

MEDTRONIC PLC

Q4 FY19

EARNINGS PRESENTATION
MAY 23, 2019

- FY19 SCORECARD
- Q4 FY19 CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS
- FY19 FINANCIAL HIGHLIGHTS
- FREE CASH FLOW
- FY20 GUIDANCE & OTHER ASSUMPTIONS
- FY20 RTG STRUCTURE / REVENUE REPORTING CHANGES

Medtronic
Further, Together

FORWARD LOOKING STATEMENTS

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.

Non-GAAP Financial Measures

Certain information in this presentation includes calculations or figures that have been prepared internally and have not been reviewed or audited by our independent registered public accounting firm. Use of different methods for preparing, calculating or presenting information may lead to differences and such differences may be material. This presentation contains financial measures and guidance which are considered "non-GAAP" financial measures under applicable SEC rules and regulations. Medtronic management believes that non-GAAP financial measures provide information useful to investors in understanding the company's underlying operational performance and trends and to facilitate comparisons with the performance of other companies in the med tech industry. Medtronic calculates forward-looking non-GAAP financial measures based on internal forecasts that omit certain amounts that would be included in GAAP financial measures. For instance, forward-looking organic revenue growth guidance excludes the impact of foreign currency fluctuations, as well as material acquisitions or divestitures. Forward-looking diluted non-GAAP EPS projections exclude potential charges or gains that would be recorded as non-GAAP adjustments to earnings during the fiscal year. Medtronic does not attempt to provide reconciliations of forward-looking non-GAAP EPS guidance to projected GAAP EPS guidance, because the combined impact and timing of recognition of these potential charges or gains is inherently uncertain and difficult to predict, and is unavailable without unreasonable efforts. In addition, we believe such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance. GAAP to non-GAAP reconciliations are provided on our website and can be accessed using this [link](#).

Financial Comparisons

References to quarterly results increasing, decreasing, or remaining flat are in comparison to Q4 FY18, and references to annual results increasing, decreasing, or remaining flat are in comparison to FY18. References to organic revenue growth exclude the impact of material acquisitions, divestitures, and currency. References to pro-forma or comparable exclude the impact of material divestitures and include the required accounting reclassifications described on slides 15-16 in the Q1 FY19 Earnings Presentation. Unless stated otherwise, quarterly rates and ranges are given on a constant currency basis, which adjusts for the impact of currency and required accounting reclassifications. Unless stated otherwise, annual rates and ranges are given on a comparable, constant currency basis, which adjusts for material divestitures, the impact of currency, and required accounting reclassifications.

Basis of Presentation of Comparable Full Year FY18 Financial Metrics

Previously disclosed full year FY18 financial metrics have been revised to adjust for (a) the estimated results of the portion of our Patient Monitoring & Recovery division, which was divested to Cardinal Health on July 29, 2017, and (b) the change in the presentation of revenue related to the Advanced Ablation and GI Solutions product lines, which were historically included within the Surgical Solutions division and which, effective Q2 FY18, are now included within the Respiratory, Gastrointestinal, and Renal (RGR) division. The non-GAAP reconciling items remain the same as those presented in previous earnings release materials. The GAAP to Non-GAAP reconciliations are available with previous earnings release materials, available at <http://investorrelations.medtronic.com>.

The revised comparable financial metrics represent estimates based upon available information and certain assumptions which management believes are reasonable under the circumstances. Actual results may have differed materially from the assumptions used to prepare the revised financial metrics. The revised financial metrics are not necessarily indicative of the financial position or results of operations that would have been realized had the divestiture occurred as of the dates or for the periods indicated, nor is it meant to be indicative of any financial position or results of operations that Medtronic plc may have experienced had the divestiture occurred in an earlier period.

	Initial Guidance	FY19 Performance
ORGANIC REVENUE GROWTH	4.0 - 4.5%	5.5%
OP MARGIN IMPROVEMENT¹ <i>REPORTED IMPROVEMENT</i>	+50 bps <i>+60 bps³</i>	+50 bps <i>+120 bps</i>
EARNINGS PER SHARE <i>GROWTH²</i>	\$5.10 - \$5.15 <i>9 - 10%³</i>	\$5.22 <i>11.5%</i>
FREE CASH FLOW⁴ <i>CONVERSION RATIO⁵</i>	\$4.7 - \$5.1B <i>68 - 73%³</i>	\$5.9B <i>83%</i>

1 Operating margin improvement on a comparable, constant currency basis.

2 Comparable EPS Growth.

3 Implied FY19 Guidance.

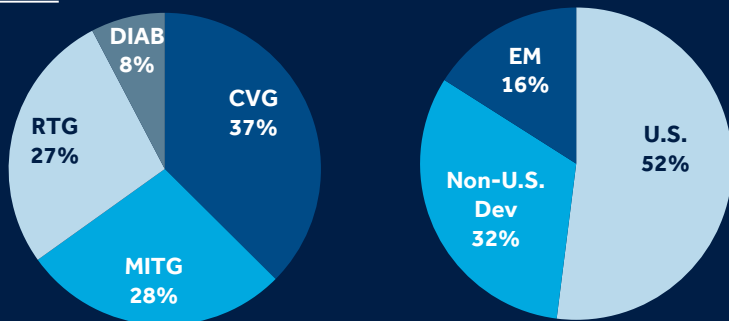
4 Operating cash flow less property, plant, and equipment additions.

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

Q4 FY19 CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS

SOLID FINISH TO A STRONG FISCAL YEAR; REVENUE GROWTH, OPERATING MARGIN, EPS EXCEED EXPECTATIONS

Revenue:



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CVG	3,050	(2.7)	1.1
MITG	2,255	0.8	5.1
RTG	2,215	4.1	6.5
Diabetes	626	(2.9)	0.6
Total	\$8,146	0.0%	3.6%

U.S.	4,284	2.3	2.3
Non-U.S. Dev	2,575	(5.3)	1.7
EM	1,287	3.9	12.0
Total	\$8,146	0.0%	3.6%

Other Financial Highlights:

	Diluted EPS	As Rep Y/Y	CC ¹ Y/Y%	Cash Flow from Ops	Free Cash Flow ²
GAAP	\$0.87	(18.7%)	NC	\$2.1B	\$1.8B
Non-GAAP	\$1.54	8.5%	9.2%		

- REVENUE:** +3.6% organic revenue growth; outperformance in RTG & MITG, and strength in Emerging Markets, offset CVG challenges & tough Diabetes comparisons
 - RTG growth of +6.5% driven by high-teens growth in Neurovascular and mid-teens growth in Neurosurgery on strong Mazor X™ Stealth Edition sales; Recaptured #1 share position in spinal cord stim for first time in 2.5 years
 - MITG growth of +5.1%; Surgical Innovations division overcame sterilization supply chain challenges
 - Emerging Markets grew +12.0%, driven by low-20's growth in South Asia and Southeast Asia, and low-double digit growth in China and the Middle East & Africa
- EPS:** Delivered 8.5% non-GAAP EPS growth
- OP MARGIN:** Delivered +140 bps non-GAAP operating margin expansion
 - Includes 20 basis point negative impact from sterilization supplier issue
- FCF:** Strong Free Cash Flow² performance of \$1.8B, versus \$746M in prior year
- PIPELINE:** Significant pipeline progress; series of major product launches planned over next 12 months
- FY20 GUIDANCE:**
 - Organic Revenue Growth: 4.0% +/-
 - EPS: \$5.44 - \$5.50

1 Figures represent comparison to Q4 FY18 on a constant currency basis.

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

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

Q4 FY19 GAAP TO NON-GAAP SELECT FINANCIAL INFORMATION

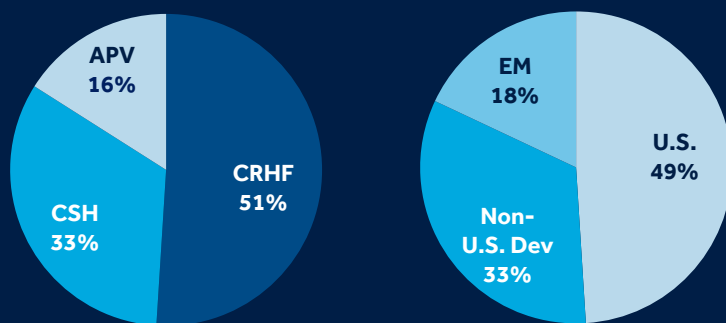
	Q4 FY19 GAAP	Non-GAAP Adjustments							Q4 FY19 Non-GAAP	Q4 FY18 Revised ²	Y/Y Growth / Change
		Amortization	Restructuring	Acquisition- Related	Gain/Loss on Minority Investments	IPR&D Charges	Debt Tender Premium & Other Charges	Certain Tax Adjustments			
Net Sales (\$M)	8,146								8,146	8,144	0%
Cost of Products Sold	2,483		(33)	(2)					2,448	2,379	3%
<i>Gross Margin</i>	69.5%								69.9%	70.8%	(90 bps)
SG&A	2,620		(32)	(23)					2,565	2,533	1%
<i>% of Sales</i>	32.2%								31.5%	31.1%	(40 bps)
R&D	594								594	592	0%
<i>% of Sales</i>	7.3%								7.3%	7.3%	Flat
Other Operating (Income) Expense, Net	(20)			(6)		(32)	28		(30)	188	-116%
<i>% of Sales</i>	-0.2%								-0.4%	2.3%	270 bps
Amortization of Intangible Assets	437	(437)							--	--	--
Restructuring Charges, Net	86		(86)						--	--	--
Operating Profit	1,946	437	151	31	--	32	(28)	--	2,569	2,452	5%
Operating Margin	23.9%								31.5%	30.1%	140 bps
Other Non-Operating Income, Net	(64)				(30)				(94)	(114)	-18%
Interest Expense	718						(485)		233	279	-16%
Net Income Attributable to MDT (\$M)	1,172	369	125	28	18	26	344	(5)	2,077	1,942	7%
Diluted EPS (\$)¹	0.87	0.27	0.09	0.02	0.01	0.02	0.25	--	1.54	1.42	8.5%

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

² Revised Baseline includes the required accounting reclassifications described on slides 15-16 in the Q1 FY19 Earnings Presentation.

CHALLENGES RESULT IN BELOW TREND GROWTH HEADWINDS OFFSET BY TAVR, TAA, CARDIAC SURGERY AND AF

Growth Driven by CSH, APV, Emerging Markets



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CRHF	1,554	(4.8)	(1.4)
CSH	994	(1.1)	3.6
APV	502	1.0	4.4
Total	\$3,050	-2.7%	1.1%

U.S.	1,510	(1.3)	(1.3)
Non-U.S. Dev	1,001	(6.8)	0.3
EM	539	1.5	9.8
Total	\$3,050	-2.7%	1.1%

- Coronary & Structural Heart: +3.6%** growth driven by balanced strength across Structural Heart from TAVR and Cardiac Surgery product launches
 - TAVR:** LDD WW growth, in-line with the market, driven by continued strong uptake of the Evolut™ PRO valve; positioned to lead as the market advances into younger, low risk patients
 - Landmark Evolut™ Low-Risk trial hits primary endpoint of non-inferiority to SAVR, while demonstrating superiority on a number of key parameters
 - Cardiac Surgery:** HSD growth driven by share gains in surgical valves and cannulae
- Cardiac Rhythm & Heart Failure: -1.4%** decline driven by Heart Failure and Services & Solutions, partially offset by strength in AF and Diagnostics
 - Arrhythmia Management:** MSD growth driven by Diagnostics and AF
 - High-teens Diagnostics growth behind Reveal LINQ™'s strongest growth in two years
 - Mid-teens growth in AF, driven by continued uptake of the Arctic Front™ cryoballoon
 - MSD declines in ICDs; Slight Pacing decline, despite share gains from Micra™ growth
 - Accelerating, high-20's growth of TYRX™ absorbable antibacterial envelope
 - WRAP-IT trial hits primary endpoint, with TYRX™ showing a 40% reduction in major CIED infections, 61% reduction in major CIED pocket infections
 - Heart Failure:** As expected, declined LDD due to CRT-D replacement and LVAD headwinds, partially offset by HSD CRT-P growth; LVADs declined high-30's WW, mid-50's U.S.
- Aortic, Peripheral & Venous: +4.4%** growth driven by strength in TAA, partially offset by DCB headwind
 - Low-20's growth in TAA behind continued successful launch of Valiant Navion™
 - HSD declines in DCBs on Paclitaxel uncertainty; mid-20's declines U.S., low-20's declines Western Europe, offset by Japan growth from ongoing launch

CoreValve™
Evolut™ PRO



Bio-Medicus™
NextGen Cannulae



Micra™
Transcatheter
Pacing System



Arctic Front
Advance Pro™



Valiant Navion™

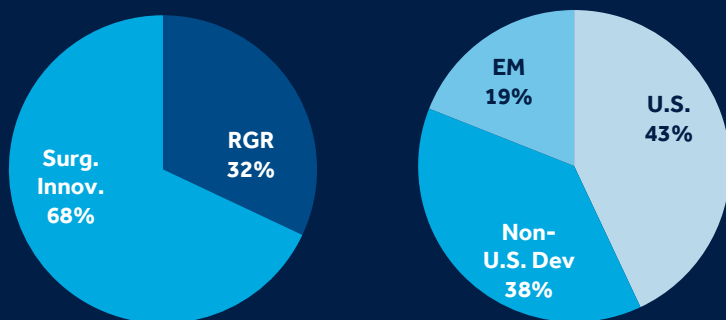


VenaSeal™
Closure System



¹ Figures represent comparison to Q4 FY18 on a constant currency basis.

Broad-Based Strength from SI and RGR



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
SI	1,529	1.1	5.8
RGR	726	0.3	3.6
Total	\$2,255	0.8%	5.1%

U.S.	971	7.6	7.6
Non-U.S. Dev	854	(7.5)	(1.0)
EM	430	4.4	13.1
Total	\$2,255	0.8%	5.1%

■ **Surgical Innovations (SI):** +5.8% growth driven by Advanced Energy and Advanced Stapling; overcame significant sterilization supply chain challenge

- **Advanced Surgical:** HSD growth, driven by conversion of surgical procedures from open to minimally invasive
 - **Advanced Energy:** HSD growth led by strength in:
 - 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:
 - Tri-Staple™ 2.0 endo stapling specialty reloads
 - Signia™ powered stapler
- **General Surgical:** LSD growth with strength in wound closure

■ **Respiratory, Gastrointestinal, & Renal (RGR):** +3.6% growth led by HSD strength in Respiratory and Patient Monitoring

- **Respiratory:** Above-market LSD growth with continued strength in Puritan Bennett™ 980 ventilators and McGRATH™ MAC video laryngoscopes
- **Patient Monitoring:** Strong MSD growth behind double-digit growth of Advanced Parameters & Informatics, including Microstream™ capnography and INVOS™ cerebral oximetry
- **GI Solutions:** LSD growth on another solid performance in GI Diagnostics
- **Renal Care Solutions:** MSD growth with strength from Clearum

■ **Emerging Market momentum continued with strong, low-teens growth**

Signia™ Stapling System



LigaSure™ Exact Dissector



Puritan Bennett™ 980

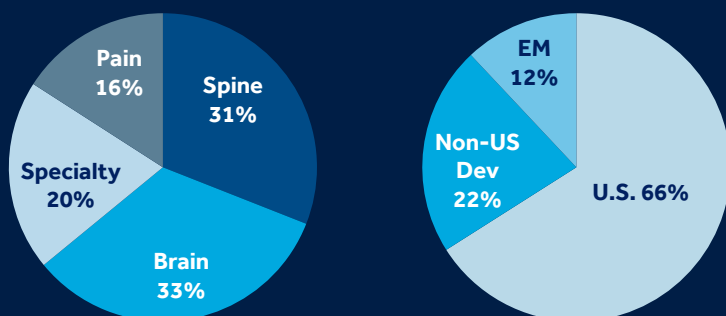


Capnostream™ 35 Portable Respiratory Monitor



¹ Figures represent comparison to Q4 FY18 on a constant currency basis.

Strength in Neurovascular, Neurosurgery, Pain Therapies & Specialty Therapies



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Spine	691	(1.1)	0.7
Brain	737	9.7	12.8
Specialty	445	5.0	6.8
Pain	342	3.0	5.4
Total	\$2,215	4.1%	6.5%

U.S.	1,473	6.4	6.4
Non-U.S. Dev	484	(3.8)	3.0
EM	258	7.9	14.6
Total	\$2,215	4.1%	6.5%

ANOTHER QUARTER OF OUTPERFORMANCE

GREW 6.5% ORGANIC

■ Brain Therapies: +12.8% growth driven by Neurovascular & Neurosurgery

- **Neurovascular:** High-teens growth, led by double-digit growth in stent retrievers, flow diverters, neuro access, and coil products
- **Neurosurgery:** Mid-teens growth; 30% growth in capital equipment on continued demand for StealthStation® S8 navigation systems, Mazor X™ robotic guidance systems, and O-arm® imaging systems
 - Mazor X™ Stealth Edition launch is off to a strong start and building momentum; 26 Mazor system sales in Q4; MDT Spine attachment rate 63%

■ Spine: +0.7% growth, with strength in Core Spine, including cervical & other biologic products

- **Spine revenue combined with enabling technologies² grew 5.6%;** U.S. Core Spine plus enabling tech grew 11.0%, driven by the ongoing success of the Surgical Synergy strategy
- **Core Spine:** Recently launched products, including Infinity™ OCT and Solera® Voyager® 5.5/6.0, and increasing Mazor X™ attachment rates contributed to LSD growth

■ Specialty Therapies: +6.8% growth driven by strength in ENT and Transformative Solutions

- **ENT:** HSD growth from powered systems, monitoring, and image-guided surgery products
- **Transformative Solutions:** High-teens growth on strong Aquamantys™ Bipolar Sealers

■ Pain Therapies: +5.4% growth driven by above market growth in SCS

- **Pain Stim:** Growth driven by Intellis™, EvolveSM workflow, and Snapshot™ reporting, reclaiming #1 share position in spinal cord stimulation market for first time in 2.5 years
- **TDD:** SynchroMed™ II sales continue to perform well with growing adoption of the Control WorkflowSM and new Clinician and myPTM™ Patient Programmers

Enabling Technologies



Intellis™ Spinal Cord Stimulator



Infinity™ OCT System



Aquamantys™ Bipolar Sealer



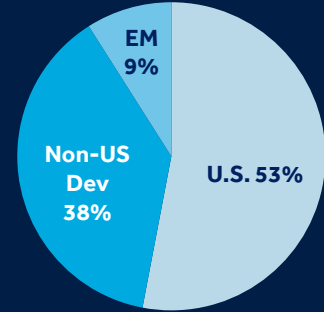
¹ Figures represent comparison to Q4 FY18 on a constant currency basis.

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

DIABETES

Q4 FY19 HIGHLIGHTS

**Strong Growth in CGM;
670G Installed Base Expands**



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
AIM	--	(MSD)	(LSD)
Emerging Tech	--	>50	>60
Total	\$626	(2.9%)	0.6%

U.S.	330	(10.8)	(10.8)
Non-U.S. Dev	236	8.3	16.5
EM	60	5.3	14.0
Total	\$626	(2.9%)	0.6%

GROWTH IN LINE WITH EXPECTATIONS INTERNATIONAL PUMPS, WW CGM OFFSETTING DIFFICULT US COMPARISON

▪ **Advanced Insulin Management:** Growth driven by integrated CGM and the ongoing MiniMed™ 670G system launch in international markets, offset by difficult comparisons and competitive pressure in the U.S.

• **Integrated CGM:**

- Strong global growth driven by increased CGM penetration within installed base and new patient acquisitions
- Launched Guardian® Sensor 3 in EMEA for MiniMed™ 640G pump patients

• **Insulin Pumps:**

- Solid growth from MiniMed™ 670G international sales; preparing to introduce in additional regions in early FY20
- As expected, faced difficult comparisons on pump sales in the U.S. given the sales backlog addressed in the prior year upon reaching full sensor manufacturing capacity
- MiniMed™ 670G installed base increased >10% sequentially, with now over 175,000 trained, active users benefiting from SmartGuard™ technology
 - Real-world data continues to showcase time-in-range exceeding 70%, delivering unsurpassed glucose control

▪ **Emerging Technologies:** >60% growth driven by worldwide demand of the Guardian® Connect CGM system

- Fourth consecutive quarter of Guardian® Connect triple digit sales growth

▪ **CGM (Integrated, Professional, & Stand-alone)** grew over 20%

▪ **ADA Conference:** Hosting Investor & Analyst Briefing on June 9th to provide update on pipeline and product launches over the next 24 months

MiniMed® 670G



MiniMed® 640G



Guardian® Sensor 3



Guardian Connect w/ Sugar.IQ™



¹ Figures represent comparison to Q4 FY18 on a constant currency basis.

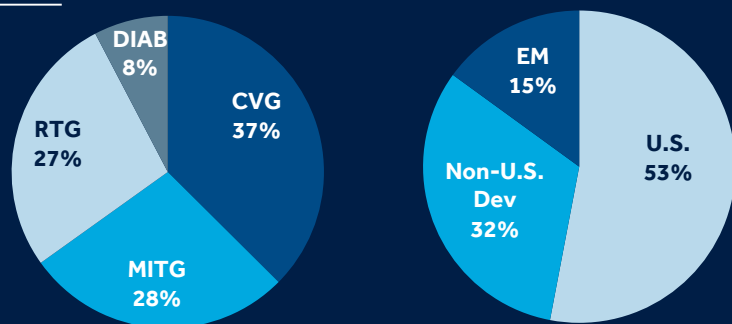
FY19 FINANCIAL HIGHLIGHTS

MDT

FY19 HIGHLIGHTS

5.5% ORGANIC REVENUE GROWTH; SIGNIFICANT FREE CASH FLOW; >80% FCF CONVERSION

Revenue:



	Revenue \$M	As Rep Y/Y %	CCC ¹ Y/Y %
CVG	11,505	1.3	2.9
MITG	8,478	(2.7)	5.8
RTG	8,183	5.7	6.6
Diabetes	2,391	11.7	13.4
Total	\$30,557	2.0%	5.5%

U.S.	16,194	2.0	4.7
Non-U.S. Dev	9,631	Flat	3.4
EM	4,732	6.3	12.7
Total	\$30,557	2.0%	5.5%

Other Financial Highlights:

	Diluted EPS	As Rep Y/Y	CCC ¹ Y/Y%	Cash Flow from Ops	Free Cash Flow ²
GAAP	\$3.41	50.2%	NC	\$7.0B	\$5.9B
Non-GAAP	\$5.22	9.4%	10.0%		

- REVENUE GROWTH:** Executed on our broad, sustainable growth strategy, driving therapy innovation and global market penetration
 - 5.5% organic revenue growth, with strong, diversified performance in all groups and regions
 - Steady cadence of innovative, new product launches driving continued growth
 - Double-digit Emerging Market growth; FY19 revenue of ~\$4.7B
- OPERATING MARGINS:** Delivered margin expansion by executing on Enterprise Excellence programs
 - Operating Margin: +120 bps improvement Y/Y; +50 bps constant currency
- EPS:** \$5.22; 11.5% comparable growth
- FCF:** Free cash flow² of \$5.9B, up 62% versus FY18
 - FCF Conversion: 83%, achieved long-range plan of 80% 1-2 years ahead of schedule
- CAPITAL ALLOCATION:** Strategically executed balanced capital deployment
 - Invested in future growth through disciplined investment in R&D and tuck-in acquisitions, including Mazor Robotics and EPIX Therapeutics
 - Return to Shareholders: \$2,693M in dividends and \$1,885M in net share repurchases; representing 78% of FCF² and 65% of Non-GAAP Net Income

¹ Figures represent comparison to FY18 on a comparable, constant currency basis.

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

	FY18 Revised ¹	FY19	Y/Y Growth / Change	FX Impact / Change	FY19 Constant Currency	FY19 CCC Growth / Change ³
Net Sales (\$M)	29,403	30,557	3.9%	(455)	31,012	5.5%
Operating Profit²	8,184	8,872	8.4%	108	8,764	7.1%
Operating Margin²	27.8%	29.0%	1.2%	0.7%	28.3%	50 bps
Diluted EPS² (\$)	4.68	5.22	11.5%	0.07	5.15	10.0%



¹ Revised Baseline includes the required accounting reclassifications described on slides 15-16 in the Q1 FY19 Earnings Presentation.

² Non-GAAP.

³ Figures represent comparison to FY18 Revised Baseline on a comparable, constant currency basis.

FY19 GAAP TO NON-GAAP SELECT FINANCIAL INFORMATION

	Non-GAAP Adjustments										FY19 Non -GAAP	FY18 Revised ²	Y/Y Growth / Change
	FY19 GAAP	Amortization	Restructuring	Litigation	Acquisition- Related	Gain/Loss on Minority Investment	IPR&D Charges	Exit of Business	Debt Tender Premium & Related Costs	Certain Tax Adjustments			
Net Sales (\$M)	30,557										30,557	29,403	3.9%
Cost of Products Sold	9,155		(91)		(7)						9,057	8,676	4%
<i>Gross Margin</i>	<i>70.0%</i>										<i>70.4%</i>	<i>70.5%</i>	<i>(10 bps)</i>
SG&A	10,418		(118)		(143)						10,157	9,876	3%
<i>% of Sales</i>	<i>34.1%</i>										<i>33.2%</i>	<i>33.6%</i>	<i>40 bps</i>
R&D	2,330										2,330	2,247	4%
<i>% of Sales</i>	<i>7.6%</i>										<i>7.6%</i>	<i>7.6%</i>	<i>Flat</i>
Other Operating Expense, Net	258				62		(58)	(149)	28		141	420	-66%
<i>% of Sales</i>	<i>0.8%</i>										<i>0.5%</i>	<i>1.4%</i>	<i>90 bps</i>
Amortization of Intangible Assets	1,764	(1,764)									--	--	--
Restructuring Charges, Net	198		(198)								--	--	--
Certain Litigation Charges	166			(166)							--	--	--
Operating Profit	6,268	1,764	407	166	88	--	58	149	(28)	--	8,872	8,184	8%
Operating Margin	20.5%										29.0%	27.8%	120 bps
Other Non-Operating Income, Net	(373)					62					(311)	(425)	-27%
Interest Expense	1,444								(485)		959	1,108	-13%
Net Income Attributable to MDT (\$M)	4,631	1,497	341	142	72	(65)	49	118	344	(40)	7,089	6,409	11%
Diluted EPS (\$)¹	3.41	1.10	0.25	0.10	0.05	(0.05)	0.04	0.09	0.25	(0.03)	5.22	4.68	11.5%

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

² Revised Baseline includes the required accounting reclassifications described on slides 15-16 in the Q1 FY19 Earnings Presentation.

FREE CASH FLOW

COMPONENTS OF FREE CASH FLOW

	FY16	FY17	FY18	FY19
<i>\$ Billions</i>				
Operating Cash Flow	\$5.2	\$6.9	\$4.7	\$7.0
CAPEX	(\$1.0)	(\$1.3)	(\$1.1)	(\$1.1)
Free Cash Flow	\$4.2	\$5.6	\$3.6	\$5.9
Non-GAAP Net Income	\$6.2	\$6.4	\$6.5	\$7.1
Conversion Ratio⁴	67%	88%	55%	83%
<i>Conversion Ratio adjusted to include post-tax amortization</i>	<i>88%</i>	<i>114%</i>	<i>72%</i>	<i>105%</i>
<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
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 and divestiture-related 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

	FY19 Base	Organic Growth Guidance	FX ¹	Implied Revenue Range
REVENUE	\$30,557M	4.0% +/-	(1.0%) – (1.5%)	\$31.3 - \$31.5B +/-

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

	FY19 Base	Implied Constant Currency	FX ¹	EPS Guidance
EPS	\$5.22	6 – 7%	(-\$0.10)	\$5.44 - \$5.50

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

FY20 RTG STRUCTURE / REVENUE REPORTING CHANGES

Moving **Transformative Solutions**¹ 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

Recast to reflect new RTG reporting structure

All figures in \$millions

World Wide

	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19
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.

	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19
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

ADA	American Diabetes Association
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
FCF	Free Cash Flow
FX	Foreign Exchange

Other

FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GM	Gross Margin
IPR&D	In-process Research & Development
IRS	Internal Revenue Service
Op	Operating
NC	Not Comparable
Q	Quarter
R&D	Research & Development
Rep	Reported
SEC	U.S. Securities & Exchange Commission
SG&A	Selling, General & Administrative
U.S.	United States
WW	Worldwide
YTD	Year to Date
Y/Y	Year-over-Year
\$M	Millions of Dollars

Business Specific

AF	Atrial Fibrillation
AIM	Advanced Insulin Management
APV	Aortic, Peripheral & Venous
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
DIAB	Diabetes
DCB	Drug Coated Balloon
ENT	Ear, Nose, & Throat
GI	Gastrointestinal
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
SAVR	Surgical Aortic Valve Replacement
SCS	Spinal Cord Stimulation
Stim	Stimulation
Surg Innov / SI	Surgical Innovations
TAA	Thoracic Aortic Aneurysm
TAVR	Transcatheter Aortic Valve Replacement
Tech	Technology