<u>(\$0.3)</u>
Free Cash Flow	\$4.2	\$5.6	\$3.6	\$5.9	\$1.2
<i>Included in Operating Cash Flow:</i>					
Pre-Tax					
Certain Litigation Payments, net ^{1,2}	\$0.2	\$0.3	\$0.3	\$0.5	--
Restructuring Payments ¹	\$0.2	\$0.2	\$0.2	\$0.4	\$0.1
Other Payments ^{1,3}	\$0.2	\$0.3	\$0.3	\$0.2	--
Puerto Rico IRS Pre-Payment	--	--	\$1.1	--	--
Certain Other Tax Payments	\$0.8	\$0.4	\$0.4	\$0.4	--

1 Cash flow impact does not reflect associated tax cost / benefit, as timing and amount are difficult to estimate.

2 Includes payments accrued as "Non-GAAP" charges, as well as COV acquisition opening balance sheet adjustments.

3 Includes acquisition-related, divestiture-related, and European Union medical device regulations charges, as well as contributions to the Medtronic Foundation

4 Conversion Ratio = Free Cash Flow divided by Non-GAAP Net Income.

FY20 GUIDANCE & OTHER ASSUMPTIONS

FY20 GUIDANCE & OTHER ASSUMPTIONS

REVENUE	FY19 Base	Organic Growth Guidance	FX ¹	Implied Revenue Range
Q4 Earnings Call	\$30,557M	~ 4.0%	(1.0%) – (1.5%)	~ \$31.3 - \$31.5B
Q1 Earnings Call			(0.8%) – (1.2%)	~ \$31.4 - \$31.6B

OPERATING MARGIN	FY19 Base	Constant Currency Guidance	FX ¹	Implied Operating Margin
Q4 Earnings Call	29.0%	+40 bps	Neutral	29.4%
Q1 Earnings Call				

EPS	FY19 Base	Implied Constant Currency	FX ¹	EPS Guidance
Q4 Earnings Call	\$5.22	6 – 7%	(\$0.10)	\$5.44 - \$5.50
Q1 Earnings Call		8 – 9%		\$5.54 - \$5.60

¹ While FX rates are fluid, assumptions above are based on recent rates.

FY20 RTG STRUCTURE / REVENUE REPORTING CHANGES

(No Change from Q4 FY19 Communication)

Note: No Change from Q4 FY19 Communication

Moving **Transformative Solutions¹** out of Specialties Therapies to a product line under **Neurosurgery**
 See following slide for restated historical revenue

PRIOR REPORTING

Division (Reporting Level)	Business Unit
----------------------------	---------------

- Brain Therapies**
- Neurovascular
 - Brain Modulation
 - Neurosurgery

- Specialty Therapies**
- Pelvic Health
 - Ear, Nose, & Throat
 - **Transformative Solutions**

NEW FY20 REPORTING

Division (Reporting Level)	Business Unit
----------------------------	---------------

- Brain Therapies**
- Neurovascular
 - Brain Modulation
 - Neurosurgery
 - **Transformative Solutions**

- Specialty Therapies**
- Pelvic Health
 - Ear, Nose, & Throat



¹ Formerly known as Advanced Energy. Includes PlasmaBlade™ soft tissue dissection device and Aquamantys™ bipolar sealer.

FY20 REVENUE REPORTING CHANGES – RESTATED HISTORICAL REVENUE

Note: No Change from Q4 FY19 Communication

Recast to reflect new RTG reporting structure

All figures in \$millions

	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19	
World Wide	Spine	652	656	655	691	2,654
	Brain Therapies	674	701	732	831	2,938
	Specialty Therapies	309	322	325	351	1,307
	Pain Therapies	314	314	314	342	1,284
	Restorative Therapies Group	1,949	1,993	2,026	2,215	8,183
U.S.	Spine	444	456	459	482	1,841
	Brain Therapies	403	436	440	502	1,781
	Specialty Therapies	218	233	230	246	927
	Pain Therapies	229	232	225	243	929
	Restorative Therapies Group	1,294	1,357	1,354	1,473	5,478

No impact to consolidated RTG revenue, and no change to Spine and Pain Therapies revenue.

APPENDIX

ACRONYMS / ABBREVIATIONS

Growth

HSD	High-Single Digit
LDD	Low-Double Digit
LSD	Low-Single Digit
MSD	Mid-Single Digit

Other

~	Approximately
bps	Basis Points
CAPEX	Capital Expenditures
CC	Constant Currency
COV	Covidien
Dev	Developed
EM	Emerging Markets
EMEA	Europe, Middle East & Africa
EPS	Earnings Per Share
FDA	Food and Drug Administration
FX	Foreign Exchange
FY	Fiscal Year

Other

GAAP	Generally Accepted Accounting Principles
IDE	Investigational Device Exemption
IRS	Internal Revenue Service
Op	Operating
NC	Not Comparable
NCD	National Coverage Decision
Q	Quarter
R&D	Research & Development
Rep	Reported
SEC	U.S. Securities & Exchange Commission
SG&A	Selling, General & Administrative
Tech	Technology
U.S.	United States
WW	Worldwide
YTD	Year to Date
Y/Y	Year-over-Year
\$B	Billions of Dollars
\$M	Millions of Dollars

Business Specific

AF	Atrial Fibrillation
APV	Aortic, Peripheral & Venous
BMP	Bone Morphogenetic Protein
CGM	Continuous Glucose Monitoring
CRHF	Cardiac Rhythm & Heart Failure
CRT-D	Cardiac Resynchronization Therapy - Defibrillator
CRT-P	Cardiac Resynchronization Therapy - Pacemaker
CSH	Coronary & Structural Heart
CVG	Cardiac & Vascular Group
DES	Drug Eluting Stents
DIAB	Diabetes
DCB	Drug Coated Balloon
Endo	Endoscopic
ENT	Ear, Nose, & Throat
GI	Gastrointestinal
GIH	Gastrointestinal & Hepatology
ICD	Implantable Cardioverter Defibrillator

Business Specific

LVAD	Left Ventricular Assist Device
MDT	Medtronic
MITG	Minimally Invasive Therapies Group
OCT	Occipitocervical-Upper Thoracic
RGR	Respiratory, Gastrointestinal, & Renal
RTG	Restorative Therapies Group
Stim	Stimulation
Surg Innov / SI	Surgical Innovations
TAA	Thoracic Aortic Aneurysm
TAVR	Transcatheter Aortic Valve Replacement