

MEDTRONIC PLC

Q2 FY17

EARNINGS PRESENTATION
NOVEMBER 22, 2016

- CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS
- EPS GUIDANCE, REVENUE OUTLOOK, & OTHER ASSUMPTIONS

Medtronic
Further, Together

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements which provide current expectations or forecasts, including those relating to market and sales growth, growth strategies, financial results, use of capital, product development and introduction, partnerships, regulatory matters, restructuring initiatives, mergers/acquisitions/divestitures and related effects, accounting estimates, working capital adequacy, competitive strengths and sales efforts. 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.

Financial Data

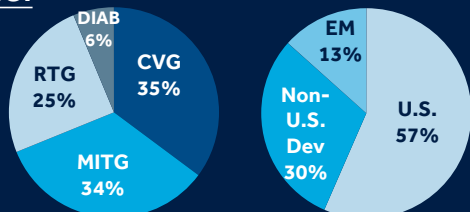
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CONSOLIDATED RESULTS & GROUP REVENUE HIGHLIGHTS

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Q2 FY17 HIGHLIGHTS

Revenue:



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CVG	2,584	4	3
MITG	2,473	5	4
RTG	1,826	4	3
Diabetes	462	3	3
Total	\$7,345	4%	3%

U.S.	4,152	1	1
Non-U.S. Dev	2,209	8	5
EM	984	8	10
Total	\$7,345	4%	3%

Other Financial Highlights:

	EPS ²	Y/Y	CC ¹ Y/Y%
GAAP	\$0.80	122%	NC
Non-GAAP	\$1.12	9%	15%

Cash Flow from Ops \$1.5B

Free Cash Flow⁴ \$1.2B

REVENUE BELOW EXPECTATIONS; STRONG OPERATING AND EARNINGS GROWTH

- Number of issues contributed to lower than expected revenue; largest impact from CVG and Diabetes
 - 3% revenue growth³ was below our Q2 expectations; Items are identifiable, and in many cases, temporary
 - CVG: CRHF core implantables market decline; TAVR- lack of XL valve; DES-US / Japan declines
 - Diabetes: Pump approval dynamics affected US growth
 - Several new product introductions in back half of the fiscal year to drive revenue growth back to normal range
 - Growth Vector Performance:
 - New Therapies: below our 200 to 350 bps goal, contributing ~195 bps
 - Emerging Markets: below our 150 to 200 bps goal, contributing ~120 bps
 - Services & Solutions: below our 40 to 60 bps goal, contributing ~20 bps
 - Acquisitions & divestitures contributed a net 120 bps to Q2 revenue growth
- Strong improvement in operating margins and double-digit EPS³ growth
 - EPS: 15% EPS^{1,3} growth; EPS lev. ~1,120 bps¹
 - Operating Margin: ~150 bps improvement Y/Y¹; Operating lev. ~570 bps¹
 - One time tax-benefit offset higher than expected earnings impact from FX
 - Covidien synergies: remain on track to deliver \$225-250M in FY17
- Outlook: Continue to expect MSD revenue and double-digit EPS³ growth for the full fiscal year and on a sustained basis
 - H2 MSD revenue³ growth
 - H2 EPS³ growth of 8-10%
 - FY17 Free Cash Flow⁴ outlook of \$5B - \$6B
- Capital allocation: Strategically deploying capital against priorities
 - Q2: 101% Payout Ratio³; \$593M in dividends and \$985M in net share repurchases

¹ Figures represent comparison to Q2 FY16 on a constant currency basis.

² Diluted EPS

³ Non-GAAP

⁴ Operating cash flows less property, plant and equipment additions

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Q2 FY17 GAAP SELECT FINANCIAL INFORMATION

	Q2 FY17	Q2 FY16	Y/Y Growth / Y/Y Change
Net Sales (\$M)	7,345	7,058	4%
Cost of Products Sold	2,326	2,182	7%
<i>Gross Margin</i>	68.3%	69.1%	<i>(80 bps)</i>
SG&A (\$M)	2,416	2,343	3%
<i>% of Sales</i>	32.9%	33.2%	<i>30 bps</i>
R&D (\$M)	554	545	2%
<i>% of Sales</i>	7.5%	7.7%	<i>20 bps</i>
Other Expense, Net (\$M)	89	57	56%
Operating Profit	1,385	1,300	7%
<i>Operating Margin</i>	18.9%	18.4%	<i>50 bps</i>
EPS ¹ (\$)	0.80	0.36	122%

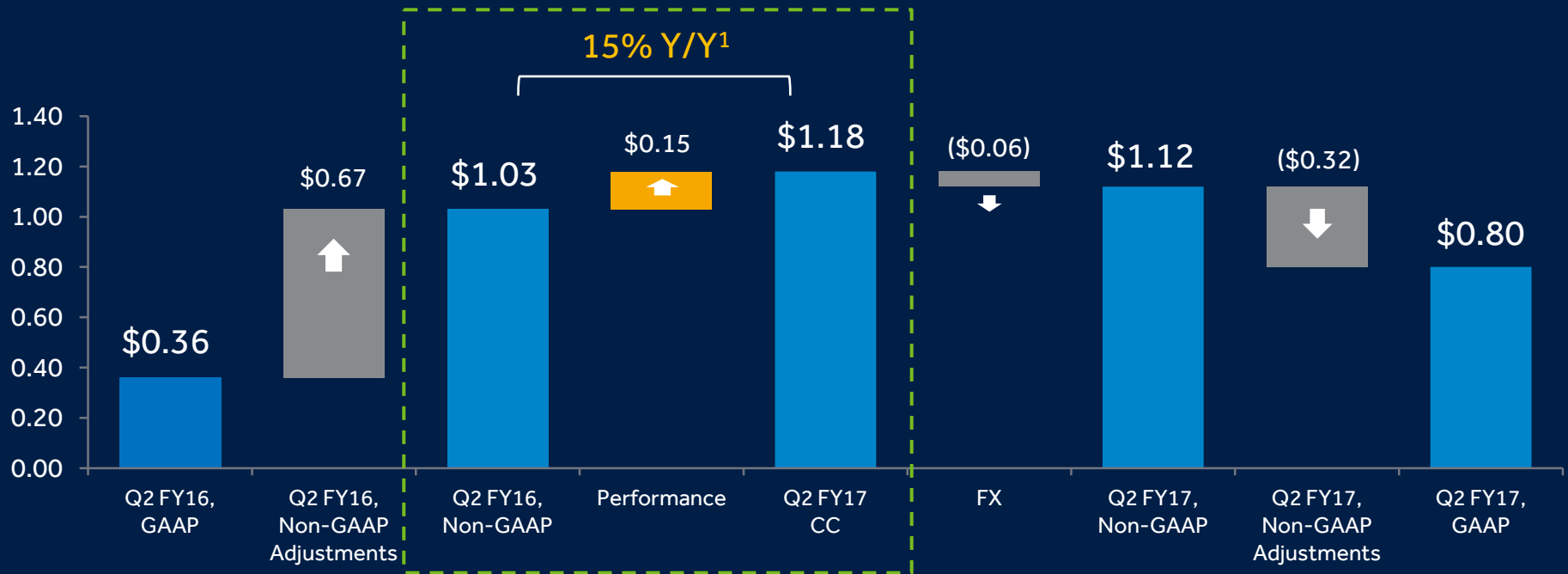
¹ Diluted EPS

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Q2 FY17 Y/Y EPS WALK

EPS

EPS Growth¹: Mid-Teens; EPS Leverage¹: ~1,120 bps



¹ Comparison to Q2 FY16 on a constant currency basis.

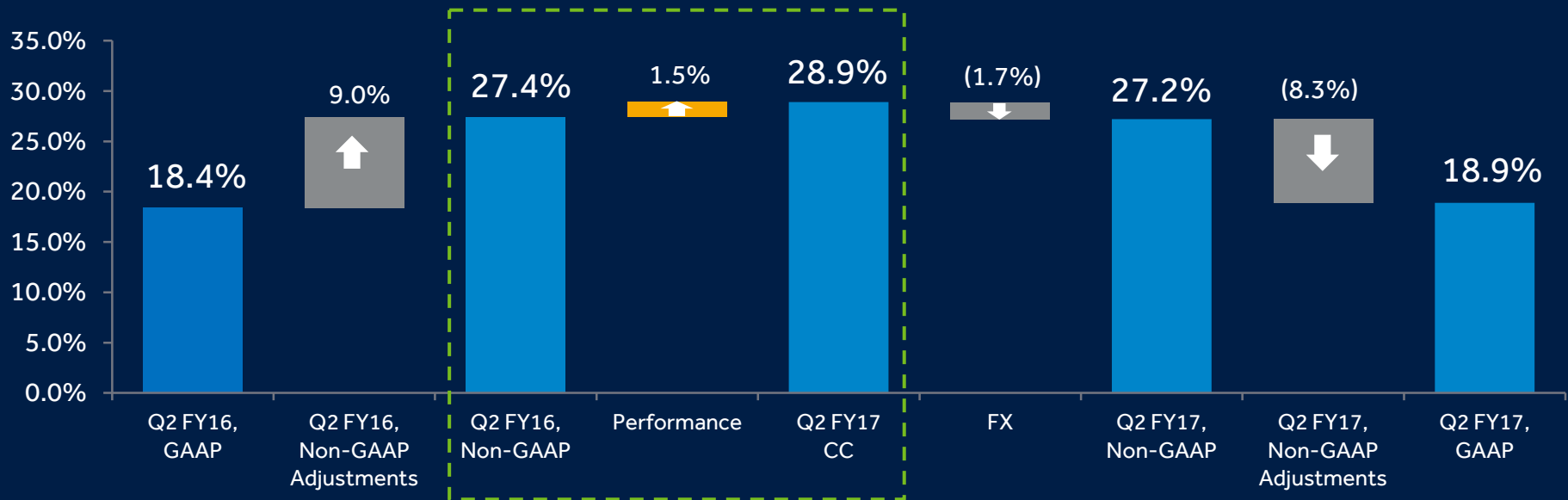
Note: See Q2 FY17 Financial Schedules & Non-GAAP Reconciliations tables for additional information on reconciliations of non-GAAP information.

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Q2 FY17 Y/Y OPERATING MARGIN CHANGES

Operating Margin

~150 bps Operational Improvement¹



¹ Comparison to Q2 FY16 on a constant currency basis.

Note: See Q2 FY17 Financial Schedules & Non-GAAP Reconciliations tables for additional information on reconciliations of non-GAAP information.

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Q2 FY17 NON-GAAP SELECT FINANCIAL INFORMATION

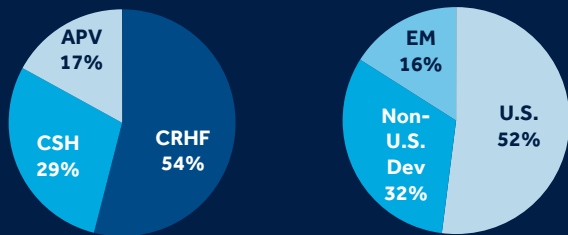
	Q2 FY17	Q2 FY16	FX Impact \$M / Change	Q2 FY17 Constant Currency ¹	Q2 FY17 CC Growth / Change
Net Sales (\$M)	7,345	7,058	50	--	3%
Cost of Products Sold	2,288	2,182	(58)	--	2%
Gross Margin ¹	68.8%	69.1%	(60) bps	69.4%	30 bps
SG&A (\$M)	2,416	2,343	(10)	--	(3%)
% of Sales	32.9%	33.2%	10 bps	33.0%	20 bps
R&D (\$M)	554	545	0	--	(2%)
% of Sales	7.5%	7.7%	10 bps	7.6%	10 bps
Other Expense, Net (\$M)	89	57	(90)	--	102%
Operating Profit ¹	1,998	1,931	(108)	--	9%
Operating Margin ¹	27.2%	27.4%	(170) bps	28.9%	150 bps
Diluted EPS ¹ (\$)	1.12	1.03	(0.06)	--	15%

Operating Leverage²
+570bps

EPS Leverage²
+1,120bps

1 Non-GAAP measure – see Q2 FY17 Financial Schedules & Non-GAAP Reconciliations tables for additional information on reconciliations of non-GAAP information
2 Figures represent comparison to Q2 FY16 on a constant currency basis.

MSD Growth in CRHF and APV Offset Partially by CSH



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
CRHF	1,400	6	5
CSH	753	Flat	Flat
APV	431	5	4
Total	\$2,584	4%	3%

U.S.	1,353	1	1
Non-U.S. Dev	823	7	5
EM	408	9	10
Total	\$2,584	4%	3%

H2 Growth Outlook: MSD (Q3 greater than Q4)

KEY PERFORMANCE DRIVERS¹

Cardiac Rhythm & Heart Failure (CRHF)

WW implantables market down LSD; MDT growing in line with global market

Arrhythmia Mgmt: +LSD

- WW Tachy: LSD decline due to market replacements, TYRX™ product hold
- WW Brady: LSD decline
 - US: Modest share decline
 - Reveal LINQ™ pull-through
- Diagnostics: Mid-teens – Reveal LINQ™
- AF Solutions: High-twenties – Arctic Front Advance continues to gain share

Services & Solutions: +Mid 20's

Heart Failure: +HSD

- Driven by recent HeartWare acquisition; integration on track
- US market decline in MSD
- CRT-D: LSD decline
 - US: Share gains on Amplia quad launch
 - Japan: Strong launch of Compia MRI continues to drive share gains
- CRT-P: share loss from lack of quad

Evera MRI™ SureScan® ICD



Arctic Front Advance®

Coronary & Structural Heart (CSH)

Heart Valve Therapies: +HSD

- WW TAVR market growing ~30%
- TAVR: High teens WW; LSD US
 - Europe: continue to gain share
 - US: lack of a large size Evolut™ R XL limiting share; expect gains given recent FDA approval
 - Japan: continued strength in CoreValve® launch; recent Shonin approval; expect reimbursement & launch in H2 FY17

Coronary: -MSD

- DES: HSD decline
 - OUS: LSD growth-Resolute Onyx™
 - US: DD decline - competitive product launches

Extracorp. Therapies: -LSD

- Cannulae and Revasc growth offset by Surgical Ablation decline

CoreValve® Evolut® R



Resolute Onyx®



Aortic & Peripheral Vascular (APV)

Aortic: +LSD

- US: Flat growth; Heli-FX® EndoAnchor® driving strong growth and AAA pull-through, offset by competitive headwinds in AAA
- OUS: MSD growth

Peripheral & endoVenous: +MSD

- DCB: US & WW market share leader
 - IN.PACT® Admiral DCB mid-20s
 - Received ISR indication (only DCB with ISR in US)
- HawkOne 6F™ atherectomy launch

Heli-FX® EndoAnchor

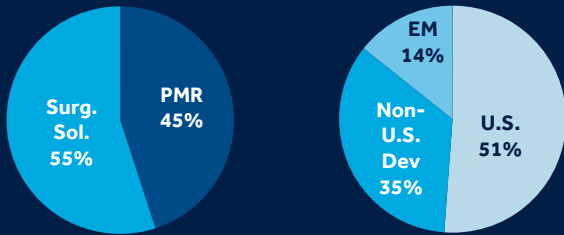


IN.PACT® Admiral®



¹ Figures represent comparison to Q2 FY16 on a constant currency basis.

MSD Growth in Surgical Solutions and PMR



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Surg. Sol.	1,361	5	4
PMR	1,112	4	3
Total	\$2,473	5%	4%

U.S.	1,266	Flat	Flat
Non-U.S. Dev	853	10	5
EM	354	12	14
Total	\$2,473	5%	4%

H2 Growth Outlook: MSD

KEY PERFORMANCE DRIVERS¹

Surgical Solutions

Advanced Surgical: +LSD

- Growth in Advanced Stapling reflecting continued strong performance in Endo stapling specialty reloads
- Advanced Energy growth benefited from continued strong performance of Valleylab™ FT10, which was offset by competitive reprocessing in the US
- Benefitted from Smith & Nephew gynecology acquisition (TRUCLEAR), which closed beginning of Q2 FY17
- US surgical procedure volumes appear stable in the ~1-2% range

New Products Coming in H2 FY17:

- Advanced Energy: Introducing four new products. Three are enhancements to the jaw design of the LigaSure portfolio and one is a new 5 mm multifunction instrument, which allows for fast dissection and sealing in one device.
- Advanced Stapling: Signia power stapling system: real-time feedback on tissue thickness, full power rotation & articulation with one-handed firing

General Surgical: +MSD

- Benefitted from suture growth in Emerging Markets and strong performance in OR Safety

Early Technologies: +LSD

- Growth in Gastrointestinal Solutions driven by new product introductions including Barrx™ 360 Express; offset by timing of capital equipment in Interventional Lung Solutions

ValleyLab™ FT10



Barrx™ 360 Express



TRUCLEAR™



Patient Monitoring & Recovery (PMR)

Patient Monitoring and Airways & Ventilation: +MSD

- Growth benefitted from strong Puritan Bennett™ 980 sales

Renal Care Solutions

- Benefitted from Bellco acquisition
- Continued strength from dialyzers and other consumables.

Nutritional Insufficiency / DVT/ Patient Care: -LSD

- Growth in Nutritional Insufficiency driven by increased adoption of enteral feeding in emerging markets, partially offset by DVT due to reprocessing in US & Patient Care primarily due to timing of distributor orders.

Bellco



Puritan Bennett™ 980

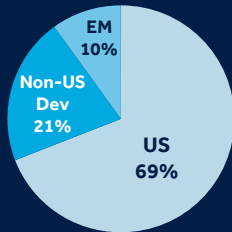
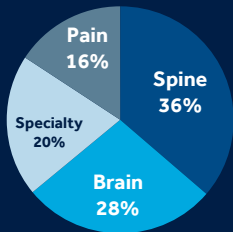


¹ Figures represent comparison to Q2 FY16 on a constant currency basis.

RTG

Q2 FY17 HIGHLIGHTS

Continued Improvement in Spine; Solid Brain Therapies & Specialty Therapies Growth Offsets Declines in Pain Therapies



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
Spine	663	2	1
Brain	506	7	6
Specialty	369	6	6
Pain	288	(2)	(2)
Total	\$1,826	4%	3%

	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
U.S.	1,261	4	4
Non-U.S. Dev	383	4	1
EM	182	1	2
Total	\$1,826	4%	3%

H2 Growth Outlook: Low End of MSD Range (Ramp Q3 to Q4)

MICHELSON TECHNOLOGY AT WORK

¹ Figures represent comparison to Q2 FY16 on a constant currency basis.

KEY PERFORMANCE DRIVERS¹

Spine

Continued improvement in Spine; gained global share

Core Spine: +LSD

- TL Fixation growth driven by US; strong performance in new Solera Voyager
- Interbody launches (Elevate, Divergence L, Capstone PTC, Pivox) driving growth
- Cervical challenged by pricing pressure, flat unit volumes, EMEA weakness

BMP: +LSD

- US: HSD Infuse[®] growth
- OUS: InductOs[™] ship hold in Europe resulted in ~\$5M lost revenue in Q2; expect to resolve in H1 FY18

Kanghui: +HSD

- New product launches driving growth

Infuse[®]
Bone Graft



Brain Therapies

Neurovascular: +MSD

- Voluntary recall of NV products in Q2 negatively impacted growth in Flow Diversion and Neuro Access
- Medina embolization product hold affecting Coil and Intrassacular growth
- Recent launch of Axium Prime Detachable Coil (Extra Soft) gaining traction

Brain Modulation: +LSD

- Strong US replacement demand partially offset by continued weakness in new implants
- European competitive headwinds

Neurosurgery: +HSD

- US O-arm[®] O2 penetration; core navigation instruments; services

O-arm[®] O2



Specialty Therapies

ENT: +LSD

- Continued strong NuVent growth partially offset by weakness in disposables and EMEA tender delays

Pelvic Health: +HSD

- Balanced US / OUS growth driven by healthy new implant and replacement demand

Advanced Energy: +LDD

- AEX[®] Generator combo platform driving continued adoption
- WW growth of Aquamantys and PlasmaBlade disposables
- Strong US Core 4 (Ortho, Oncology, CRM Leads, ENT) execution

InterStim II[®]



Pain Therapies

SCS/Pumps: -MSD

- Growth in US replacement demand offset by new implant declines
- Ongoing SCS competitive pressure leading to share loss

Interventional: +HSD

- Balanced US/OUS growth
- OsteoCool[™] ablation system generating BKP pull-through

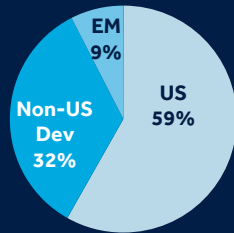
OsteoCool[™]



DIABETES

Q2 FY17 HIGHLIGHTS

Temporary Disruption to Pump Buying Patterns, Robust Product Pipeline



	Revenue \$M	As Rep Y/Y %	CC ¹ Y/Y %
IIM	ND	LSD	MSD
NDT	ND	>40	>35
DSS	ND	LSD	LSD
Total	\$462	3%	3%

U.S.	272	(3)	(3)
Non-U.S. Dev	150	11	12
EM	40	14	14
Total	\$462	3%	3%

H2 Growth Outlook: MSD to HSD
(Ramp Q3 to Q4)

KEY PERFORMANCE DRIVERS¹

Intensive Insulin Management (IIM)

- Product Approval Dynamics Affected Growth**
 - US insulin pump sales slowed in anticipation of MiniMed[®] 670G System launch
 - Deferring portion of MiniMed[®] 630G System revenue due to Priority Access Program; early adopters participating in program
- CGM Reimbursement:**
 - Secured in Germany, Greece, and Czech Republic
- MiniMed[®] 640G System:**
 - Continued strong sales in Europe
 - Will continue to launch throughout Latin America and APAC countries over the course of FY17
- MiniMed[®] 670G System:**
 - Earlier-than-expected FDA approval
 - World's first hybrid closed loop system with advanced SmartGuard[®] HCL algorithm and Guardian[®] Sensor 3
 - On track for initial shipments in Spring 2017; see full benefit in FY18

MiniMed[®] 640G



MiniMed[®] 630G



Non-Intensive Diabetes Therapies (NDT)

- Another Strong Quarter:**
 - iPro[®] Pattern Snapshot driving growth
 - iPro[®] 2 with Sof-Sensor[®] approved in China
- i-Port Advance Technology:**
 - iPort DTC campaign launched with strong US sales in Q2
- Henry Schein:**
 - Continued progress on distribution agreement; developing new ease-of-use tools that will help drive professional CGM awareness

iPro[®] 2 CGM w/ Pattern Snapshot



Diabetes Service & Solutions (DSS)

- International Growth:**
 - Continued success of 640G launch and customer care programs to improve adherence / retention
- Guardian[®] Connect:**
 - Launched in October in select countries in EMEA with Enhanced Enlite[®] sensor.
 - US launch with the Guardian[®] Sensor 3 expected later this fiscal year
- MiniMed[®] Connect:**
 - Solid initial uptake of recently launched Android version
- Diabeter**
 - Opened 5th clinic in the Netherlands
- Sugar.IQ[™] with Watson:**
 - First live experience of cognitive app; first application of IBM Watson technology collaboration

MiniMed[®] Connect



¹ Figures represent comparison to Q2 FY16 on a constant currency basis.

FY17 EPS GUIDANCE, REVENUE OUTLOOK, & OTHER ASSUMPTIONS

Updated Guidance

	H2 FY17	FY17
Revenue Growth Outlook – CCCW¹	MSD	MSD
CVG Growth – CCCW	MSD, Q3 greater than Q4	--
MITG Growth – CCCW	MSD	--
RTG Growth – CCCW	Low-end of MSD, Ramp Q3 to Q4	--
Diabetes Growth – CCCW	MSD to HSD, Ramp Q3 to Q4	--
COV Synergies	--	~\$225-250M
EPS Growth Guidance– CCCW²	8-10%	Double Digit
Free Cash Flow ³	--	\$5B - \$6B

Note: Medtronic does not intend to adopt FASB ASU 2016-09 regarding the change in tax treatment of stock-based compensation until our fiscal year 2018.

Other than noted, revenue and EPS growth guidance do not include any charges or gains that would be recorded as non-GAAP adjustments to earnings during the fiscal year

1 While FX rates are fluid, based on current rates, the FX impact to H2 revenue would be +\$63M to +\$103M

2 Estimated FX impact to FY17 EPS of (\$0.20) to (\$0.22)

3 Operating cash flows less property, plant and equipment additions

MDT

Q2 FY17 REVENUE REPORTING CHANGES – NEW CRHF STRUCTURE

Recast to better align with management/GM structure and the recent acquisition of HeartWare

CRHF – Prior View

Revenue Grouping	Business Unit	Product Lines
High Power	<ul style="list-style-type: none"> Tachy HF (partial) 	<ul style="list-style-type: none"> ICDs CRT-Ds
Low Power	<ul style="list-style-type: none"> Brady HF (partial) Diagnostics 	<ul style="list-style-type: none"> Pacemakers CRT-Ps Reveal, LINQ, SEEQ
AF & Other	<ul style="list-style-type: none"> AF Solutions Hosp. Solutions MCMS 	<ul style="list-style-type: none"> AF Ablation CLMS, ORMS, Post-Acute Care Svcs.

CRHF – New View

Revenue Grouping	Business Unit	Product Lines
Arrhythmia Mgmt.	<ul style="list-style-type: none"> Tachy Brady Diagnostics (partial) AF Solutions 	<ul style="list-style-type: none"> ICDs Pacemakers Reveal, LINQ AF Ablation
Heart Failure	<ul style="list-style-type: none"> HF 	<ul style="list-style-type: none"> CRTs LVADs
S&S	<ul style="list-style-type: none"> Diagnostics (partial) Hosp. Solutions MCMS 	<ul style="list-style-type: none"> SEEQ CLMS, ORMS Post Acute Care Svcs.

APPENDIX

ACRONYMS / ABBREVIATIONS

Growth

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

Other

ASP	Average Selling Price	H1 / H2	First Half / Second Half
APAC	Asia Pacific	M&A	Mergers & Acquisitions
Bps	Basis Points	Mgmt.	Management
CC	Constant Currency	Ops	Operations
CCCW	Constant Currency Constant Weeks	OM	Operating Margins
Dev	Developed	OUS	Outside the United States
EM	Emerging Markets	R&D	Research & Development
EMEA	Europe, Middle East & Africa	Rep	Reported
EPS	Earnings per Share	SG&A	Selling, General & Administrative
FCF	Free Cash Flow	WW	Worldwide
FX	Foreign Exchange	Y/Y	Year-over-Year
FY	Fiscal Year		

Business Specific

AAA	Abdominal Aortic Aneurysms	HF	Heart Failure
AF	Atrial Fibrillation	Hosp.	Hospitals
APV	Aortic & Peripheral Vascular	ICD	Implantable Cardioverter Defibrillator
BKP	Balloon Kyphoplasty	IIM	Intensive Insulin Management
BMP	Bone Morphogenetic Protein	ISR	In-Stent Restenosis
Brady	Bradycardia	LVAD	left Ventricular Assist Device
CGM	Continuous Glucose Monitoring	MCMS	Medtronic Care Management Services
CLMS	Cath Lab Managed Services	MDT	Medtronic
CRHF	Cardiac Rhythm & Heart Failure	MITG	Minimally Invasive Therapies Group
CRM	Cardiac Rhythm Management	MIS	Minimally Invasive Surgery
CRT-D	Cardiac Resynchronization Therapy – Defibrillator	MRI	Magnetic Resonance Imaging
CRT-P	Cardiac Resynchronization Therapy – Pacemakers	NDT	Non-Intensive Diabetes Therapies
CSH	Coronary & Structural Heart	NV	Neurovascular
CVG	Cardiac & Vascular Group	OR	Operating Room
DBS	Deep Brain Stimulation	ORMS	Operating Room Managed Services
DVT	Deep Vein Thrombosis	PMR	Patient Monitoring & Recovery
DCB	Drug Coated Balloon	PTC	Pure Titanium Coating
DES	Drug Eluting Stent	RTG	Restorative Therapies Group
DSS	Diabetes Services & Solutions	SCS	Spinal Cord Stimulation
ENDO	Endovascular	Sol	Solutions
ENT	Ear, Nose, & Throat	ST	Surgical Technologies
Extracorp	Extracorporeal	Tachy	Tachycardia
FDA	Food and Drug Administration	TAVR	Transcatheter Aortic Valve Replacement
HCL	Hybrid Closed Loop	TL	Transforaminal Lumbar