

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

- ☒ Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934.  
For the fiscal year ended April 26, 2024.
- ☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-36820

**Medtronic**®

Medtronic plc

(Exact name of registrant as specified in its charter)

Ireland

(State or other jurisdiction of incorporation or organization)

98-1183488

(I.R.S. Employer Identification No.)

20 On Hatch, Lower Hatch Street

Dublin 2, Ireland

(Address of principal executive offices)

+353 1 438-1700

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Ordinary shares, par value \$0.0001 per share	MDT	New York Stock Exchange
0.250% Senior Notes due 2025	MDT/25	New York Stock Exchange
0.000% Senior Notes due 2025	MDT/25A	New York Stock Exchange
2.625% Senior Notes due 2025	MDT/25B	New York Stock Exchange
1.125% Senior Notes due 2027	MDT/27	New York Stock Exchange
0.375% Senior Notes due 2028	MDT/28	New York Stock Exchange
3.000% Senior Notes due 2028	MDT/28A	New York Stock Exchange
3.650% Senior Notes due 2029	MDT/29	New York Stock Exchange
1.625% Senior Notes due 2031	MDT/31	New York Stock Exchange
1.000% Senior Notes due 2031	MDT/31A	New York Stock Exchange
3.125% Senior Notes due 2031	MDT/31B	New York Stock Exchange
0.750% Senior Notes due 2032	MDT/32	New York Stock Exchange
3.375% Senior Notes due 2034	MDT/34	New York Stock Exchange
3.875% Senior Notes due 2036	MDT/36	New York Stock Exchange
2.250% Senior Notes due 2039	MDT/39A	New York Stock Exchange
1.500% Senior Notes due 2039	MDT/39B	New York Stock Exchange
1.375% Senior Notes due 2040	MDT/40A	New York Stock Exchange
4.150% Senior Notes due 2043	MDT/43A	New York Stock Exchange
1.750% Senior Notes due 2049	MDT/49	New York Stock Exchange
1.625% Senior Notes due 2050	MDT/50	New York Stock Exchange
4.150% Senior Notes due 2053	MDT/53	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐

Aggregate market value of voting and non-voting common equity of Medtronic plc held by non-affiliates of the registrant as of October 27, 2023, based on the closing price of \$69.43 as reported on the New York Stock Exchange: approximately \$92.4 billion. Number of Ordinary Shares outstanding on June 17, 2024: 1,282,269,783

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s Proxy Statement for its 2024 Annual General Meeting are incorporated by reference into Part III hereof.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, and other written reports of Medtronic plc, organized under the laws of Ireland (together with its consolidated subsidiaries, Medtronic, the Company, or we, us, or our), and oral statements made by or with the approval of one of the Company's executive officers from time to time, may include "forward-looking" statements. All statements other than statements of historical fact contained in this Annual Report on Form 10-K, including statements regarding our future results of operations and financial position, business strategy and plans, objectives of management for future operations and current expectations or forecasts of future results, are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Our forward-looking statements may include statements related to our growth and growth strategies, developments in the markets for our products, therapies and services, financial results, product development launches and effectiveness, research and development strategy, regulatory approvals, competitive strengths, the potential or anticipated direct or indirect impact of public health crises and geopolitical conflicts on our business, results of operations and/or financial condition, restructuring and cost-saving initiatives, intellectual property rights, litigation and tax matters, governmental proceedings and investigations, mergers and acquisitions, divestitures, market acceptance of our products, therapies and services, accounting estimates, financing activities, ongoing contractual obligations, working capital adequacy, value of our investments, our effective tax rate, our expected returns to shareholders, and sales efforts. In some cases, such statements may be identified by the use of terminology such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "looking ahead," "may," "plan," "possible," "potential," "project," "should," "will," and similar words or expressions. Forward-looking statements in this Annual Report include, but are not limited to, statements regarding: our ability to drive long-term shareholder value; development and future launches of products and continued or future acceptance of products, therapies and services in our segments; expected timing for completion of research studies relating to our products; integration of new technologies, including artificial intelligence (AI) and data analytics, into our products, therapies and services; market positioning and performance of our products, including stabilization of certain product markets; divestitures and the potential benefits thereof; the costs and benefits of integrating previous acquisitions; anticipated timing for United States (U.S.) Food and Drug Administration (U.S. FDA) and non-U.S. regulatory approval of new products; increased presence in new markets, including markets outside the U.S.; changes in the market and our market share; our ability to meet growing demand for our existing products; acquisitions and investment initiatives, including the timing of regulatory approvals as well as integration of acquired companies into our operations; the resolution of tax matters; the effectiveness of our development activities in reducing patient care costs and hospital stay lengths; our approach towards cost containment; our expectations regarding healthcare costs, including potential changes to reimbursement policies and pricing pressures; our expectations regarding changes to patient standards of care; our ability to identify and maintain successful business partnerships; the elimination of certain positions or costs related to restructuring initiatives; outcomes in our litigation matters and governmental proceedings and investigations; general economic conditions; the adequacy of available working capital and our working capital needs; our payment of dividends and redemption of shares; the continued strength of our balance sheet and liquidity; our accounts receivable exposure; our human capital management with respect to our global workforce; and the potential impact of our compliance with governmental regulations and accounting guidance.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, results of operations, financial condition, and/or cash flows. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K and are subject to a number of risks, uncertainties and assumptions described in the "Risk Factors" section and elsewhere in this Annual Report on Form 10-K. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. One must carefully consider forward-looking statements and understand that such forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, and involve a variety of risks and uncertainties, known and unknown, including, among others, those discussed in the sections entitled "Government Regulation" within "Item 1. Business" and "Item 1A. Risk Factors" in this Annual Report on Form 10-K, as well as those related to:

- competition in the medical device industry,
- delays in regulatory approvals,
- public health crises,
- reduction or interruption in our supply,
- failure to complete or achieve the intended benefits of acquisitions or divestitures,
- adverse regulatory action,
- laws and governmental regulations,
- litigation results,
- quality problems,
- healthcare policy changes,
- cybersecurity and privacy incidents,
- international operations, including the impact of armed conflicts,

- self-insurance,
- commercial insurance,
- changes in applicable tax rates,
- positions taken by taxing authorities,
- decreasing selling prices and pricing pressure,
- liquidity shortfalls,
- fluctuations in currency exchange rates,
- inflation, or
- disruption of our current plans and operations.

Consequently, no forward-looking statement may be guaranteed, and actual results may vary materially from those projected in the forward-looking statements. We intend to take advantage of the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995 regarding our forward-looking statements and are including this sentence for the express purpose of enabling us to use the protections of the safe harbor with respect to all forward-looking statements. While we may elect to update these forward-looking statements at some point in the future, whether as a result of any new information, future events, or otherwise, we have no current intention of doing so except to the extent required by applicable law.

PART I

Item 1. Business



Medtronic plc, headquartered in Dublin, Ireland, is the leading global healthcare technology company. Medtronic was founded in 1949 and today serves healthcare systems, physicians, clinicians, and patients in more than 150 countries worldwide. We remain committed to a mission written by our founder in 1960 that directs us “to contribute to human welfare by the application of biomedical engineering in the research, design, manufacture, and sale of products to alleviate pain, restore health, and extend life.”

Our Mission — to alleviate pain, restore health, and extend life — empowers insight-driven care and better outcomes for our world. We remain committed to being recognized as a company of dedication, honesty, integrity, and service. Building on this strong foundation, we are embracing our role as a healthcare technology leader and evolving our business strategy in four key areas:

- Leveraging our pipeline to accelerate revenue growth: The combination of our end markets, recent product launches and robust pipeline is expected to continue accelerating our growth over both the near-and long-term. We aim to bring inventive and disruptive technology to large healthcare opportunities which enables us to better meet patient needs. Patients around the world deserve access to our life-saving products, and we are driven to use our local presence and scale to increase the adoption of our products and services in markets around the globe.
- Serving more patients by accelerating innovation driven growth and delivering shareholder value: We listen to our patients and customers to better understand the challenges they face. From the patient journey, to creating agile partnerships that produce novel solutions, to making it easier for our customers to deploy our therapies — what we do is anchored in deep insight, and creates simpler, superior experiences.
- Creating and disrupting markets with our technology: We are confident in our ability to maximize new technology, artificial intelligence (AI), and data and analytics to tailor therapies in real-time, facilitating remote monitoring and care delivery that conveniently manages conditions, and creates new standards of care.
- Empowering our operating units to be more nimble and more competitive: Our operating model is organized to accelerate decision making, improve commercial execution, and more effectively leverage the scale of our company.

We have four reportable segments that primarily develop, manufacture, distribute, and sell device-based medical therapies and services: the Cardiovascular Portfolio, the Neuroscience Portfolio, the Medical Surgical Portfolio, and the Diabetes Operating Unit. For more information regarding our segments, please see Note 19 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

CARDIOVASCULAR PORTFOLIO

The Cardiovascular Portfolio is made up of the Cardiac Rhythm & Heart Failure, Structural Heart & Aortic, and Coronary & Peripheral Vascular divisions. The primary medical specialists who use our Cardiovascular products include electrophysiologists, implanting cardiologists, heart failure specialists, cardiovascular, cardiothoracic, and vascular surgeons, and interventional cardiologists and radiologists.



## Cardiac Rhythm & Heart Failure

Our Cardiac Rhythm & Heart Failure division includes the following Operating Units: Cardiac Rhythm Management and Cardiac Ablation Solutions. The division develops, manufactures, and markets products for the diagnosis, treatment, and management of heart rhythm disorders and heart failure. Our products include implantable devices, leads and delivery systems, products for the treatment of atrial fibrillation (AF), products designed to reduce surgical site infections, and information systems for the management of patients with Cardiac Rhythm & Heart Failure devices. Principal products and services offered include:

- Implantable cardiac pacemakers including the Azure MRI SureScan, Adapta, Advisa MRI SureScan, and the Micra transcatheter pacing system. Azure pacemakers feature Medtronic-exclusive BlueSync technology, which enables automatic, secure wireless remote monitoring with increased device longevity. The 3830 lead, previously labeled for His-bundle pacing, has now been expanded to include left bundle branch area pacing effectively covering all current forms of conduction system pacing. The Micra transcatheter pacing system, which is leadless and does not have a subcutaneous device pocket like a conventional pacemaker, includes the Micra VR and the Micra AV device families. Both of these pacemakers treat patients with atrioventricular block.
- Implantable cardioverter defibrillators (ICDs), including the Aurora Extravascular-ICD, Visia AF MRI SureScan, Evera MRI SureScan, Primo MRI, and the Cobalt and Crome family of BlueSync-enabled ICDs, as well as defibrillator leads, including the Sprint Quattro Secure lead.
- Implantable cardiac resynchronization therapy devices (CRT-Ds and CRT-Ps) including the Claria/Amplia/Compia family of MRI Quad CRT-D SureScan systems and the Cobalt and Crome portfolio of BlueSync-enabled CRT-Ds, as well as the Percepta/Serena/Solara family of MRI Quad CRT-P SureScan systems.
- Cardiac ablation products include a full suite of electrophysiology solutions to treat patients with arrhythmias, including paroxysmal and persistent AF. The portfolio includes the PulseSelect Pulsed Field Ablation System, Arctic Front Advanced Cardiac Cryoablation System, the DiamondTemp Ablation system, Sphere 9 catheter, the first of its kind with high density mapping capabilities combined with radio frequency and pulsed field energies to deliver ablation lesions, and Affera Mapping and Navigation System with Prism-1 software aimed at integrating clinical information to improve patient outcomes.
- Insertable cardiac monitoring systems, including the Reveal LINQ and LINQ II. These devices are for patients who experience transient symptoms such as dizziness, palpitation, syncope (fainting) and chest pain, as well as Cryptogenic Stroke patients; which may indicate a cardiac arrhythmia that requires long-term monitoring or ongoing management. Both portfolio devices have unmatched accuracy and a streamlined workflow with AccuRhythm AI algorithms to reduce clinic workload and data burden. LINQ II, the premium portfolio device, offers extended device longevity and remote programming capabilities.
- TYRX products, including the Cardiac and Neuro Absorbable Antibacterial Envelopes, which are designed to stabilize electronic implantable devices and help prevent infection associated with implantable pacemakers and defibrillators.
- Remote monitoring services and patient-centered software to enable efficient care coordination as well as services related to hospital operational efficiency.
- Medtronic stopped the distribution and sale of the HVAD System in June 2021. We continue a support program for patients with HVAD devices, and for caregivers and healthcare professionals who participate in their care.

## Structural Heart & Aortic

Our Structural Heart & Aortic division includes the following Operating Units: Structural Heart & Aortic and Cardiac Surgery. The division includes therapies to treat heart valve disorders and aortic disease. Our devices include products for the repair and replacement of heart valves, perfusion systems, positioning and stabilization systems for beating heart revascularization surgery, surgical ablation products, and comprehensive line of products and therapies to treat aortic disease, such as aneurysms, dissections, and transections. Principal products offered include:

- CoreValve family of aortic valves, including the Evolut PRO, Evolut PRO+, Evolut FX, and Evolut FX+ TAVR systems for transcatheter aortic valve replacement.
- Surgical valve replacement and repair products for damaged or diseased heart valves, including both tissue and mechanical valves; blood-handling products that form a circulatory support system to maintain and monitor blood circulation and coagulation status, oxygen supply, and body temperature during arrested heart surgery; and surgical ablation systems and positioning and stabilization technologies.
- Endovascular stent grafts and accessories, including the Endurant II Stent Graft System for the treatment of abdominal aortic aneurysms, the Valiant Captivia Thoracic Stent Graft System for thoracic endovascular aortic repair procedures, and the Heli-FX EndoAnchor System.

- Transcatheter Pulmonary Valves, including Harmony Transcatheter Pulmonary Valve (TPV) and Delivery Catheter System and Melody TPV/Ensemble II Delivery System.

## Coronary & Peripheral Vascular

Our Coronary & Peripheral Vascular division includes the following Operating Units: Coronary & Renal Denervation and Peripheral Vascular Health. The division is comprised of a comprehensive line of products and therapies to treat coronary artery disease as well as peripheral vascular disease and venous disease. Our products include coronary stents and related delivery systems, including a broad line of balloon angioplasty catheters, guide catheters, guide wires, diagnostic catheters, and accessories, peripheral drug coated balloons, stent and angioplasty systems, carotid embolic protection systems for the treatment of vascular disease outside the heart, and products for superficial and deep venous disease. Principal products offered include:

- Percutaneous Coronary Intervention products including our Onyx Frontier and Resolute Onyx drug-eluting stents, Euphora balloons, and Launcher guide catheters.
- Products to treat hypertension including our Symplicity Spyral Renal Denervation (RDN) system.
- Percutaneous angioplasty balloons including the IN.PACT family of drug-coated balloons, vascular stents including the Abre venous stent, directional atherectomy products including the HawkOne directional atherectomy system, and other procedure support tools.
- Products to treat superficial venous diseases in the lower extremities including the ClosureFast radiofrequency ablation system and the VenaSeal Closure System.

## NEUROSCIENCE PORTFOLIO

The Neuroscience Portfolio is made up of the Cranial & Spinal Technologies, Specialty Therapies, and Neuromodulation divisions. The primary medical specialists who use the products of this group include spinal surgeons, neurosurgeons, neurologists, pain management specialists, anesthesiologists, orthopedic surgeons, urologists, urogynecologists, interventional radiologists, and ear, nose, and throat specialists.



## Cranial & Spinal Technologies

Our Cranial & Spinal Technologies division and Operating Unit develops, manufactures, and markets an integrated portfolio of devices and therapies for surgical technologies designed to improve the precision and workflow of neuro procedures, and a comprehensive line of medical devices and implants used in the treatment of the spine and musculoskeletal system. The division also provides biologic solutions for the orthopedic markets and offers unique and highly differentiated imaging, navigation, power instruments, and robotic guidance systems used in spine and cranial procedures. Principal products and services offered include:

- Neurosurgery products, including platform technologies, implant therapies, and advanced energy products through the AiBLE spine technology ecosystem. This includes our StealthStation S8 surgical navigation system, Stealth Autoguide cranial robotic guidance platform, O-arm Imaging System, Mazor X robotic guidance systems used in robot-assisted spine procedures, UNiD adaptive spine intelligence AI-driven technology for surgical planning and personalized spinal implants, and our Midas Rex surgical drills, including our MR8 high-speed drill system.
- Products to treat a variety of conditions affecting the spine, including degenerative disc disease, spinal deformity, spinal tumors, fractures of the spine, and stenosis. These products include our CATALYFT PL expandable interbody spacers, CD Horizon ModuLeX spinal system, and T2 STRATOSPHERE expandable corpectomy system. These products can also include titanium interbody implants and surface technologies, such as our Adaptix interbody system and incorporated Titan interbody fusion device with nanoLOCK technology.



- Products that facilitate less invasive thoracolumbar surgeries, including the CD Horizon Solera Voyager percutaneous fixation system and various retractor systems to access the spine through smaller incisions.
- Products to treat conditions in the cervical region of the spine, including the ZEVO anterior cervical plate system, the Infinity Occipitocervical-Upper Thoracic (OCT) System, and Prestige LP cervical discs.
- Biologic solutions products, including our Infuse Bone Graft (InductOs in the European Union (E.U.)), which contains a recombinant human bone morphogenetic protein-2, rhBMP-2, for certain spinal, trauma, and oral maxillofacial applications.
- Demineralized bone matrix products, including Magnifuse, GRAFTON/GRAFTON PLUS, and the Mastergraft family of synthetic bone graft products – Matrix, Putty, Strip, and Granules.

## Specialty Therapies

Our Specialty Therapies division includes the following Operating Units: Neurovascular; Ear, Nose, and Throat (ENT); and Pelvic Health. The division develops, manufactures, and markets products and therapies to treat patients afflicted with acute ischemic and hemorrhagic stroke, ENT diseases, and patients suffering from overactive bladder, and (non-obstructive) urinary retention. Principal products and services offered include:

- Neurovascular products to treat diseases of the vasculature in and around the brain. This includes coils, neurovascular stent retrievers, and flow diversion products, as well as access and delivery products to support procedures. Products also include the Pipeline Flex and Pipeline Vantage embolization devices with Shield Technology, endovascular treatments for large or giant wide-necked brain aneurysms, the portfolio of Solitaire revascularization devices for treatment of acute ischemic stroke, the Riptide aspiration system, the Onyx Liquid Embolic System, and a portfolio of associated access catheters including our React aspiration catheters also for the treatment of acute ischemic stroke.
- ENT products, including the Straightshot M5 microdebrider handpiece, the Integrated Power Console (IPC) system, NIM Vital nerve monitoring systems, Propel and Sinuva Sinus Implants from the acquisition of Intersect ENT, StealthStation ENT and StealthStation FlexENT navigation systems, as well as products for hearing restoration.
- Pelvic health products, including our InterStim X and InterStim II recharge-free neurostimulators, InterStim Micro rechargeable neurostimulators, and SureScan MRI leads. Our NURO System delivers Percutaneous Tibial Neuromodulation therapy to treat overactive bladder and associated symptoms of urinary urgency, urinary frequency, and urge incontinence.

## Neuromodulation

Our Neuromodulation division and Operating Unit develops, manufactures, and markets spinal cord stimulation and brain modulation systems, implantable drug infusion systems for chronic pain, as well as interventional products. Principal products and services offered include:

- Spinal cord stimulation products, including rechargeable and recharge-free devices and a large selection of leads used to treat chronic back and/or limb pain and chronic pain resulting from diabetic peripheral neuropathy. This includes the Intellis (rechargeable) and Vanta (recharge-free) spinal cord stimulation systems, with AdaptiveStim and SureScan MRI Technology, DTM (differential target multiplexed) proprietary waveform, the Evolve workflow algorithm, and Snapshot reporting, as well as the Inceptiv spinal cord stimulation system, which offers a closed-loop feature that senses biological signals along the spinal cord and automatically adjusts stimulation in real time.
- Brain modulation products, including those for the treatment of the disabling symptoms of Parkinson's disease, essential tremor, refractory epilepsy, severe, treatment-resistant obsessive-compulsive disorder (approved under a Humanitarian Device Exemption (HDE) in the U.S.), and chronic, intractable primary dystonia (approved under a HDE in the U.S.). Specifically, this includes our family of Aactiva neurostimulators, including Aactiva SC (single-channel primary cell battery), Aactiva PC (dual channel primary cell battery), and Aactiva RC (dual channel rechargeable battery), as well as our family of Percept neurostimulators, the Percept PC, Percept RC, and our SenSight directional lead system with the proprietary BrainSense technology.
- Implantable drug infusion systems, including our SynchroMed III Implantable Infusion System, that deliver small quantities of drug directly into the intrathecal space surrounding the spinal cord.
- Interventional products, including the Kyphon Balloon, the Kyphon V Premium, and Kyphon Assist systems and the OsteoCool RF Tumor ablation system.
- The Accurian nerve ablation system, which conducts radio frequency ablation of nerve tissues.

## MEDICAL SURGICAL PORTFOLIO

The Medical Surgical Portfolio includes the Surgical & Endoscopy and Acute Care & Monitoring divisions. Products and therapies of this group are used primarily by healthcare systems, physicians' offices, ambulatory care centers, and other alternate site healthcare providers. While less frequent, some products and therapies are also used in home settings.



### Surgical & Endoscopy

Our Surgical & Endoscopy division includes the following Operating Units: Surgical and Endoscopy. The division develops, manufactures, and markets advanced and general surgical products, including advanced stapling devices, vessel sealing instruments, wound closure products, electrosurgery products, AI-powered surgical video and analytics platform, and robotic-assisted surgery products, hernia mechanical devices, mesh implants, gynecology products, minimally invasive gastrointestinal and hepatologic diagnostics and therapies, and therapies to treat diseases and conditions that are typically, but not exclusively, addressed by surgeons. Principal products and services offered include:

- Advanced stapling and energy products, including the Tri-Staple technology platform for endoscopic stapling, including the Endo GIA reloads and reinforced reloads with Tri-Staple technology and the Endo GIA ultra universal stapler, the Signia powered stapling system, the LigaSure exact dissector and L-Hook Laparoscopic Sealer/Divider, and the Sonicision 7 curved jaw cordless ultrasonic dissection system.
- Electrosurgical hardware and instruments, including the Valleylab FT10 energy platform, the Valleylab LS10 generator, and the Force TriVerse electrosurgical pencils.
- Robotic and digital surgery technologies, including the Hugo robotic-assisted surgery (RAS) system designed for a broad range of soft-tissue procedures, and Touch Surgery Enterprise, an AI-powered surgical video management solution for the operating room.
- Products designed for the treatment of hernias, including the AbsorbaTack absorbable mesh fixation device for hernia repair, the Symbotex composite mesh for surgical laparoscopic and open ventral hernia repair, and ProGrip laparoscopic self-fixating mesh, a self-gripping, biocompatible solution for inguinal hernias.
- Suture and wound closure products, including the V-Loc barbed sutures, the Polysorb braided absorbable sutures, and the Monosof absorbable monofilament nylon sutures.
- Endoscopy products, including the GI Genius intelligent endoscopy module, the PillCam capsule endoscopy systems, the Bravo calibration-free reflux testing systems, the Endoflip Impedance Planimetry System, the Emprint ablation system with Thermosphere Technology, the ManoScan Bravo system, the Barrx platform through ablation with the Barrx 360 Express catheter, the Cool-tip radiofrequency ablation system, the HET bipolar system, the Beacon delivery system, and the Nexpowder endoscopic hemostasis system.

### Acute Care & Monitoring

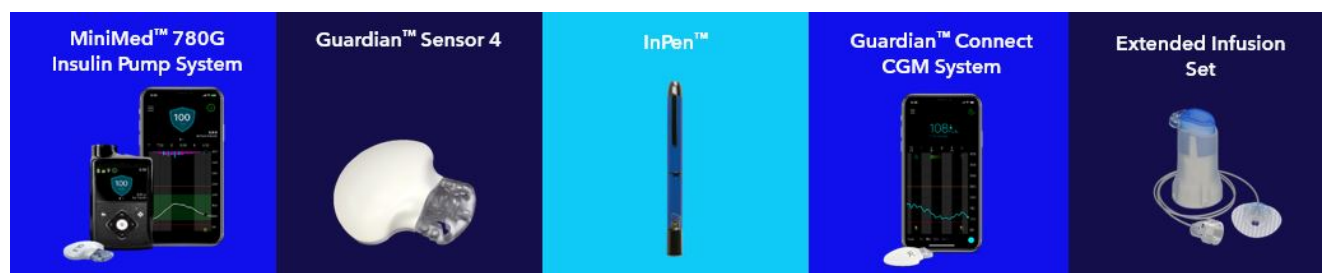
Our Acute Care & Monitoring division develops, manufactures, and markets products in the fields of patient monitoring and airway management. In February 2024, the Company announced the decision to exit its ventilator product line and combine the remaining Patient Monitoring & Respiratory Interventions businesses into one business unit called Acute Care & Monitoring. Principal products and services offered include:

- Products focused on blood oxygen management and remote monitoring, including Nellcor pulse oximetry monitors and sensors, Healthcast Connectivity Solutions, and the RespArray patient monitor.
- Products focused on reducing perioperative complications, including Bispectral Index (BIS) brain monitoring technology, INVOS cerebral/somatic oximetry systems, and WarmTouch convective warming.

- Products focused on airway management and respiratory monitoring, including Microstream capnography monitors, McGRATH MAC video laryngoscopes, Shiley Endotracheal Tubes, Shiley Tracheostomy Tubes, and DAR Breathing Systems.

## DIABETES OPERATING UNIT

The Diabetes Operating Unit develops, manufactures, and markets products and services for the management of Type 1 and Type 2 diabetes. The primary medical specialists who use and/or prescribe our Diabetes products are endocrinologists and primary care physicians.



Principal products and services offered include:

- Insulin pumps and consumables, including the MiniMed 780G system, powered by SmartGuard technology. The MiniMed 780G system provides smartphone and Bluetooth connectivity, a meal-time detection system, an adjustable glucose target down to 100 mg/dl, and has the capability to continuously deliver background insulin and monitor sugar levels.
- Continuous glucose monitoring (CGM) system, the Guardian Connect CGM system, which is worn by patients capturing glucose data to reveal patterns and potential problems, such as hyperglycemic and hypoglycemic episodes.
- The InPen smart insulin pen system combines a reusable Bluetooth-enabled insulin pen with an intuitive mobile app that helps users administer the appropriate insulin dose. The InPen application integrates with our CGM data to provide real-time CGM readings alongside insulin dose information.

## HUMAN CAPITAL

### Medtronic Workforce Overview

Medtronic's employees deliver on our Mission every day. We empower insight-driven care, experiences that put people first, and better outcomes for our world. In everything we do, we are engineering the extraordinary. We strive to be the employer of choice for the best and brightest global talent, where employees can grow and develop fulfilling careers. We aspire to create an inclusive, diverse, and equitable workplace that fosters innovation and creativity, and where employees feel a sense of belonging and well-being. Medtronic has 95,000+ full-time employees, of which 44% are based in the U.S. or Puerto Rico.

### Inclusion, Diversity & Equity

We believe that improving health for people from all walks of life depends on our ability to unleash the creative power of our diverse global employees. By breaking down barriers to Inclusion, Diversity and Equity (ID&E), we open doors for everyone, driving progress and prosperity around the world. We integrate ID&E principles throughout our Company to ensure every operating unit, team, and leader recognizes and celebrates the value of diverse experiences and backgrounds. As of the end of fiscal year 2024, 41% of our U.S. workforce is ethnically diverse; women comprise 51% of our global workforce; 44% of our manager and above employees are women; and 28% of our U.S. managers are ethnically diverse. Additionally, Medtronic employee resource groups (ERGs) are employee-led affinity groups that provide career development and networking opportunities for members and strengthen ties between employees of many different backgrounds, cultures, and interests. In fiscal year 2024, there were 13 ERGs and Diversity Networks across 300+ hubs or chapters in over 65 countries with more than 35,000 employees involved.

### Pay Equity

In our most recent reported period available, in the United States, we have achieved 100% pay equity for gender and ethnically diverse employees. Globally we have achieved 99% pay equity for gender. We are actively working to resolve any remaining pay inequities by continuing to expand the annual pay equity analyses for each country we operate in.

### Workforce Compensation

Our compensation framework is designed to celebrate the value and contributions of our employees. We are committed to transparent communications on compensation. Our competitive approach to compensation reflects industry benchmarks and local market standards. Our

programs include annual and long-term equity-based incentives that provide the means to share in the Company's success, based on business and individual performance. To attract and retain the best leaders, we offer competitive benefits and cash and equity incentives. We reward high-performing employees with an ownership stake in the Company through restricted stock, and employees have the opportunity to purchase stock at a significant discount through our Employee Stock Purchase Plan.

## **Learning & Development**

The skills and dedication of our employees drive our business performance. Our comprehensive professional development programs empower our people to build rewarding careers and help us attract world-class talent from global and diverse populations. Our suite of professional development programs ensures that our employees, regardless of level, location, language or learning preferences, have access to opportunities to develop and grow.

In recent years, we have shifted away from degree requirements to focus on skills-based certification for certain roles within Medtronic. Additionally, as members of the Multiple Pathways Initiative, we have used a skills-based approach to offering opportunities to expanded pools of external talent that have previously been held back due to lack of access to undergraduate education. Internally, eligible U.S. and Puerto Rico employees can now participate through MAPS (Medtronic Advancement Pathways and Skill-building) in undergraduate courses from top-tier universities to enhance or obtain new skills, at no cost to the employee. Our change in approach has opened opportunities for employees who have been otherwise restricted from career advancement due to degree requirements.

## **Employee Engagement and Culture**

Through our Organizational Health Survey, we gain valuable insight into the Medtronic employee experience and identify where we can improve in key priority areas: 1) Employee Engagement, 2) Inclusion, 3) Innovation, 4) Ethics and 5) Quality culture as part of our commitment to Put Patients First in our everyday decisions and actions. In our most recent survey ending in the fourth quarter of fiscal year 2024, more than 87% of our employees responded. Medtronic carefully reviews and implements actions based on employee feedback in order to partner and create an inclusive, innovative and supportive environment.

Our culture, how we show up and get things done, is critical to achieving our vision. The Medtronic Mindset builds on our core values of integrity, quality, inclusion, and collaboration. It urges us to act boldly, compete to win, move with speed and decisiveness, foster belonging, and deliver results... the right way. Our culture helps us meet the needs of our patients and customers, and ensures our Mission endures for many years to come.

## **Health & Safety**

As a large, global employer, our ability to attract and retain talent is based in part on our commitment to maintain a safe workplace and support the well-being of our employees. Medtronic has a comprehensive approach to providing robust support for our employees and their families in natural disasters, public health crises, civil unrest and armed conflicts, bereavement, and other challenging events. Along with other programs, the Medtronic Employee Assistance Program and the Medtronic Employee Emergency Assistance Fund have historically supported employees and their families when faced with difficult times by providing a variety of services such as mental health, safety, and financial resources and support at no cost. These programs have proven invaluable in navigating our employees through unique challenges, including in fiscal year 2024. The Medtronic Employee Emergency Assistance Fund is supported by donations from employees and the Medtronic Foundation, and over the last five years has provided \$4 million in grants to employees experiencing unexpected events creating a financial hardship.

For more information on Human Capital Management at Medtronic, please refer to our 2023 Sustainability Report as well as Medtronic's 2023 Global Inclusion, Diversity and Equity Report available on our company website.

## **OTHER FACTORS IMPACTING OUR OPERATIONS**

### **Research and Development**

The markets in which we participate are subject to rapid technological advances and innovations. Constant improvement of existing products and introduction of new products is necessary to maintain market leadership. Our research and development (R&D) efforts are directed toward maintaining or achieving technological leadership in the markets we serve to help ensure that patients using our devices and therapies receive the most advanced and effective treatment possible. We remain committed to developing technological enhancements and new indications for existing products, and less invasive and new technologies for new and emerging markets to address unmet patient needs. That commitment leads to our initiation and participation in hundreds of clinical trials each fiscal year as the demand for clinical and economic evidence remains high. Furthermore, our development activities are intended to help reduce patient care costs and the length of hospital stays in the future. We have not engaged in significant customer or government-sponsored research.

Our R&D activities include improving existing products and therapies, expanding their indications and applications for use, developing new therapies and procedures, and entering into arrangements with third parties to fund the development of certain technologies. We continue to focus on optimizing innovation, improving our R&D productivity, driving growth in emerging markets, generating clinical evidence, and

assessing our R&D programs based on their ability to address unmet clinical needs, produce better patient outcomes, and create new standards of care.

### **Intellectual Property and Litigation**

We rely on a combination of patents, trademarks, tradenames, copyrights, trade secrets, and agreements, including non-disclosure agreements, to protect our business and proprietary technology. In addition, we have entered into exclusive and non-exclusive licenses relating to a wide array of third-party technologies. In the aggregate, these intellectual property assets and licenses are of material importance to our business; however, we believe that no single intellectual property asset or license is material in relation to our business as a whole.

We operate in an industry characterized by extensive intellectual property litigation. Intellectual property litigation may result in significant damage awards and injunctions that could prevent the manufacture and sale of affected products or result in significant royalty payments in order to continue selling the products. At any given time, we are generally involved as both a plaintiff and a defendant in a number of patent infringement actions, the outcomes of which may not be known for prolonged periods of time.

### **Sales and Distribution**

We sell our medical devices and therapies through a combination of direct sales representatives and independent distributors globally. Additionally, a portion of the Company's revenue is generated from consignment inventory maintained at hospitals. Our medical supply products are used primarily in hospitals, surgical centers, and alternate care facilities, such as home care and long-term care facilities, and are marketed to materials managers, group purchasing organizations (GPOs) and integrated delivery networks (IDNs). We often negotiate with GPOs and IDNs, which enter into supply contracts for the benefit of their member facilities. Our four largest markets are the U.S., Western Europe, China, and Japan. Emerging markets are an area of increasing focus and opportunity, as we believe they remain under-penetrated.

Our marketing and sales strategy is focused on rapid, cost-effective delivery of high-quality products to a diverse group of customers worldwide. To achieve this objective, our marketing and sales teams are organized around physician specialties. This focus enables us to develop highly knowledgeable and dedicated sales representatives who are able to foster strong relationships with physicians and other customers and enhance our ability to cross-sell complementary products.

We are not dependent on any single customer for more than 10 percent of our total net sales.

### **Competition, Industry, and Cost Containment**

We compete in both the therapeutic and diagnostic medical markets in more than 150 countries throughout the world. These markets are characterized by rapid change resulting from technological advances, innovations and scientific discoveries. Our product lines face a mix of competitors ranging from large manufacturers with multiple business lines to small manufacturers offering a limited selection of products. In addition, we face competition from providers of other medical therapies, such as pharmaceutical companies, including those producing glucagon-like peptide-1s (GLP-1s).

Major shifts in industry market share have occurred in connection with product corrective actions, physician advisories, safety alerts, results of clinical trials to support superiority claims, and publications about our products, reflecting the importance of product quality, product efficacy and quality systems in the medical device industry. In the current environment of managed care, economically motivated customers, consolidation among healthcare providers, increased competition, declining reimbursement rates, and national and provincial tender pricing, competitively priced product offerings are essential to our business. In order to continue to compete effectively, we must continue to create or acquire advanced technology, incorporate this technology into proprietary products, obtain regulatory approvals in a timely manner, maintain high-quality manufacturing processes, and successfully market these products.

Government and private sector initiatives to limit the growth of healthcare costs, including price regulation, competitive pricing, bidding and tender mechanics, coverage and payment policies, comparative effectiveness of therapies, technology assessments and managed-care arrangements, are continuing in many countries where we do business, including the U.S. These initiatives put increased emphasis on the delivery of more cost-effective medical devices and therapies. Government programs, including Medicare and Medicaid, private healthcare insurance, managed-care plans, and volume-based procurement tenders in China, have attempted to control costs by limiting the amount of reimbursement they will pay for particular procedures or treatments, tying reimbursement to outcomes, shifting to population health management, and other mechanisms. Hospitals, which purchase our technology, are also seeking to reduce costs through a variety of mechanisms, including, for example, centralized purchasing, and in some cases, limiting the number of vendors that may participate in the purchasing program. Hospitals are also aligning interests with physicians through employment and other arrangements, such as gainsharing, where a hospital agrees with physicians to share any realized cost savings resulting from changes in practice patterns such as device standardization. This has created an increased level of price sensitivity among customers for our products.

## **Production and Availability of Raw Materials**

We manufacture products at manufacturing facilities located in various countries throughout the world. We purchase many of the components and raw materials used in manufacturing our products from numerous suppliers in various countries. Certain components and raw materials are available only from a sole supplier. We work closely with our suppliers and have plans and measures in place to help ensure continuity of supply while maintaining high quality and reliability. Generally, we have been able to obtain adequate supplies of such raw materials and components. However, due to the U.S. FDA's manufacturing requirements and those of other regulatory authorities, we may not be able to quickly establish additional or replacement sources for certain components or materials if we experience a sudden or unexpected reduction or interruption in supply and are unable to develop alternative sources.

For additional information related to our manufacturing facilities refer to "Item 2. Properties" in this Annual Report on Form 10-K.

## **Government Regulation**

Our operations and products are subject to extensive regulation by numerous government agencies, including the U.S. FDA, European regulatory authorities such as the Medicines and Healthcare products Regulatory Agency in the United Kingdom, the Health Products Regulatory Authority in the Republic of Ireland and the Federal Institute for Drugs and Medical Devices in Germany, the China National Medical Product Administration (NMPA), and other government agencies inside and outside the U.S. To varying degrees, each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing, distribution, and post-marketing surveillance of our products. Our business is also affected by patient and data privacy laws and government payor cost containment initiatives, as well as environmental health and safety laws and regulations. In addition, as a result of the release and availability of Artificial Intelligence (AI) technologies, including generative AI platforms, we have seen a global trend toward more comprehensive and refined regulation of AI that will impact our business, such as the White House's Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence and the EU AI Act, that are designed to ensure the ethical use, security, and privacy of AI and create standards for transparency, accountability, and fairness.

### ***Product Approval and Monitoring***

In many countries where we do business, including the U.S., E.U. countries, Japan, and China, our products are subjected to approval and other regulatory requirements regarding performance, safety, and quality. For instance, authorization to commercially distribute a new medical device in the U.S. is generally obtained in one of two primary ways. The first, known as pre-market notification or the 510(k) process, requires us to demonstrate that our medical device is substantially equivalent to a legally marketed medical device. The second, more rigorous process, known as pre-market approval, requires us to independently demonstrate that a medical device is safe and effective for its intended use. This process is generally much more time-consuming and expensive than the 510(k) process.

In the E.U., conformity with the marketing authorization requirements is represented by the CE Mark. To obtain a CE Mark, defined products must meet minimum standards of performance, safety, and quality (i.e., the essential requirements), and then, according to their classification, comply with one or more of a selection of conformity assessment routes. The competent authorities of the E.U. countries separately regulate the clinical research for medical devices and the market surveillance of products once they are placed on the market. The Medical Device Regulation was published by the E.U. in 2017, and it imposes significant additional pre-market and post-market requirements (EU MDR). The regulation provided an implementation period and became effective on May 26, 2021. The European Commission recently extended the implementation period to the end of 2027 for high-risk devices and to the end of 2028 for medium and low risk devices.

The global regulatory environment is increasingly stringent and unpredictable. While harmonization of global regulations has been pursued, requirements continue to differ among countries. We expect this global regulatory environment will continue to evolve, which could impact the cost, the time needed to approve, and ultimately, our ability to maintain existing approvals or obtain future approvals for our products. Regulations of the U.S. FDA and other regulatory agencies in and outside the U.S. impose extensive compliance and monitoring obligations on our business. These agencies review our design and manufacturing processes, labeling, record keeping, and manufacturers' required reports of adverse experiences and other information to identify potential problems with marketed products. We are also subject to periodic inspections for compliance with applicable quality system regulations, which govern the methods used in, and the facilities and controls used for, the design, manufacture, packaging, and servicing of finished medical devices intended for human use. In addition, the U.S. FDA and other regulatory bodies, both in and outside the U.S. (including the Federal Trade Commission, the Office of the Inspector General of the Department of Health and Human Services, the U.S. Department of Justice, and various state Attorneys General), monitor the promotion and advertising of our products. Any adverse regulatory action, depending on its magnitude, may limit our ability to effectively market and sell our products, limit our ability to obtain future pre-market approvals or result in a substantial modification to our business practices and operations. For additional information, see "Item 1A. Risk Factors" under, *"We are subject to extensive and complex laws and governmental regulations and any adverse regulatory action may materially adversely affect our financial condition and business operations."*



## ***Trade Regulations***

The movement of products, services, technology, know-how, and investment across borders subjects us to extensive trade laws and regulations. These laws and regulations govern, among other things, our import, export and other international trade activities. We are subject to the risk that these laws and regulations could change in a way that would expose us to additional costs and burdens, as well as penalties if not complied with. Some governments impose economic sanctions and other trade restrictions against certain countries, persons or entities. We also sell and provide goods, technology and services to agents, representatives and distributors who may in turn sell or provide such items to customers and other end-users in their own countries or by means of their own cross-border transactions. If we, or the third parties through which we do business, are not in compliance with applicable import, export control or economic sanctions laws and regulations, we may be subject to civil or criminal enforcement action, and varying degrees of liability. Such actions may disrupt or delay sales of our products or services or result in restrictions on our distribution and sales of products or services that may materially impact our business.

## ***Anti-Boycott Laws***

Under U.S. laws and regulations, U.S. companies and their subsidiaries and affiliates outside the U.S. are prohibited from participating or agreeing to participate in unsanctioned foreign boycotts in connection with certain business activities, including the sale, purchase, transfer, shipping or financing of goods or services within the U.S. or between the U.S. and countries outside of the U.S. If we, or certain third parties through which we sell or provide goods or services, violate anti-boycott laws and regulations, we may be subject to civil or criminal enforcement action and varying degrees of liability.

## ***Data Privacy and Security Laws and Regulations***

As a business with a significant global footprint, compliance with evolving regulations and standards in data privacy and cybersecurity has resulted, and may continue to result, in increased costs, new compliance challenges, and the threat of increased regulatory enforcement activity. Our business relies on the secure electronic transmission, storage and hosting of sensitive information, including personal information, protected health information, financial information, intellectual property and other sensitive information related to our products and therapies, customers, patients, and workforce.

Our global operational footprint comes with the obligation for compliance and adherence to individual data security, confidentiality and breach notification laws at the State Level, Federal Level, and International Level. Examples of those laws include, in the U.S., the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH), and various State privacy laws that have become effective recently. We are also subject to various other country-specific requirements around the world, such as the General Data Protection Regulation (GDPR) in the European Economic Area, the United Kingdom's version of the same, and China's Personal Information Protection Law (PIPL).

Because the laws and regulations continue to expand, differ from jurisdiction to jurisdiction, and are subject to evolving (and at times inconsistent) governmental interpretation, compliance with these laws and regulations may require significant additional cost expenditures or changes in products or business that increase competition or reduce revenue. Noncompliance could result in the imposition of fines, penalties, or orders to stop noncompliant activities, withdrawal of noncompliant products from a market, and reputational harm.

## ***Regulations Governing Reimbursement***

The delivery of our devices is subject to regulation by the U.S. Department of Health and Human Services (HHS) and comparable state and non-U.S. agencies responsible for reimbursement and regulation of healthcare items and services. U.S. laws and regulations are imposed primarily in connection with federally funded healthcare programs, such as the Medicare and Medicaid programs, as well as the government's interest in regulating the quality and cost of healthcare. Other governments also impose regulations in connection with their healthcare reimbursement programs and the delivery of healthcare items and services.

U.S. federal healthcare laws apply when we or customers submit claims for items or services that are reimbursed under federally-funded healthcare programs, including laws related to kickbacks, false claims, self-referrals or other healthcare fraud. There are often similar state false claims, anti-kickback, and anti-self-referral and insurance laws that apply to state Medicaid and other healthcare programs and private third-party payors. In addition, as a manufacturer of U.S. FDA-approved devices reimbursable by federal healthcare programs, we are subject to the Physician Payments Sunshine Act, which requires us to annually report certain payments and other transfers of value we make to U.S.-licensed physicians or U.S. teaching hospitals. Similarly, other jurisdictions impose transparency reporting obligations relating to health care professional payments. Any failure to comply with these laws and regulations could subject us or our officers and employees to criminal and civil financial penalties.

Implementation of legislative or regulatory reforms to reimbursement systems, or adverse decisions relating to our products by administrators of these systems in coverage or reimbursement, could significantly reduce reimbursement or result in the denial of coverage, which could have an impact on the acceptance of and demand for our products and the prices that our customers are willing to pay for them.

## ***Environmental Health and Safety Laws***

We are also subject to various environmental health and safety laws and regulations both within and outside the U.S. Like other companies in our industry, our manufacturing and other operations involve the use and transportation of substances regulated under environmental health and safety laws including those related to the use, storage, transportation, and disposal of hazardous materials.

## **Available Information**

We maintain a website at [www.medtronic.com](http://www.medtronic.com). Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act) are made available under the “Our Company – Investors” caption and “Financials – SEC Filings” sub caption of our website as soon as reasonably practicable after we electronically file them with, or furnish them to, the Securities and Exchange Commission (SEC).

Information relating to our corporate governance, including our Principles of Corporate Governance, Code of Conduct (including our Code of Ethics for Senior Financial Officers and any related amendments or waivers), Code of Business Conduct and Ethics for Members of the Board of Directors, and information concerning our executive officers, directors and Board committees (including committee charters) is available through our website at [www.medtronic.com](http://www.medtronic.com) under the “Our Company – Governance” caption. Information relating to transactions in Medtronic securities by directors and officers is available through our website at [www.medtronic.com](http://www.medtronic.com) under the “Our Company – Investors” caption and the “Financial Information – SEC Filings” sub caption.

Our website and the information contained on or connected to our website are not incorporated by reference into this Annual Report on Form 10-K.

The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers, including the Company, that file electronically with the SEC. The public may obtain any documents that we file with the SEC at <http://www.sec.gov>. We file annual reports, quarterly reports, proxy statements, and other documents with the SEC under the Exchange Act.

## **Item 1A. Risk Factors**

Investing in our securities involves a variety of risks and uncertainties, known and unknown, including, among others, those discussed below. Each of the following risks should be carefully considered, together with all the other information included in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes and in our other filings with the SEC. Furthermore, additional risks and uncertainty not presently known to us or that we currently believe to be immaterial may also adversely affect our business. Our business, results of operations, financial condition, and cash flow and prospects could be materially and adversely affected by any of these risks or uncertainties.

### **Business and Operational Risks**

***We operate in a highly competitive industry and we may be unable to compete effectively.***

We compete in both the therapeutic and diagnostic medical markets in more than 150 countries throughout the world. These markets are characterized by rapid change resulting from technological advances, innovations and scientific discoveries. In the product lines in which we compete, we face a range of competitors from large companies with multiple business lines to small, specialized manufacturers that offer a limited selection of niche products. Development by other companies of new or improved products, processes, technologies, or the introduction of reprocessed products or generic versions when our proprietary products lose their patent protection may make our existing or planned products less competitive. In addition, we face competition from providers of alternative medical therapies, such as pharmaceutical companies, including those producing GLP-1s.

We believe our ability to compete depends upon many factors both within and beyond our control, including:

- product performance and reliability,
- product technology and innovation,
- product quality and safety,
- breadth of product lines,
- product support services,
- supplier and supply availability and performance,
- customer support,
- cost-effectiveness and price,
- reimbursement approval from healthcare insurance providers, and
- changes to the regulatory environment.



Competition may increase as additional companies enter our markets or modify their existing products to compete directly with ours. In addition, academic institutions, governmental agencies and other public and private research organizations also may conduct research, seek patent protection and establish collaborative arrangements for discovery, research, clinical development and marketing of products similar to ours. These companies and institutions compete with us in recruiting and retaining qualified scientific and management personnel, as well as in acquiring necessary product technologies. From time to time we have lost, and may in the future lose, market share in connection with product problems, physician advisories, safety alerts and publications about our products, which highlights the importance of product quality, product efficacy and quality systems to our business. In the current environment of managed care, consolidation among healthcare providers, increased competition, declining reimbursement rates, and national and provincial tender pricing, as recently experienced in China, competitively priced product offerings are essential to our success.

***Our success depends on our ability to differentiate our product and keep pace with emerging technologies.***

Our continued growth and success depend on our ability to develop, acquire and market new and differentiated products, technologies and intellectual property, and as a result we also face competition for marketing, distribution, and collaborative development agreements, establishing relationships with academic and research institutions and licenses to intellectual property. In order to continue to compete effectively, we must continue to create, invest in or acquire advanced technology, incorporate this technology into our proprietary products, obtain regulatory approvals in a timely manner, and manufacture and successfully market our products. For example, data science, machine learning and AI are all impacting our products and operations and the competitive landscape in which we operate, and the application of these technologies is rapidly evolving at the same time as new laws and regulations of AI are being developed in jurisdictions around the world. Compliance with developing regulations may require significant expenditures or may limit our ability to effectively use these technologies. There can be no assurance that the application of AI in our products and operations will be successful, or that we will not experience data security and privacy incidents in connection with our use of these technologies. Given these factors, we cannot guarantee that we will be able to compete effectively or continue our level of success.

***Reduction or interruption in supply or other manufacturing difficulties may adversely affect our manufacturing operations and related product sales.***

The manufacture of our products requires the timely delivery of a sufficient amount of quality components and materials and is highly exacting and complex, due in part to complex trade and strict regulatory requirements. We manufacture the majority of our products and procure critical third-party services, such as sterilization services, at numerous facilities worldwide. We purchase many of the components, raw materials and services needed to manufacture these products from numerous suppliers in various countries. We seek to maintain continuity of supply by use of multiple options for sourcing where possible. We have generally been able to obtain adequate supplies of such raw materials, components and services, although global shortages of certain components such as semiconductors and resins have recently caused, and may in the future cause, disruptions to our product manufacturing supply chain. In addition, for reasons of quality assurance, cost effectiveness, or availability, certain components, raw materials and services needed to manufacture our products are obtained from sole suppliers. Although we work closely with our suppliers to try to ensure continuity of supply while maintaining high quality and reliability, the supply of these components, raw materials and services may, at times, be interrupted or insufficient. In addition, due to the stringent regulations and requirements of trade and regulatory agencies, including the U.S. FDA, regarding the manufacture of our products, we may not be able to quickly establish additional or replacement sources. Additionally, many regulatory agencies are imposing new and evolving regulatory requirements on safe use of chemicals, including ethylene oxides (EtOs) and polyfluoroalkyl substances (PFAS), and their potential impact on health and the environment which also may impact supply constraints. Furthermore, the prices of commodities and other materials used in our products, which are often volatile and outside of our control, could adversely impact our supply. We use resins, other petroleum-based materials and pulp as raw materials in some of our products, and the prices of oil and gas also significantly affect our costs for freight and utilities. A reduction or interruption in supply, and an inability to develop alternative sources for such supply, could adversely affect our ability to manufacture our products in a timely or cost-effective manner and could result in lost sales.

Other disruptions in the manufacturing process or product sales, trade and fulfillment systems for any reason, including infrastructure, information and equipment malfunction, failure to follow specific protocols and procedures, supplier or Company facility shut-downs, defective raw materials, labor shortages, natural disasters such as hurricanes, tornadoes, earthquakes, or wildfires, property damage or facility closures from riots or public protests, and other environmental factors and the impact of epidemics, pandemics, or other public health crises, and actions by businesses, communities and governments in response, could lead to launch delays, product shortages, unanticipated costs, lost revenues and damage to our reputation. For example, in the past we have experienced a global information technology systems interruption that affected our customer ordering, distribution, and manufacturing processes, and we were adversely impacted by the global COVID-19 pandemic, and may in the future be adversely impacted by COVID-19 resurgence or other pandemics and the related responses of governments and of our partners, including suppliers, manufacturers, distributors and other businesses. Furthermore, any failure to identify and address manufacturing problems prior to the release of products to our customers could result in quality or safety issues.

In addition, many of our products require sterilization before sale and several of our key products are manufactured or sterilized at a particular facility, with constrained capacity and limited options for alternate sterilization facilities. If an event occurs that causes damage to

or closure of one or more of such facilities, such as the Illinois Environmental Protection Agency's decision to close a supplier's sterilization facility in February 2019, we may be unable to manufacture or sterilize relevant products to the required quality specifications or at all. Due to the time required to approve and license a manufacturing or sterilization facility, a third-party may not be available on a timely basis to replace production capacity in the event manufacturing or sterilization capacity is reduced or lost.

***Public health crises have had, and may continue to have, an adverse effect on certain aspects of our business, results of operations, financial condition, and cash flows. The nature and extent of future impacts are highly uncertain and unpredictable.***

Our global operations and interactions with healthcare systems, providers and patients around the world expose us to risks associated with public health crises, including epidemics and pandemics such as COVID-19. Public health crises may continue to have an adverse impact on certain aspects of our Company and business, including the demand for and supply of certain of our products, operations, supply chains and distribution systems, and our ability to generate cash flow.

***Our research and development efforts rely upon investments and investment collaborations, and we cannot guarantee that any previous or future investments or investment collaborations will be successful.***

Our Mission is to provide a broad range of therapies to restore patients to fuller, healthier lives, which requires a wide variety of technologies, products and capabilities. The rapid pace of technological development in the medical industry and the specialized expertise required in different areas of medicine make it difficult for one company alone to develop a broad portfolio of technological solutions. In addition to internally generated growth through our research and development efforts, historically we have relied, and expect to continue to rely, upon investments and investment collaborations to provide us access to new technologies both in areas served by our existing businesses as well as in new areas.

We expect to make future investments where we believe that we can stimulate the development or acquisition of new technologies and products to further our strategic objectives and strengthen our existing businesses. Investments and investment collaborations in and with medical technology companies are inherently risky, and we cannot guarantee that any of our previous or future investments or investment collaborations will be successful or will not materially adversely affect our business, results of operations, financial condition, and cash flows.

***The continuing development of many of our products depends upon us maintaining strong relationships with healthcare professionals.***

If we fail to maintain our working relationships with healthcare professionals, many of our products may not be developed and marketed in line with the needs and expectations of the professionals who use and support our products, which could cause a decline in our earnings and profitability. The research, development, marketing and sales of many of our new and improved products depends on our maintaining working relationships with healthcare professionals. We rely on these professionals to provide us with considerable knowledge and experience regarding the development, marketing and sale of our products. Healthcare professionals assist us as researchers, marketing and product consultants, inventors, trainers, and public speakers. If we are unable to maintain strong relationships with these professionals, the development and marketing of our products could suffer, which could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***We have debt obligations that create risk.***

We are required to use a portion of our operating cash flow to pay interest or principal on our outstanding indebtedness instead of for other corporate purposes, including funding future expansion of our business. We may also incur additional indebtedness in the future to supplement our existing liquidity and cash generated from operations to satisfy our needs for working capital and capital expenditures, to pursue growth initiatives, and to make returns of capital to shareholders. Changes in business and economic conditions will impact interest rates and can cause periods of tightened credit availability and volatility in borrowing terms. In addition, there can be no assurance that we will be able to maintain our credit rating. At the time we may incur such additional indebtedness, or refinance or restructure existing indebtedness, we may be unable to obtain capital market financing with similar terms and currency denomination to our existing indebtedness, or at all, which could have a material adverse effect on our business and results of operations. At any time, the fair value of our debt outstanding will fluctuate based on several factors including foreign currency exchange rate and interest rate movements, credit conditions and our credit rating.

***Failure to integrate acquired businesses into our operations successfully, or challenges related to the Company's strategic initiatives, including divestitures and third-party funding arrangements, as well as liabilities or claims relating to such acquired businesses, divestitures, or arrangements could adversely affect our business.***

As part of our strategy to develop and identify new products and technologies and optimize our portfolio of products, we have made several significant acquisitions, divestitures and third-party research and development funding arrangements in recent years, and may make additional acquisitions, divestitures and arrangements in the future. Our integration of the operations of acquired businesses, or a divestiture of part of our existing businesses, requires significant efforts, including the coordination of information technologies, research and development, sales and marketing, operations, manufacturing, and finance. These efforts result in additional expenses and involve

significant amounts of management's time that cannot then be dedicated to other projects. Our failure to manage and coordinate the growth of acquired companies successfully could also have an adverse impact on our business. Further, acquired businesses may have liabilities, or be subject to claims, litigation or investigations that we did not anticipate or which exceed our estimates at the time of the acquisition. In addition, we cannot be certain that the businesses we acquire will become profitable or remain so. Factors that will affect the success of our acquisitions include:

- the presence or absence of adequate internal controls and/or significant fraud in the financial systems of acquired companies,
- our ability or inability to integrate information technology systems of acquired companies in a secure and reliable manner,
- liabilities, claims, litigation, investigations, or other adverse developments relating to acquired businesses or the business practices of acquired companies, including investigations by governmental entities, potential Foreign Corrupt Practices Act (FCPA) or product liability claims, intellectual property disputes, earnout or other contingent payment disputes, or other unanticipated liabilities,
- any decrease in customer loyalty and product orders caused by dissatisfaction with the combined companies' product lines and sales and marketing practices, including price increases,
- our ability to retain key employees, and
- the ability to achieve synergies among acquired companies, such as increasing sales of the integrated company's products, achieving cost savings, and effectively combining technologies to develop new products.

We also could experience negative effects on our business, results of operations, financial condition, and cash flows from acquisition-related charges, amortization of intangible assets and asset impairment charges.

In addition, the potential exists that expected strategic benefits from any planned or completed divestiture, or third-party funding arrangement, by the Company may not be realized or may take longer to realize than expected, and there can be no assurance that disputes will not arise under the Company's third-party funding arrangements, or transition service agreements that have or may be executed as part of a divestiture.

### **Legal and Regulatory Risks**

***We are subject to extensive and complex laws and governmental regulations and any adverse regulatory action may materially adversely affect our financial condition and business operations.***

Our medical devices and technologies, as well as our business activities, are subject to a complex set of regulations and rigorous enforcement, including by the U.S. FDA, U.S. Department of Justice, Health and Human Services Office of the Inspector General, and numerous other federal, state, and non-U.S. governmental authorities. To varying degrees, each of these agencies requires us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing and distribution of our products. As a part of the regulatory process of obtaining marketing clearance for new products and new indications for existing products, we conduct and participate in numerous clinical trials with a variety of study designs, patient populations, and trial endpoints. Unfavorable clinical data from existing or future clinical trials may adversely impact our ability to obtain product approvals, our position in, and share of, the markets in which we participate, and our business, results of operations, financial condition, and cash flows. We cannot guarantee that we will be able to obtain or maintain marketing clearance for our new products or enhancements or modifications to existing products, and the failure to maintain approvals or obtain approval or clearance could have a material adverse effect on our business, results of operations, financial condition, and cash flows. Even if we are able to obtain approval or clearance, it may:

- take a significant amount of time,
- require the expenditure of substantial resources,
- involve stringent clinical and pre-clinical testing, as well as increased post-market surveillance,
- involve modifications, repairs or replacements of our products, and
- limit the proposed uses of our products.

Both before and after a product is commercially released, we have ongoing responsibilities under the U.S. FDA and other applicable non-U.S. government agency regulations. For instance, many of our facilities and procedures and those of our suppliers are also subject to periodic inspections by the U.S. FDA to assess compliance with applicable regulations. The results of these inspections can include, and have in the past included, inspectional observations on the U.S. FDA's Form 483, warning letters, or other forms of enforcement, such as a consent decree. If the U.S. FDA were to conclude that we are not in compliance with applicable laws or regulations, or that any of our medical products are ineffective or pose an unreasonable health risk, the U.S. FDA could detain or seize adulterated or misbranded medical products, order a recall, repair, replacement, or refund of such products, refuse to grant pending pre-market approval applications or require certificates of non-U.S. governments for exports, and/or require us to notify health professionals and others that the devices present unreasonable risks of substantial harm to the public health, and in certain rare circumstances, ban medical devices. The U.S. FDA and other non-U.S. government agencies may also assess civil or criminal penalties against us, our officers or employees and impose operating

restrictions on a company-wide basis. The U.S. FDA may also recommend prosecution to the U.S. Department of Justice. Any adverse regulatory action, depending on its magnitude, may restrict us from effectively marketing and selling our products and limit our ability to obtain future pre-market clearances or approvals, and could result in a substantial modification to our business practices and operations. Furthermore, we occasionally receive subpoenas or other requests for information from various governmental agencies around the world, and while these investigations typically relate primarily to financial arrangements with healthcare providers, regulatory compliance and product promotional practices, we cannot predict the timing, outcome or impact of any such investigations. Any adverse outcome in one or more of these investigations could include the commencement of civil and/or criminal proceedings, substantial fines, penalties, and/or administrative remedies, including exclusion from government reimbursement programs and/or entry into Corporate Integrity Agreements (CIAs) with governmental agencies. In addition, resolution of any of these matters could involve the imposition of additional, costly compliance obligations. These potential consequences, as well as any adverse outcome from government investigations, could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

In addition, the U.S. FDA has taken the position that device manufacturers are prohibited from promoting their products other than for the uses and indications set forth in the approved product labeling, and any failure to comply could subject us to significant civil or criminal exposure, administrative obligations and costs, and/or other potential penalties from, and/or agreements with, the federal government.

Governmental regulations in the U.S. and outside the U.S. are constantly changing and may become increasingly stringent. In the E.U, for example, the Medical Device Regulation which became effective in May 2021 includes significant additional pre-market and post-market requirements. Penalties for regulatory non-compliance could be severe, including fines and revocation or suspension of a company's business license, mandatory price reductions and criminal sanctions. The development and implementation of future laws and regulations may have a material adverse effect on us.

***Quality problems have in the past and could in the future lead to recalls or safety alerts, product liability claims, reputational harm, adverse verdicts or costly settlements, and could have a material adverse effect on our business, results of operations, financial condition, and cash flows.***

Quality is extremely important to us and our customers due to the impact on patients, and the serious and potentially costly consequences of adverse product performance. Our business exposes us to potential product liability risks that are inherent in the design, manufacture, and marketing of medical devices. In addition, many of our products are often used in intensive care settings with seriously ill patients and some of the medical devices we manufacture and sell are designed to be implanted in the human body for long periods of time or indefinitely. Component failures, manufacturing nonconformances, design issues, off-label use, or inadequate disclosure of product-related risks or product-related information with respect to our products, could result in an unsafe condition or injury to, or death of, a patient. These problems have in the past and could in the future lead to recall of, or issuance of a safety alert relating to, our products, as well as product liability claims and lawsuits, including class actions, which could ultimately result, in certain cases, in the removal from the body of such products and claims regarding costs associated therewith. Due to the strong name recognition of the Medtronic brand, a material adverse event involving one of our products could result in diminished market acceptance and demand for all products within that brand, and could harm our reputation and ability to market products in the future.

Strong product quality is critical to the success of our goods and services. If we fall short of these standards and our products are the subject of recalls or safety alerts, our reputation could be damaged, we could lose customers and our revenue and results of operations could decline. Our success also can depend on our ability to manufacture to exact specification precision-engineered components, subassemblies and finished devices from multiple materials. If our components fail to meet these standards or fail to adapt to evolving standards, our reputation, competitive advantage and market share could be harmed. In certain situations, we may undertake a voluntary recall of products or temporarily shut down production lines based on performance relative to our own internal safety and quality monitoring and testing data.

Any of the foregoing problems, including future product liability claims or recalls, regardless of their ultimate outcome, could harm our reputation and have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***Our failure to comply with laws and regulations relating to reimbursement of healthcare goods and services may subject us to penalties and adversely impact our reputation, business, results of operations, financial condition, and cash flows.***

Our devices, products and therapies are purchased principally by hospitals or physicians that typically bill various third-party payors, such as governmental healthcare programs (e.g., Medicare, Medicaid and comparable non-U.S. programs), private insurance plans and managed care plans, for the healthcare services provided to their patients. The ability of our customers to obtain appropriate reimbursement for products and services from third-party payors is critical because it affects which products customers purchase and the prices they are willing to pay. As a result, our devices, products and therapies are subject to regulation regarding quality and cost by HHS, including the Centers for Medicare & Medicaid Services (CMS), as well as comparable state and non-U.S. agencies responsible for reimbursement and regulation of health care goods and services, including laws and regulations related to fair competition, kickbacks, false claims, self-referrals and healthcare fraud. Many states have similar laws that apply to reimbursement by state Medicaid and other funded programs as well as in some cases to all payors. In certain circumstances, insurance companies attempt to bring a private cause of action against a manufacturer for causing false claims. In addition, as a manufacturer of U.S. FDA-approved devices reimbursable by federal healthcare programs, we are

subject to the Physician Payments Sunshine Act, which requires us to annually report certain payments and other transfers of value we make to U.S. licensed physicians, certain allied health professionals, and U.S. teaching hospitals. Any failure to comply with these laws and regulations could subject us or our officers and employees to criminal and civil financial penalties.

We are also subject to risks relating to changes in government and private medical reimbursement programs and policies, and changes in legal regulatory requirements in the U.S. and around the world. Implementation of further legislative or administrative reforms to these reimbursement systems, or adverse decisions relating to coverage of or reimbursement for our products by administrators of these systems, could have an impact on the acceptance of and demand for our products and the prices that our customers are willing to pay for them.

***We are substantially dependent on patent and other proprietary rights and failing to protect such rights or to be successful in litigation related to our rights or the rights of others may result in our payment of significant monetary damages and/or royalty payments, negatively impacting our ability to sell current or future products.***

We are substantially dependent on patent and other proprietary rights and rely on a combination of patents, trademarks, tradenames, copyrights, trade secrets, and agreements (such as employee and non-disclosure) to protect our business and proprietary intellectual property. We also operate in an industry characterized by extensive intellectual property litigation. Intellectual property litigation can result in significant damage awards and injunctions that could prevent our manufacture and sale of affected products or require us to pay significant royalties in order to continue to manufacture or sell affected products. At any given time, we are generally involved as both a plaintiff and a defendant in a number of intellectual property actions, the outcomes of which may not be known for prolonged periods of time. While it is not possible to predict the outcome of intellectual property litigation, it is possible that the results of such litigation could require us to pay significant monetary damages and/or royalty payments, negatively impact our ability to sell current or future products, or that enforcement actions to protect our patent and proprietary rights against others could be unsuccessful, any of which could have a material adverse impact on our business, results of operations, financial condition, and cash flows. In addition, any public announcements related to litigation or administrative proceedings initiated or threatened against us could cause our stock price to decline.

While we intend to defend against any threats to our intellectual property, our patents, trademarks, tradenames, copyrights, trade secrets or agreements (such as employee, non-disclosure and non-competition agreements) may not adequately protect our intellectual property. Further, pending patent applications may not result in patents being issued to us, patents issued to or licensed by us may be challenged or circumvented by competitors and such patents may be found invalid, unenforceable or too limited in scope to protect our technology or provide us with any competitive advantage. In addition, our patents will expire over time, our ability to protect novel business models is uncertain, and infringement may go undetected. Third parties could obtain patents that may require us to negotiate licenses to conduct our business, and such licenses may not be available on reasonable terms or at all. In addition, license agreements could be terminated. We also rely on non-disclosure and non-competition agreements with certain employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. We cannot be certain that these agreements will not be breached, that such provisions will be enforceable, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information, or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. Moreover, in the U.S. the Federal Trade Commission and various states have adopted laws and regulations that purport to ban or severely restrict the use of non-competition agreements, which may limit our ability to use and enforce non-competition agreements with employees.

In addition, the laws of certain countries in which we market or manufacture some of our products do not protect our intellectual property rights to the same extent as the laws of the U.S., which could make it easier for competitors to capture market position. For example, business in China comprises approximately seven percent of our total revenues. This may increase our vulnerability to our technology being reverse engineered or our trade secrets being compromised. If we are unable to protect our intellectual property in China or other countries, it could have a material adverse effect on our business, results of operations, financial condition, and cash flows. Competitors also may harm our sales by designing products that substantially mirror the capabilities of our products or technology without infringing our intellectual property rights.

***Healthcare policy changes may have a material adverse effect on us.***

There have been and continue to be actions and proposals by several governments, regulators and third-party payors globally, including the U.S. federal and state governments and the government in China, to control healthcare costs and, more generally, to reform healthcare systems. Certain of these actions and proposals, among other things, limit the prices we are able to charge for our products or the amounts of reimbursement available for our products, increase the importance of our ability to compete on cost, and could limit the acceptance and availability of our products. These actions and proposals could have a material adverse effect on our business, results of operations, financial condition, and cash flows.



***We rely on the proper function, security and availability of our information technology systems and data, as well as those of third parties throughout our global supply chain and our customer and payor base, to operate our business, and a breach, cyber-attack or other disruption to these systems or data could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation or competitive position.***

We are increasingly dependent on sophisticated information technology systems to operate our business. That technology includes systems that could be used to process, transmit and store sensitive data. Additionally, many of our products and services include integrated software and information technology that collects data regarding patients or connects to other internal systems. One of the most prevalent attacks on large organizations has been ransomware which can have a devastating impact on an organization's operations. Our ransomware readiness program has required and will continue to require investment and will not guarantee that we will be immune from an incident or be able to respond rapidly enough to prevent a negative impact on our business. Like all organizations, we routinely experience attempted interference with the integrity of, and interruptions in, our technology systems via events such as cyber-attacks, malicious intrusions, or other breakdowns. The consequences could mean data breaches, interference with the integrity of our products and data, compromise of intellectual property or other proprietary information, or other significant disruptions. Furthermore, we rely on third-party vendors to supply and/or support certain aspects of our information technology systems and resulting products, and customers and payors use information technology systems to process payments relating to our products and services. These third-party systems could also become vulnerable to cyber-attack, malicious intrusions, breakdowns, interference, or other significant disruptions, and may contain defects in design or manufacture or other problems that could result in system disruption or compromise the information security of our own systems. In addition, our global profile and international operations expose us to geopolitical events or issues which may increase cybersecurity risks on a global basis. Lastly, we continue to grow in part through new business acquisitions and, as a result, may face risks associated with defects and vulnerabilities in acquired businesses' systems, or difficulties or other breakdowns or disruptions in connection with the integration of the acquisitions into our information technology systems.

Our worldwide operations mean that we are subject to laws and regulations, including data protection and cybersecurity laws and regulations, in many jurisdictions. The variety of U.S. and international privacy and cybersecurity laws and regulations impacting our operations are described in "Item 1. Business" – *Other Factors Impacting Our Operations – Data Privacy and Security Laws and Regulations*. Any data security breaches, cyber-attacks, malicious intrusions or significant disruptions could result in actions by regulatory bodies and/or civil litigation, any of which could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation, or competitive position.

In addition, our information technology systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems and develop new systems. We experience continuing changes in information processing technology, legal and regulatory standards, patient and customer information use cases, techniques used to obtain unauthorized access to data and information systems, and the information technology needs associated with our changing products and services. We also face business and regulatory risks relating to our use of AI systems in our business operations and products. These systems are susceptible to flaws, biases, malfunctions or manipulations, which may disrupt our operations, result in erroneous decision-making, elevate our cyber risk profile, or expose us to penalties from non-compliance with emerging regulations. There can be no assurance that our efforts to keep pace with continuing changes in information processing technologies, including AI systems, and to deploy these technologies to our business operations and products will be successful or that additional systems issues will not arise in the future.

If our information technology systems, products or services or sensitive data are compromised, there are many consequences that could result. Consequences include, but are not limited to, patients or employees being exposed to financial or medical identity theft or suffering a loss of product functionality, losing existing customers or have difficulty attracting new customers, experiencing difficulty preventing, detecting, and controlling fraud, being exposed to the loss or misuse of confidential information, having disputes with customers, physicians, and other healthcare professionals, suffering regulatory sanctions or penalties under federal laws, state laws, or the laws of other jurisdictions, experiencing increases in operating expenses or an impairment in our ability to conduct our operations, incurring expenses or losing revenues as a result of a data privacy breach, product failure, information technology outages or disruptions, or suffering other adverse consequences including lawsuits or other legal action and damage to our reputation.

***The failure to comply with anti-corruption laws could materially adversely affect our business and result in civil and/or criminal sanctions.***

The U.S. FCPA, the Irish Criminal Justice (Corruption Offences) Act 2018, and similar anti-corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business and to ensure adequate internal controls, books, and records. Because of the predominance of government-administered healthcare systems in many jurisdictions around the world, many of our customer relationships outside of the U.S. are with governmental entities and are therefore potentially subject to such laws. We also participate in public-private partnerships and other commercial and policy arrangements with governments around the globe.

Global enforcement of anti-corruption laws has increased in recent years, including investigations and enforcement proceedings leading to assessment of significant fines and penalties against companies and individuals. Our international operations create a risk of unauthorized

payments or offers of payments by one of our employees, consultants, sales agents, or distributors. We maintain various controls aligned with legal requirements to prevent and prohibit improper practices, including policies, programs, and training for our employees and third party intermediaries acting on our behalf. However, existing safeguards and any future improvements may not always be effective, and our employees, consultants, sales agents or distributors may engage in conduct for which we could be held responsible. In addition, regulators could seek to hold us liable for conduct committed by companies in which we invest or that we acquire. Any alleged or actual violations of these regulations may subject us to government scrutiny, criminal or civil sanctions and other liabilities, including exclusion from government contracting, and could disrupt our business, adversely affect our reputation and result in a material adverse effect on our business, results of operations, financial condition, and cash flows.

***Laws and regulations governing international business operations could adversely impact our business.***

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the U.S. Commerce Department's Bureau of Industry and Security (BIS) administer certain laws and regulations that restrict U.S. persons and, in some instances, non-U.S. persons, in conducting activities, transacting business with, or making investments in, certain countries, governments, entities and individuals subject to U.S. economic sanctions or export restrictions. Our international operations subject us to these laws and regulations, which are complex, restrict our business dealings with certain countries, governments, entities, and individuals, and are constantly changing. Further restrictions may be enacted, amended, enforced or interpreted in a manner that materially impacts our operations.

From time to time, certain of our subsidiaries have limited business dealings in countries subject to comprehensive sanctions, including Iran, Syria, Cuba, and the region of Crimea, as well as Russia and Belarus. Certain of our subsidiaries sell medical devices, and may provide related services, to distributors and other purchasing bodies in such countries or regions. These business dealings represent an insignificant amount of our consolidated revenues and income, but expose us to a heightened risk of violating applicable sanctions regulations. Violations of these regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts and revocations or restrictions of licenses, as well as criminal fines and imprisonment. We have established policies and procedures designed to assist with our compliance with such laws and regulations. However, such regulations may impact our ability to continue operations in certain countries and require additional licenses which we may not be able to obtain or maintain. There can be no assurance that our policies and procedures will prevent us from violating these regulations in every transaction in which we may engage, and such a violation could adversely affect our reputation, business, results of operations, financial condition, and cash flows.

***Climate change, or legal, regulatory or market measures to address climate change may materially adversely affect our financial condition and business operations.***

Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere presents risks to our current and future operations. We face current and long-term operational risks and have in the past experienced business interruptions from severe weather events and other natural conditions, such as hurricanes, tornadoes, droughts, extreme temperatures, wildfires or flooding. Such severe weather events caused by or related to climate change or other conditions caused by natural disasters have in the past and could in the future increase our operational costs, pose physical risks to our facilities and adversely impact our supply chain, including: manufacturing and distribution networks, the availability and cost of raw materials and components, energy supply, transportation, or other inputs necessary for the operation of our business. The impacts of climate change on global water resources may result in water scarcity, which could impact our ability to access sufficient quantities of water in certain locations and result in increased costs. Although it is difficult to predict and adequately prepare to meet the challenges to our business posed by climate change, concerns over climate change also could result in new laws or regulations that are more stringent than current legal or regulatory requirements, and we may experience increased compliance burdens and costs to meet the regulatory obligations as well as adverse impacts on raw material sourcing, manufacturing operations and the distribution of our products.

***We are subject to environmental laws and regulations and the risk of environmental liabilities, violations and litigation.***

We are subject to environmental, health, and safety laws, and regulations concerning, among other things, the generation, handling, transportation, and disposal of hazardous substances or wastes, the remediation of hazardous substances or materials at various sites, and emissions or discharges into the land, air or water. We are further subject to numerous laws and regulations concerning, among other things, chemical constituents in medical products and end-of-life disposal and take-back programs for medical devices. Our operations and those of certain third-party suppliers involve the use of substances subject to these laws and regulations, primarily those used in manufacturing and sterilization processes. If we or our suppliers violate these environmental laws and regulations, facilities could be shut down and violators could be fined, or otherwise sanctioned. New laws and regulations, violations of these laws or regulations, stricter enforcement of existing requirements, or the discovery of previously unknown contamination could require us to incur costs or could become the basis for new or increased liabilities that could be material.

***We are subject to risks related to our environmental, social and governance (ESG) practices and initiatives.***

There is continued focus from our stakeholders, as well as regulatory authorities in the U.S., E.U. and other global jurisdictions in which we operate, on ESG practices and disclosure. If we do not succeed in meeting or are perceived as not meeting, stated goals and objectives, in any number of ESG matters, such as environmental stewardship, ID&E initiatives, supply chain practices, good corporate governance,

workplace conduct and support for local communities, or if we do not effectively respond to new or revised legal, regulatory or reporting requirements concerning climate change or other sustainability concerns, we may be subject to regulatory fines and penalties, our reputation or the reputation of our brands may suffer, we may be unable to attract and retain top talent, and our stock price may be negatively affected. In addition, enhanced and sometimes conflicting ESG laws, regulations and expectations in the jurisdictions in which we do business may increase compliance burdens and costs for third parties throughout our global supply chain, which could cause disruption in the sourcing, manufacturing and distribution of our products and adversely affect our business, financial condition or results of operations.

Further, we have made several public disclosures of objectives and targets (targets) relating to product stewardship, ID&E, patient safety and product quality, access and innovation, and climate stewardship, including our ambition to be carbon neutral in our operations by 2030 and to achieve net zero emissions by 2045. Although we intend to achieve these targets, we may be required to expend significant resources to do so, which could increase our operational costs. In addition, there can be no assurance of the extent to which any of our targets will be achieved, or that any future investments we make to achieve such targets will meet investor, legal and/or any other regulatory expectations and requirements. If we are unable to meet our targets, we may face litigation and could incur regulatory fines and penalties or adverse publicity and reaction from investors, advocacy groups or other stakeholders that may adversely impact our business, demand for our products and services, and/or our financial condition and results of operations.

***Our insurance program may not be adequate to cover future losses.***

We have elected to self-insure most of our insurable risks across the Company, and we made this decision based on cost and availability factors in the insurance marketplace. We manage and maintain a portion of our self-insured program through a wholly-owned captive insurance company. We continue to maintain a directors and officers liability insurance policy with third-party insurers that provides coverage for the directors and officers of the Company. We continue to monitor the insurance marketplace to evaluate the value of obtaining insurance coverage for other categories of losses in the future. Although we believe, based on historical loss trends, that our self-insurance program accruals and our existing insurance coverage will be adequate to cover future losses, historical trends may not be indicative of future losses. The absence of third-party insurance coverage for other categories of losses increases our exposure to unanticipated claims and these losses could have a material adverse impact on our business, results of operations, financial condition, and cash flows.

***Changes in tax laws or exposure to additional income tax liabilities could have a material impact on our business, results of operations, financial condition, and cash flows.***

The Organization for Economic Co-operation and Development (OECD) published Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large multinational corporations at a minimum rate of 15% in each jurisdiction in which the group operates. The OECD has since issued administrative guidance providing transition and safe harbor rules around the implementation of the Pillar Two global minimum tax. A number of countries, including Ireland, have enacted legislation to implement the core elements of Pillar Two, which will be effective for Medtronic in fiscal year 2025. We continue to evaluate the impacts of the enacted Pillar Two legislation. The tax laws, inclusive of Pillar Two legislation, in the U.S., Ireland and other countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes could have a material impact on our business, results of operations, financial condition, and cash flows.

We are subject to ongoing tax audits in the various jurisdictions in which we operate. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our business, results of operations, financial condition, and cash flows.

We have recorded reserves for potential payments of tax to various tax authorities related to uncertain tax positions. However, the calculation of such tax liabilities involves the application of complex tax laws, regulations and treaties (where applicable) in many jurisdictions. Therefore, any dispute with a tax authority may result in a payment that is significantly different from current estimates. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities generally would result in tax benefits being recognized in the period when we determine the liabilities are no longer necessary. If our estimate of tax liabilities proves to be less than the amount for which it is ultimately liable, we would incur additional charges, and such charges could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***The outcome of Medtronic, Inc.'s U.S. tax litigation could have a material adverse impact on our financial condition.***

In March 2009, the IRS issued its audit report for Medtronic, Inc. for fiscal years 2005 and 2006. Medtronic, Inc. reached agreements with the IRS on some, but not all matters related to these fiscal years. The remaining unresolved issue for fiscal years 2005 and 2006 relates to the allocation of income between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico, which is one of our key manufacturing sites. The Tax Court issued its opinion in August 2022, the IRS filed a Notice of Appeal to the U.S. Court of Appeals for the Eighth Circuit in September 2023, and Medtronic subsequently filed a cross-appeal in October 2023. An adverse outcome in this matter could materially and adversely affect our business, results of operations, financial condition, and cash flows. See Note 18 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.



***Future potential changes to the U.S. tax laws could result in us being treated as a U.S. corporation for U.S. federal tax purposes, and the IRS may not agree with the conclusion that we should be treated as a foreign corporation for U.S. federal income tax purposes.***

Because Medtronic plc is organized under the laws of Ireland, we would generally be classified as a foreign corporation under the general rule that a corporation is considered tax resident in the jurisdiction of its organization or incorporation for U.S. federal income tax purposes. Even so, the IRS may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the U.S. Internal Revenue Code of 1986, as amended (the Code). In addition, a retroactive change to U.S. tax laws in this area could change this classification. If we were to be treated as a U.S. corporation for federal tax purposes, we could be subject to substantially greater U.S. tax liability than currently contemplated as a non-U.S. corporation.

***Legislative or other governmental action relating to the denial of U.S. federal or state governmental contracts to U.S. companies that redomicile abroad could adversely affect our business.***

Various U.S. federal and state legislative proposals that would deny governmental contracts to U.S. companies that move their corporate location abroad may affect us. We are unable to predict the likelihood that, or final form in which, any such proposed legislation might become law, the nature of the regulations that may be promulgated under any future legislative enactments, or the effect such enactments and increased regulatory scrutiny may have on our business.

## **Risks Relating to Our Jurisdiction of Incorporation**

***We are incorporated in Ireland, and Irish law differs from the laws in effect in the U.S. and may afford less protection to holders of our securities.***

Our shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. It may not be possible to enforce court judgments obtained in the U.S. against us in Ireland based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the U.S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

As an Irish company, we are governed by the Irish Companies Act 2014, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in the U.S.

***As an Irish public limited company, certain capital structure decisions require shareholder approval, which may limit Medtronic's flexibility to manage its capital structure.***

Under Irish law, our authorized share capital can be increased by an ordinary resolution of our shareholders and the directors may issue new ordinary or preferred shares, without shareholder approval, once authorized to do so by our articles of association or by an ordinary resolution of our shareholders. Additionally, subject to specified exceptions, Irish law grants statutory preemption rights to existing shareholders where shares are being issued for cash consideration but allows shareholders to disapply such statutory preemption rights either in our articles of association or by way of special resolution. Such disapplication can either be generally applicable or be in respect of a particular allotment of shares. Accordingly, at our 2023 Annual General Meeting, our Shareholders authorized our Board of Directors to issue up to 20% of our issued ordinary shares and further authorized our Board of Directors to issue such shares for cash without first offering them to our existing shareholders. Both of these authorizations will expire on April 19, 2025, unless renewed by shareholders for a further period. We anticipate seeking new authorizations at our 2024 Annual General Meeting and in subsequent years. We cannot provide any assurance that these authorizations will always be approved, which could limit our ability to issue equity and thereby adversely affect the holders of our securities.

***A transfer of our shares, other than ones effected by means of the transfer of book-entry interests in the Depository Trust Company, may be subject to Irish stamp duty.***

Transfers of our shares effected by means of the transfer of book entry interests in the Depository Trust Company (DTC) will not be subject to Irish stamp duty. However, if a shareholder holds our shares directly rather than beneficially through DTC, any transfer of shares could be subject to Irish stamp duty (currently at the rate of 1% of the higher of the price paid or the market value of the shares acquired). Payment of Irish stamp duty is generally a legal obligation of the transferee. The potential for stamp duty could adversely affect the price of shares.

***In certain limited circumstances, dividends we pay may be subject to Irish dividend withholding tax and dividends received by Irish residents and certain other shareholders may be subject to Irish income tax.***

In certain limited circumstances, dividend withholding tax (currently at a rate of 25%) may arise in respect of dividends paid on our shares. A number of exemptions from dividend withholding tax exist such that shareholders resident in the U.S. and other specified countries that have a tax treaty with Ireland may be entitled to exemptions from dividend withholding tax.

Shareholders resident in the U.S. that hold their shares through DTC will not be subject to dividend withholding tax, provided the addresses of the beneficial owners of such shares in the records of the brokers holding such shares are recorded as being in the U.S. (and such brokers have further transmitted the relevant information to a qualifying intermediary appointed by us). However, other shareholders may be subject to dividend withholding tax, which could adversely affect the price of their shares.

Shareholders entitled to an exemption from Irish dividend withholding tax on dividends received from us will not be subject to Irish income tax in respect of those dividends unless they have some connection with Ireland other than their shareholding in our Company (for example, they are resident in Ireland). Shareholders who are not resident nor ordinarily resident in Ireland, but who receive dividends subject to Irish dividend withholding tax, will generally have no further liability to Irish income tax on those dividends.

***Our shares received by means of a gift or inheritance could be subject to Irish capital acquisitions tax.***

Irish capital acquisitions tax (CAT) could apply to a gift or inheritance of our shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because our shares will be regarded as property situated in Ireland. The person who receives the gift or inheritance has primary liability for CAT. Gifts and inheritances passing between spouses are exempt from CAT. Children currently have a tax-free threshold of €335,000 in respect of taxable gifts or inheritances received from their parents.

## **Economic and Industry Risks**

***Changes in the prices of our goods and services, customer purchasing patterns and stocking dynamics, and/or inflationary costs may have a material adverse effect on our business, results of operations, financial condition, and cash flows.***

We have had, and may continue to have, periods when prices for certain of our goods and services decrease due to pricing pressure from managed care organizations and other third-party payors on our customers; increased market power of our customers as the healthcare industry consolidates; periodic variation in timing, volume, and pricing associated with customer purchasing patterns and stocking dynamics; and increased competition among medical engineering and manufacturing services providers. We have also recently experienced, and may continue to experience, rising costs due to inflation. If the prices for our goods and services change for any reason or inflation continues to rise, we may be unable to sufficiently reduce our expenses or offset rising costs through increased prices to customers. As a result, our business, results of operations, financial condition, and cash flows may be adversely affected.

***We are subject to a variety of risks associated with global operations that could adversely affect our profitability and operating results.***

We develop, manufacture, distribute and sell our products globally. We intend to continue to expand our operations and to pursue growth opportunities outside the U.S., especially in emerging markets. Operations in different countries including emerging markets could expose us to additional and greater risks and potential costs, including:

- fluctuations in currency exchange rates,
- healthcare reform legislation,
- the need to comply with different regulatory regimes worldwide that are subject to change and that could restrict our ability to manufacture and sell our products,
- local product preferences and product requirements,
- longer-term receivables than are typical in the U.S.,
- economic sanctions, export controls, trade protection measures, tariffs and other border taxes, and import or export licensing requirements,
- less intellectual property protection in some countries outside the U.S. than exists in the U.S.,
- different labor regulations and workforce instability,
- political and economic instability, including as a result of armed conflicts and insurrections,
- restrictions on local currency conversion or cash extraction,
- potentially negative consequences from changes in or interpretations of tax laws, and
- economic instability and inflation, recession or interest rate fluctuations.

The ongoing global economic competition and trade tensions between the U.S. and China present risk to Medtronic. Although we have been able to mitigate some of the impact on Medtronic from increased duties imposed by both sides (through petitioning both governments for

tariff exclusions and other mitigations), the risk remains of additional tariffs and other kinds of restrictions. Tariff exclusions awarded to Medtronic by the U.S. Government require periodic renewal, and policies for granting exclusions could shift. The U.S. and China, which comprises approximately seven percent of our total revenues, could impose other types of restrictions such as limitations on government procurement or technology export restrictions, which could affect Medtronic's access to the markets.

The Russia-Ukraine conflict and resulting sanctions and export restrictions are creating barriers to doing business in Russia and Belarus and adversely impacting global supply chains. While we have no manufacturing, distribution or direct material suppliers in the region, we continue to closely monitor the potential raw material/sub-tier supplier impact in both Russia and Ukraine including materials like palladium and neon, which are both dependent on Russia supply. Additional sanctions, export restrictions, and potential countermeasures within Russia, along with geopolitical shifts in Asia and disruptions relating to Israel's conflict in Gaza, may lead to greater uncertainty that could cause additional adverse impacts on global supply chains and our business, results of operations, financial condition, and cash flows.

More generally, several governments including the U.S. have raised the possibility of policies to induce "re-shoring" of supply chains, less reliance on imported supplies, and greater national production. Examples include potential "Buy America" requirements in the U.S. If such steps triggered retaliation in other markets restricting access to foreign products in purchases by their government-owned healthcare systems, the result could be a significant impact on Medtronic.

Other significant changes or disruptions to international trade arrangements, such as termination or modifications of other existing trade agreements, may adversely affect our business, results of operations, financial condition, and cash flows. In addition, a significant amount of our trade receivables are with national healthcare systems in many countries. Repayment of these receivables is dependent upon the political and financial stability of those countries. In light of these global economic fluctuations, we continue to monitor the creditworthiness of customers. Failure to receive payment of all or a significant portion of these receivables could adversely affect our business, results of operations, financial condition, and cash flows.

Finally, changes in currency exchange rates may impact the reported value of our revenues, expenses, and cash flows. In addition, the impact of currency devaluations in countries experiencing significant currency exchange fluctuations could negatively impact the Company's operating results. We cannot predict changes in currency exchange rates, the impact of exchange rate changes, nor the degree to which we will be able to manage the impact of currency exchange rate changes.

***Market disruptions resulting in diminished liquidity, or healthcare professional and staff strikes or other work stoppages, could adversely affect our revenues, results of operation, or financial condition.***

Disruptions in international markets and supporting financial services and uncertainty about economic conditions (for instance, resulting from credit scarcity, geopolitical risks and sovereign debt deterioration), have in the past caused periods of tightened credit availability and increased volatility in liquidity and borrowing terms. If these conditions were to recur or worsen, we may experience reduced demand for a number of our products. We also could experience reduced sales and profits due to delayed payments or the insolvency of healthcare professionals, hospitals and other customers, suppliers and vendors who experience liquidity issues, including as a result of cybersecurity incidents impacting private and government health insurance payors. In addition, healthcare professional and staff strikes or other work stoppages have in the past and may in the future cause reduced demand for our products. As a result, our business, results of operations, financial condition, and cash flows could be adversely affected.

***Consolidation in the healthcare industry and the growing prevalence of ambulatory surgery centers (ASCs) could have an adverse effect on our revenues and results of operations.***

Many healthcare industry companies, including healthcare systems, distributors, manufacturers, providers, and insurers, are consolidating or have formed strategic alliances. As the healthcare industry consolidates, competition to provide goods and services to industry participants will become more intense. Further, this consolidation creates larger enterprises with greater negotiating power, which can be used to negotiate price concessions. In addition, the movement of procedures to ASCs could also create downward pricing pressure. If we must reduce our prices because of industry consolidation or ASC procedures, or if we lose customers as a result of consolidation or ASC procedures, our business, results of operations, financial condition, and cash flows could be adversely affected.

***Healthcare industry cost-containment measures could result in reduced sales of our medical devices and medical device components.***

Most of our customers, and the healthcare providers to whom our customers supply medical devices, rely on third-party payors, including government programs and private health insurance plans, to reimburse some or all of the cost of the procedures in which medical devices that incorporate components we manufacture or assemble are used. The continuing efforts of governmental authorities, insurance companies and other payors of healthcare costs to contain or reduce these costs could lead to patients being unable to obtain approval for payment from these third-party payors. If third-party payor payment approval cannot be obtained by patients, sales of finished medical devices that include our components may decline significantly and our customers may reduce or eliminate purchases of our components. The cost-containment measures that healthcare providers are instituting, both in the U.S. and outside of the U.S., could harm our ability to operate profitably. For example, managed care organizations have successfully negotiated volume discounts for pharmaceuticals, and GPOs and IDNs have also

concentrated purchasing decisions for some customers, which has led to downward pricing pressure for medical device companies, including us.

#### **Item 1B. Unresolved Staff Comments**

None.

#### **Item 1C. Cybersecurity**

##### ***Risk Management and Strategy***

We have designed and implemented a cybersecurity risk management program to help us identify, assess, and mitigate cybersecurity risks relevant to our business, based on the National Institute of Standards and Technology (NIST) Cyber Security Framework 2.0.

Our cybersecurity risk management program includes:

- dedicated cybersecurity professionals who analyze cybersecurity threats, define cybersecurity policy and requirements, implement protections, and monitor and respond to cybersecurity incidents,
- cybersecurity regulatory based risk assessments for the Company's systems and applications (where required),
- a formal incident response plan, in which incidents are classified based upon the severity, impact, and the potential harm that can be caused by the incident,
- annual information security training program for all employees, including phishing awareness training,
- cybersecurity works closely with application development and infrastructure & operation teams to embed security considerations into the foundation of technology,
- engagement of third-party service providers to conduct assessment of the Company's cybersecurity risk management program, penetration testing, and vulnerability testing,
- a third-party risk assessment process for service providers, suppliers, and vendors.

In addition, given the smart technology within our devices, our product security includes design protocols and is supported by quality systems testing and use scanning tools to assess and detect vulnerabilities that could affect our products.

Risks from cybersecurity threats are integrated into Medtronic's enterprise risk management (ERM) program. The ERM program establishes a risk management framework that seeks to identify, assess, and mitigate risks that could materially impact the Company's business and operation.

To date, the Company is not aware of any cybersecurity incident that has had or is reasonably likely to have a material impact on the Company's business or operations. However, despite our security measures, there can be no assurance that the Company, or the third parties with which we interact, will not experience a cybersecurity incident in the future that may materially affect us. See Item 1A. Risk Factors under, *"We rely on the proper function, security and availability of our information technology systems and data, as well as those of third parties throughout our global supply chain and our customer and payor base, to operate our business, and a breach, cyber-attack or other disruption to these systems or data could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation or competitive position."*

##### ***Governance***

The cybersecurity risk management program is led by the Chief Information Security Officer (CISO). Our CISO has over 28 years of experience assisting public and privately held companies in a variety of industries, leading several enterprise-wide transformation initiatives to adapt to changing cybersecurity threats. The CISO has held various executive level positions within Fortune 500 companies. Our CISO reports to the Chief Information Officer (CIO), who leads the Global Information Technology (IT) organization and works closely with the Executive Committee to guide strategic direction and IT decisions to drive business outcomes.

Our Board of Directors is engaged in the Company's ERM program and receives briefings on the outcomes of the ERM program and the steps the Company takes to mitigate risks that the program identifies. The Quality Committee of the Board oversees the Company's cybersecurity strategies, systems, and controls to ensure reliability and prevent unauthorized access. The Audit Committee discusses policies with respect to risk assessment and risk management, including risks associated with the reliability and security of the Company's information technology and security systems, and the steps management has undertaken to monitor and control such exposures. The Audit Committee receives regular updates on the Company's cybersecurity risk management program from the CISO and CIO.

#### **Item 2. Properties**

Medtronic's principal executive office is located in Ireland and is leased by the Company, while its main operational offices are located in the Minneapolis, Minnesota metropolitan area and are owned by the Company.

The Company's total manufacturing and research space is approximately 9.9 million square feet. Approximately 36 percent of the manufacturing or research facilities are owned by Medtronic and the remaining balance is leased. The following is a summary of the Company's largest manufacturing facilities by location:

Location Country or State	Square Feet (in thousands)
Connecticut	1,138
Puerto Rico	812
Mexico	762
China	708
Minnesota	568
Ireland	446
Dominican Republic	395
Arizona	294
Switzerland	283
California	258
Massachusetts	250
France	249
Italy	230
Colorado	228

Medtronic also maintains sales and administrative offices outside the U.S. at 114 locations in 62 countries. A majority of these locations are leased. The Company is using substantially all of its currently available productive space to develop, manufacture, and market its products. The Company's facilities are well-maintained, suitable for their respective uses, and adequate for current needs.

### Item 3. Legal Proceedings

In accordance with Item 103 of Regulation S-K, we have adopted a \$1 million disclosure threshold for proceedings under environmental laws to which a governmental authority is a party, as we believe matters under this threshold are not material to the Company. A discussion of the Company's legal proceedings and other loss contingencies are described in Note 18 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

### Item 4. Mine Safety Disclosures

Not applicable.

## PART II

### Item 5. Market for Medtronic's Common Equity, Related Shareholder Matters, and Issuer Purchases of Equity Securities

The Company's ordinary shares are listed on the New York Stock Exchange under the symbol "MDT."

The following table provides information about the shares repurchased by the Company during the fourth quarter of fiscal year 2024:

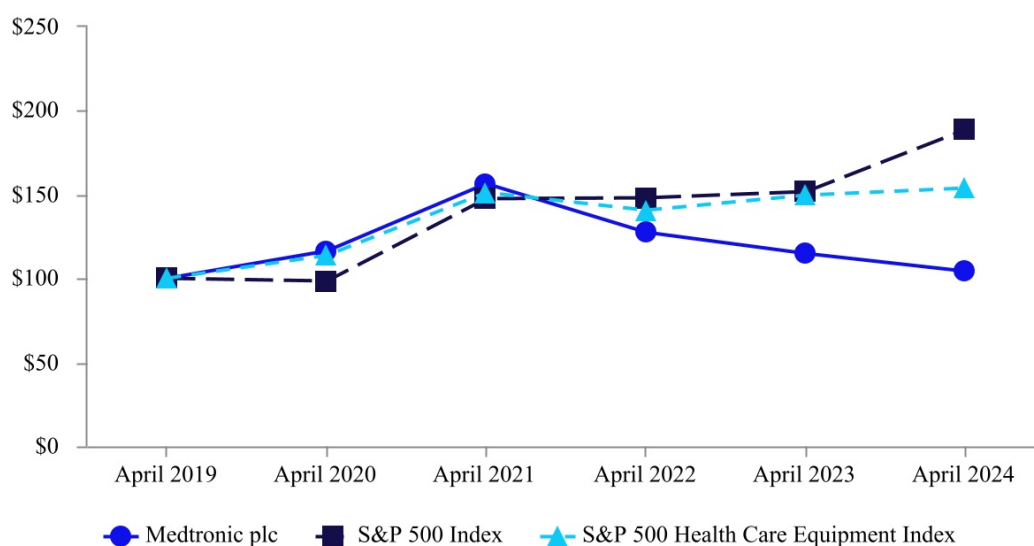
Fiscal Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as a Part of Publicly Announced Program	Maximum Approximate Dollar Value of Shares that may yet be Purchased Under the Program
1/27/2024-2/23/2024	2,514,000	\$ 85.99	2,514,000	\$ 1,700,959,792
2/24/2024-3/29/2024	6,591,630	84.54	6,591,630	6,143,724,275
3/30/2024-4/26/2024	10,361,791	82.03	10,361,791	5,293,724,420
Total	19,467,421	\$ 83.39	19,467,421	\$ 5,293,724,420

In March 2019, the Company's Board of Directors authorized the repurchase of \$6.0 billion of the Company's ordinary shares. In March 2024, the Company's Board of Directors authorized an incremental \$5.0 billion for share repurchases. There is no specific time-period associated with these repurchase authorizations. For additional discussion, see Note 11 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

On June 17, 2024, there were approximately 20,132 shareholders of record of the Company's ordinary shares. Ordinary cash dividends declared and paid totaled \$0.69 per share for each quarter of fiscal year 2024 and \$0.68 per share for each quarter of fiscal year 2023. On May 23, 2024, the Company announced an increase in Medtronic's cash dividends for the first quarter of fiscal year 2025, raising the amount to \$0.70 per share.

#### Stock Performance Graph

The following graph compares the cumulative total shareholder return on Medtronic's ordinary shares with the cumulative total shareholder return on the Standard & Poor's (S&P) 500 Index and the S&P 500 Health Care Equipment Index for the last five fiscal years. The graph assumes that \$100 was invested at market close on April 26, 2019 in Medtronic's ordinary shares, the S&P 500 Index, and the S&P 500 Health Care Equipment Index and that all dividends were reinvested.



Company/Index	April 2019	April 2020	April 2021	April 2022	April 2023	April 2024
Medtronic plc	\$ 100.00	\$ 116.15	\$ 156.57	\$ 127.62	\$ 114.95	\$ 104.14
S&P 500 Index	100.00	98.44	147.55	147.86	151.80	188.57
S&P 500 Health Care Equipment Index	100.00	113.81	150.91	140.79	149.57	153.68

For information on the Company's equity compensation plans, see "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters" in this Annual Report on Form 10-K.

### **Irish Restrictions on Import and Export of Capital**

Except as indicated below, there are no restrictions on non-residents of Ireland dealing in Irish domestic securities, which includes ordinary shares of Irish companies. Except as indicated below, dividends and redemption proceeds also continue to be freely transferable to non-resident holders of such securities. The Financial Transfers Act, 1992 provides that the Irish Minister for Finance can make provision for the restriction of financial transfers between Ireland and other countries. For the purposes of this Act, "financial transfers" include all transfers which would be movements of capital or payments within the meaning of the treaties governing the E.U. if they had been made between Member States of the E.U. To date, the Irish Minister for Finance has restricted financial transfers between Ireland and a number of third countries and the list is subject to on-going change.

Any transfer of, or payment in respect of, a share or interest in a share involving the government of any country that is currently the subject of United Nations or E.U. sanctions, any person or body controlled by any of the foregoing, or by any person acting on behalf of the foregoing, may be subject to restrictions pursuant to such sanctions as implemented into Irish law.

### **Irish Taxes Applicable to U.S. Holders**

Dividends paid by Medtronic will generally be subject to Irish dividend withholding tax (currently at a rate of 25 percent) unless an exemption applies.

Dividends paid to U.S. residents will not be subject to Irish dividend withholding tax provided that:

- in the case of a beneficial owner of Medtronic shares held in the Depository Trust Company (DTC), the address of the beneficial owner in the records of his or her broker is in the United States and this information is provided by the broker to the Company's qualifying intermediary; or
- in the case of a record owner, the record owner has provided to the Company's transfer agent a valid U.S. Certification of Residence (Form 6166) or valid Irish Non-Resident Form V2.

Irish income tax may also arise with respect to dividends paid on Medtronic's ordinary shares. A U.S. resident who meets one of the exemptions from dividend withholding tax described above and who does not hold Medtronic shares through a branch or agency in Ireland through which a trade is carried on generally will not have any Irish income tax liability on a dividend paid by Medtronic. In addition, if a U.S. shareholder is subject to the dividend withholding tax, the withholding payment discharges any Irish income tax liability, provided the shareholder furnishes to the Irish Revenue authorities a statement of the dividend withholding tax imposed.

While the U.S./Ireland Double Tax Treaty contains provisions regarding withholding, due to the wide scope of the exemptions from dividend withholding tax available under Irish domestic law, it would generally be unnecessary for a U.S. resident shareholder to rely on the treaty provisions.

### **Item 6. Reserved**



## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **UNDERSTANDING OUR FINANCIAL INFORMATION**

The following discussion and analysis provides information management believes to be relevant to understanding the financial condition and results of operations of the Company. The discussion focuses on our financial results for the fiscal year ended April 26, 2024 (fiscal year 2024) and the fiscal year ended April 28, 2023 (fiscal year 2023). A discussion on our results of operations for fiscal year 2023 as compared to the year ended April 29, 2022 (fiscal year 2022) is included in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended April 28, 2023, filed with the SEC on June 22, 2023, and is incorporated by reference into this Form 10-K. You should read this discussion and analysis along with our consolidated financial statements and related notes thereto at April 26, 2024 and April 28, 2023 and for fiscal years 2024, 2023, and 2022, which are presented within "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K. Amounts reported in millions within this annual report are computed based on the amounts in thousands, and therefore, the sum of the components may not equal the total amount reported in millions due to rounding. Additionally, certain columns and rows within tables may not sum due to rounding.

### **Financial Trends**

Throughout this Management's Discussion and Analysis, we present certain financial measures that facilitate management's review of the operational performance of the Company and as a basis for strategic planning; however, such financial measures are not presented in our financial statements prepared in accordance with accounting principles generally accepted in the United States (U.S.) (U.S. GAAP). These financial measures are considered "non-GAAP financial measures" and are intended to supplement, and should not be considered as superior to, financial measures presented in accordance with U.S. GAAP. We believe that non-GAAP financial measures provide information useful to investors in understanding the Company's underlying operational performance and trends and may facilitate comparisons with the performance of other companies in the medical technologies industry.

As presented in the GAAP to Non-GAAP Reconciliations section on the following pages, our non-GAAP financial measures exclude the impact of amortization of intangible assets and certain charges or benefits that contribute to or reduce earnings and that may affect financial trends and include certain charges or benefits that result from transactions or events that we believe may or may not recur with similar materiality or impact to our operations in future periods (Non-GAAP Adjustments).

In the event there is a Non-GAAP Adjustment recognized in our operating results, the tax cost or benefit attributable to that item is separately calculated and reported. Because the effective rate can be significantly impacted by the Non-GAAP Adjustments that take place during the period, we often refer to our tax rate using both the effective rate and the non-GAAP nominal tax rate (Non-GAAP Nominal Tax Rate). The Non-GAAP Nominal Tax Rate is calculated as the income tax provision, adjusted for the impact of Non-GAAP Adjustments, as a percentage of income before income taxes, excluding Non-GAAP Adjustments.

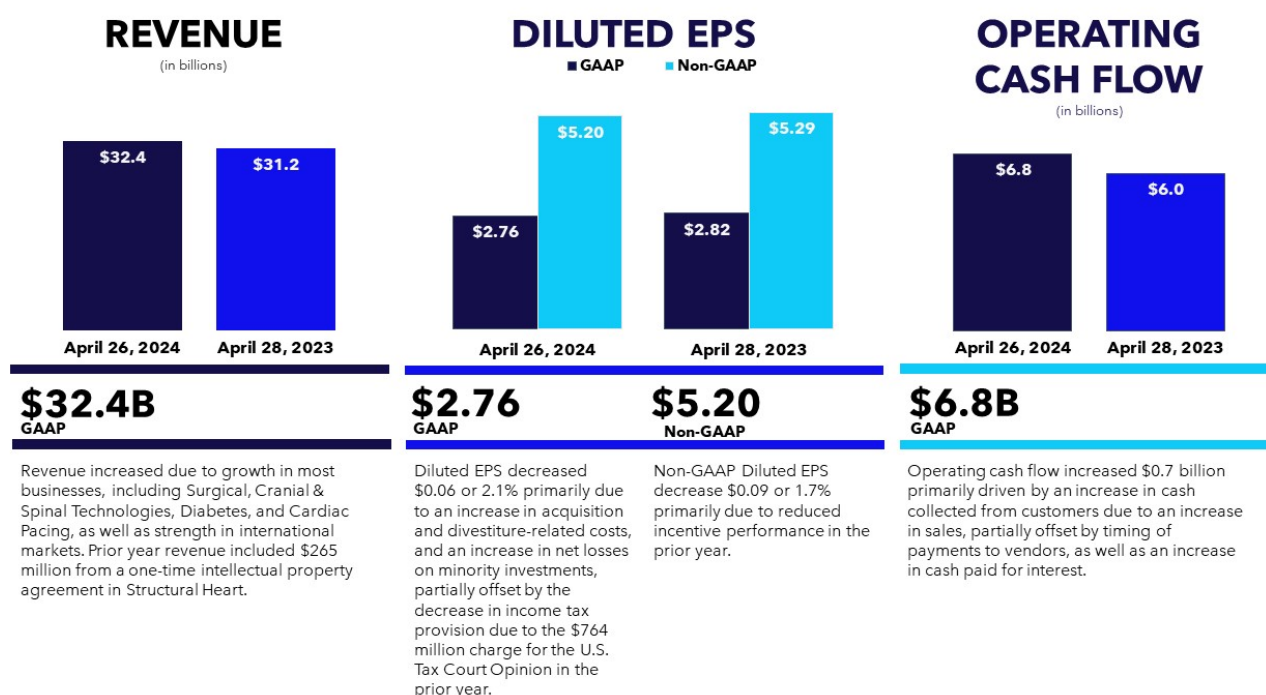
Free cash flow is a non-GAAP financial measure calculated by subtracting property, plant, and equipment additions from operating cash flows.

Refer to the "GAAP to Non-GAAP Reconciliations," "Income Taxes," and "Free Cash Flow" sections for reconciliations of the non-GAAP financial measures to their most directly comparable financial measures prepared in accordance with U.S. GAAP.



## EXECUTIVE LEVEL OVERVIEW

The following is a summary of revenue, diluted earnings per share, and cash flow for fiscal years 2024 and 2023:



## GAAP to Non-GAAP Reconciliations

The tables below present reconciliations of our Non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with U.S. GAAP for fiscal years 2024 and 2023.

(in millions, except per share data)	Fiscal year ended April 26, 2024				
	Income Before Income Taxes	Income Tax Provision (Benefit)	Net Income Attributable to Medtronic	Diluted EPS	Effective Tax Rate
<b>GAAP</b>	\$ 4,837	\$ 1,133	\$ 3,676	\$ 2.76	23.4 %
Non-GAAP Adjustments:					
Amortization of intangible assets	1,693	258	1,435	1.08	15.2
Restructuring and associated costs <sup>(1)</sup>	389	66	323	0.24	17.0
Acquisition and divestiture-related items <sup>(2)</sup>	777	113	664	0.50	14.5
Certain litigation charges, net	149	31	118	0.09	20.8
(Gain)/loss on minority investments <sup>(3)</sup>	308	2	305	0.23	0.6
Medical device regulations <sup>(4)</sup>	119	22	97	0.07	18.5
Certain tax adjustments, net <sup>(5)</sup>	—	(299)	299	0.22	—
<b>Non-GAAP</b>	<u>\$ 8,273</u>	<u>\$ 1,327</u>	<u>\$ 6,918</u>	<u>\$ 5.20</u>	<u>16.0 %</u>

Fiscal year ended April 28, 2023					
(in millions, except per share data)	Income Before Income Taxes	Income Tax Provision (Benefit)	Net Income Attributable to Medtronic	Diluted EPS	Effective Tax Rate
<b>GAAP</b>	\$ 5,364	\$ 1,580	\$ 3,758	\$ 2.82	29.5 %
Non-GAAP Adjustments:					
Amortization of intangible assets	1,698	255	1,443	1.08	15.0
Restructuring and associated costs <sup>(1)</sup>	647	139	507	0.38	21.5
Acquisition and divestiture-related items <sup>(6)</sup>	345	29	316	0.24	8.4
Certain litigation charges <sup>(7)</sup>	(30)	(8)	(23)	(0.02)	26.7
(Gain)/loss on minority investments <sup>(3)</sup>	(33)	2	(29)	(0.02)	(6.1)
Medical device regulations <sup>(4)</sup>	150	30	120	0.09	20.0
Debt redemption premium and other charges <sup>(8)</sup>	53	11	42	0.03	20.8
Certain tax adjustments, net <sup>(9)</sup>	—	(910)	910	0.68	—
<b>Non-GAAP</b>	<u>\$ 8,194</u>	<u>\$ 1,128</u>	<u>\$ 7,045</u>	<u>\$ 5.29</u>	<u>13.8 %</u>

- (1) Associated costs include costs incurred as a direct result of the restructuring program, such as salaries for employees supporting the program, consulting expenses, and asset write-offs.
- (2) The charges predominantly include \$439 million of charges related to the February 20, 2024 decision to exit the Company's ventilator product line, which primarily includes long-lived intangible asset impairments and inventory write-downs. In addition, other charges primarily consist of changes in fair value of contingent consideration and associated costs related to the previously contemplated separation of the PMRI businesses.
- (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. We consider these costs to be duplicative of previously incurred costs and/or one-time costs, which are limited to a specific time period.
- (5) The net charge primarily relates to an income tax reserve adjustment associated with the June 2023, Israeli Central-Lod District Court decision and the establishment of a valuation allowance against certain net operating losses which were partially offset by a benefit from the change in a Swiss Cantonal tax rate associated with previously established deferred tax assets from intercompany intellectual property transactions and the step up in tax basis for Swiss Cantonal purposes.
- (6) The charges predominantly include non-cash pre-tax impairments, primarily related to goodwill, changes in the carrying value of the disposal group, and other associated costs, as a result of the April 2023 sale of half of the Company's Renal Care Solutions (RCS) business; business combination costs, and associated costs related to the previously contemplated separation of the PMRI businesses.
- (7) Certain litigation includes \$35 million income related to the one-time payment received as a result of the Intellectual Property Agreement entered into with Edwards Lifesciences in April 2023.
- (8) The charges relate to the early redemption of approximately \$2.3 billion of debt and were recorded within interest expense, net within the consolidated statements of income.
- (9) The charge primarily relates to a \$764 million reserve adjustment that was a direct result of the U.S. Tax Court opinion, issued in August 2022, on the previously disclosed litigation regarding the allocation of income between Medtronic, Inc. and its wholly owned subsidiary operating in Puerto Rico. Additional charges relate to the reduction of deferred tax assets due to the disallowance of certain interest deductions and the change in the reporting currency for certain carryover attributes, and the amortization on previously established deferred tax assets from intercompany intellectual property transactions.

## Free Cash Flow

Free cash flow, a non-GAAP financial measure, is calculated by subtracting additions to property, plant, and equipment from net cash provided by operating activities. Management uses this non-GAAP financial measure, in addition to U.S. GAAP financial measures, to evaluate our operating results. Free cash flow should be considered supplemental to, and not a substitute for, our reported financial results prepared in accordance with U.S. GAAP. Reconciliations between net cash provided by operating activities (the most comparable U.S. GAAP measure) and free cash flow are as follows:

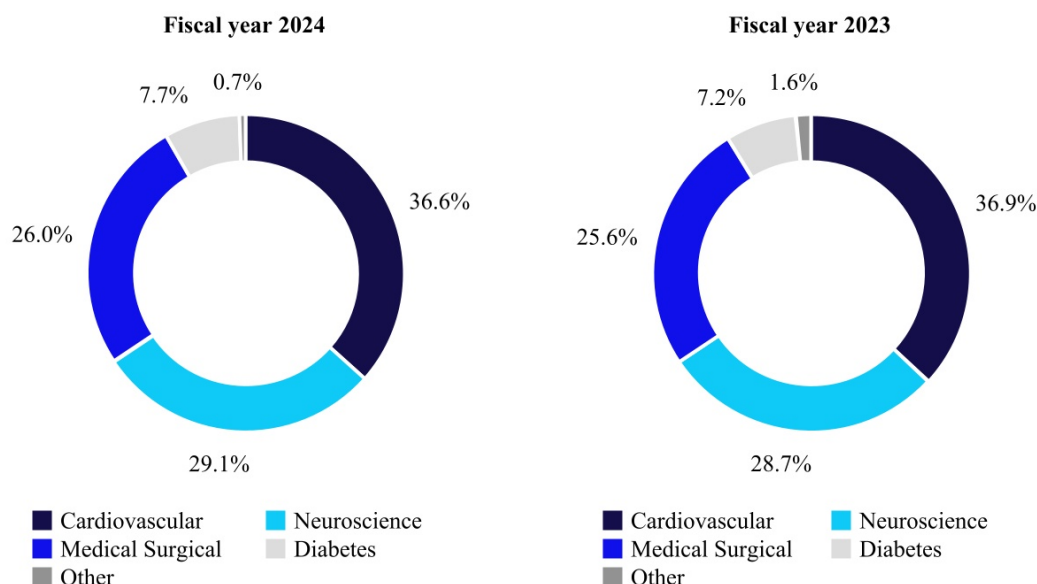
(in millions)	Fiscal Year	
	2024	2023
Net cash provided by operating activities	\$ 6,787	\$ 6,039
Additions to property, plant, and equipment	(1,587)	(1,459)
Free cash flow	<u>\$ 5,200</u>	<u>\$ 4,580</u>

Refer to the Summary of Cash Flows section for drivers of the change in cash provided by operating activities.

## NET SALES

### Segment and Division

Prior period revenue has been recast to reflect the new reporting structure. The activity of the Company's Renal Care Solutions business and the ventilator product line were moved out of Medical Surgical and into the Other line, and the retained PMRI businesses were combined into one business unit called Acute Care & Monitoring in Medical Surgical. Refer to Note 19 to the consolidated financial statements for additional information regarding the Company's new reporting structure. The charts below illustrate the percent of net sales by segment for fiscal years 2024 and 2023:



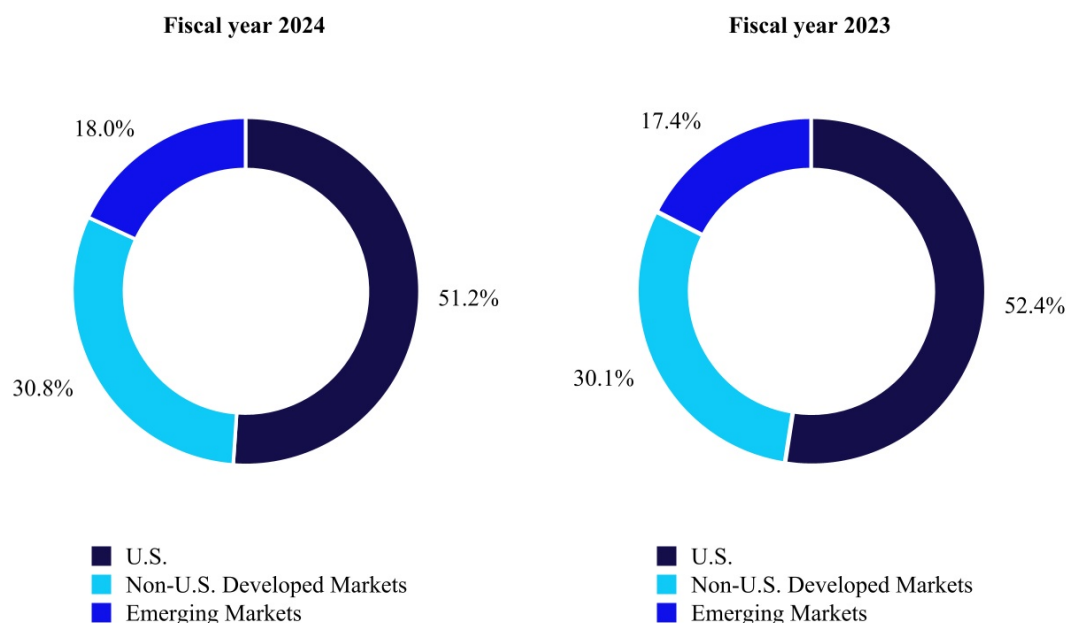
The table below includes net sales by segment and division for fiscal years 2024 and 2023:

(in millions)	Net Sales by Fiscal Year		Percent Change
	2024	2023	
Cardiac Rhythm & Heart Failure	\$ 5,995	\$ 5,783	4 %
Structural Heart & Aortic	3,358	3,363	—
Coronary & Peripheral Vascular	2,478	2,375	4
Cardiovascular	11,831	11,522	3
Cranial & Spinal Technologies	4,756	4,451	7
Specialty Therapies	2,905	2,815	3
Neuromodulation	1,746	1,693	3
Neuroscience	9,406	8,959	5
Surgical & Endoscopy	6,508	6,152	6
Acute Care & Monitoring	1,908	1,837	4
Medical Surgical	8,417	7,989	5
Diabetes	2,488	2,262	10
Reportable segment net sales	32,142	30,731	5
Other operating segment <sup>(1)</sup>	221	495	(55)
Total net sales	\$ 32,364	\$ 31,227	4 %

(1) Includes historical operations and ongoing transition agreements from businesses the Company has exited or divested, which primarily includes the Company's ventilator product line and the Renal Care Solutions business.

## Segment and Market Geography

The charts below illustrate the percent of net sales by market geography for fiscal years 2024 and 2023:



The table below includes net sales by market geography for each of our segments for fiscal years 2024 and 2023:

(in millions)	U.S. <sup>(1)</sup>			Non-U.S. Developed Markets <sup>(2)</sup>			Emerging Markets <sup>(3)</sup>		
	Fiscal Year 2024	Fiscal Year 2023	% Change	Fiscal Year 2024	Fiscal Year 2023	% Change	Fiscal Year 2024	Fiscal Year 2023	% Change
Cardiovascular	\$ 5,597	\$ 5,796	(3)%	\$ 3,857	\$ 3,564	8 %	\$ 2,377	\$ 2,161	10 %
Neuroscience	6,305	6,018	5	1,739	1,658	5	1,362	1,283	6
Medical Surgical	3,717	3,549	5	3,049	2,917	5	1,650	1,522	8
Diabetes	852	849	—	1,284	1,106	16	352	307	15
Reportable segment net sales	16,471	16,212	2	9,929	9,245	7	5,742	5,273	9
Other operating segment <sup>(4)</sup>	91	160	(43)	50	163	(69)	81	172	(53)
Total net sales	<u>\$ 16,562</u>	<u>\$ 16,373</u>	<u>1 %</u>	<u>\$ 9,979</u>	<u>\$ 9,408</u>	<u>6 %</u>	<u>\$ 5,823</u>	<u>\$ 5,446</u>	<u>7 %</u>

(1) U.S. includes the United States and U.S. territories.

(2) Non-U.S. developed markets include Japan, Australia, New Zealand, Korea, Canada, and the countries within Western Europe.

(3) 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 defined above.

(4) Includes historical operations and ongoing transition agreements from businesses the Company has exited or divested, which primarily includes the Company's ventilator product line and the Renal Care Solutions business.

The increase in net sales for fiscal year 2024 was driven by growth in most businesses, including Surgical, Cranial & Spinal Technologies, Diabetes, and Cardiac Pacing, as well as strength in international markets. The net sales increase was partially offset by a \$265 million one-time payment received in the fourth quarter of fiscal year 2023 as a result of an intellectual property agreement, as further discussed in the Cardiovascular net sales section below.

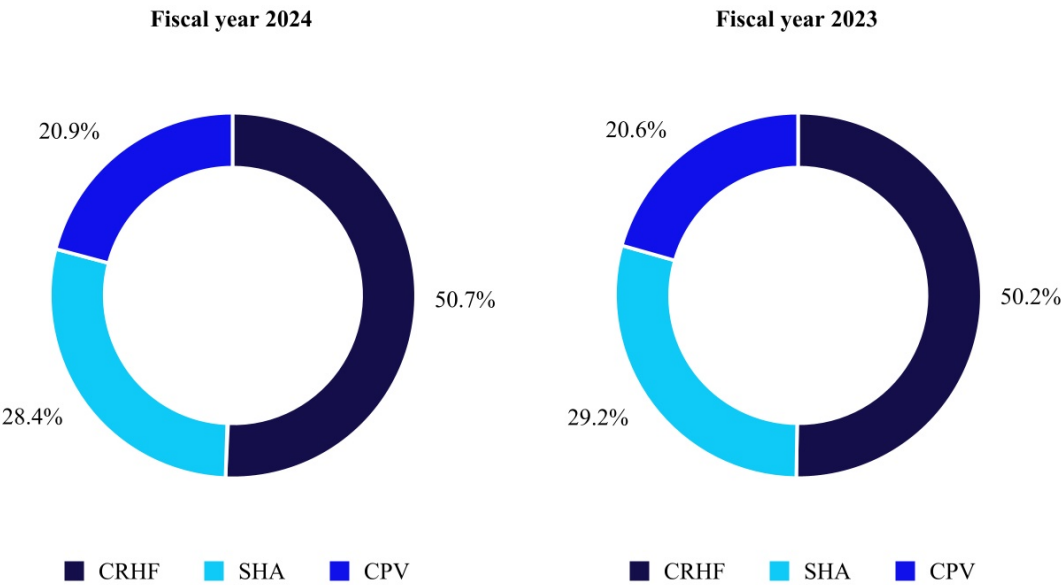
Looking ahead, a number of macro-economic and geopolitical factors could negatively impact our business, including without limitation:

- Competitive product launches and pricing pressure, geographic macro-economic risks including fluctuations in currency exchange rates, general price inflation, changes in interest rates, reimbursement challenges, impacts from changes in the mix of our product offerings, delays in product registration approvals, replacement cycle challenges, and supply chain challenges from time to time;
- National and provincial tender pricing for certain products, particularly in China;
- The sanctions and other measures being imposed in response to the Russia-Ukraine conflict are having and could continue to have impacts on revenue and supply chain. The financial impact of the conflict in fiscal year 2024, including on accounts receivable and inventory reserves, was not material. For fiscal year 2024, the business of the Company in these countries represented less than 1% of the Company's consolidated revenues and assets. Although the implications of this conflict are difficult to predict at this time, the ongoing conflict may increase pressure on the global economy and supply chains, resulting in increased future volatility risk for our business operations and performance.
- Although the long-term implications of Israel's conflict are difficult to predict at this time, the financial and operational impact of the conflict in fiscal year 2024, including on accounts receivable and inventory reserves, was not material. As of April 26, 2024, the Company had 6 facilities and approximately 1,500 employees in Israel. For fiscal year 2024, the business of the Company in Israel represented less than 1% of the Company's consolidated revenues and assets.

**Cardiovascular**

Cardiovascular products include pacemakers, insertable cardiac monitors, cardiac resynchronization therapy devices, implantable cardioverter defibrillators, leads and delivery systems, electrophysiology catheters, products for the treatment of atrial fibrillation, information systems for the management of patients with Cardiac Rhythm & Heart Failure devices, products designed to reduce surgical site infections, coronary and peripheral stents and related delivery systems, balloons and related delivery systems, endovascular stent graft systems, heart valve replacement technologies, cardiac tissue ablation systems, and open heart and coronary bypass grafting surgical products. Cardiovascular also includes Care Management Services and Cath Lab Managed Services (CLMS) within the Cardiac Rhythm & Heart Failure division. Cardiovascular net sales for fiscal year 2024 were \$11.8 billion, an increase of 3 percent as compared to fiscal year 2023. The net sales increase was primarily due to the strong performance of Micra, transcatheter aortic valve replacement (TAVR), and Perfusion.

The charts below illustrate the percent of Cardiovascular net sales by division for fiscal years 2024 and 2023:



Cardiac Rhythm & Heart Failure (CRHF) net sales increased 4 percent in fiscal year 2024 as compared to fiscal year 2023. The net sales increase was driven by continued adoption of Micra AV2 and Micra VR2 and growth from the launch of the PulseSelect pulsed field ablation (PFA) system and the Aurora extravascular implantable cardioverter defibrillator (EV-ICD) system.

Structural Heart & Aortic (SHA) net sales were flat in fiscal year 2024 as compared to fiscal year 2023. Net sales were impacted by the \$265 million of revenue from a one-time payment received in the fourth quarter of fiscal year 2023 as a result of the intellectual property agreement entered into with Edwards Lifesciences, offset by growth in TAVR, including strong growth in Western Europe and Japan from adoption of Evolut FX TAVR system, and in Cardiac Surgery driven by growth of Perfusion, particularly in the U.S.

Coronary & Peripheral Vascular (CPV) net sales increased 4 percent in fiscal year 2024 as compared to fiscal year 2023. The net sales increase was driven by growth from guide catheters, balloons, as well as growth in Vascular Embolization products.

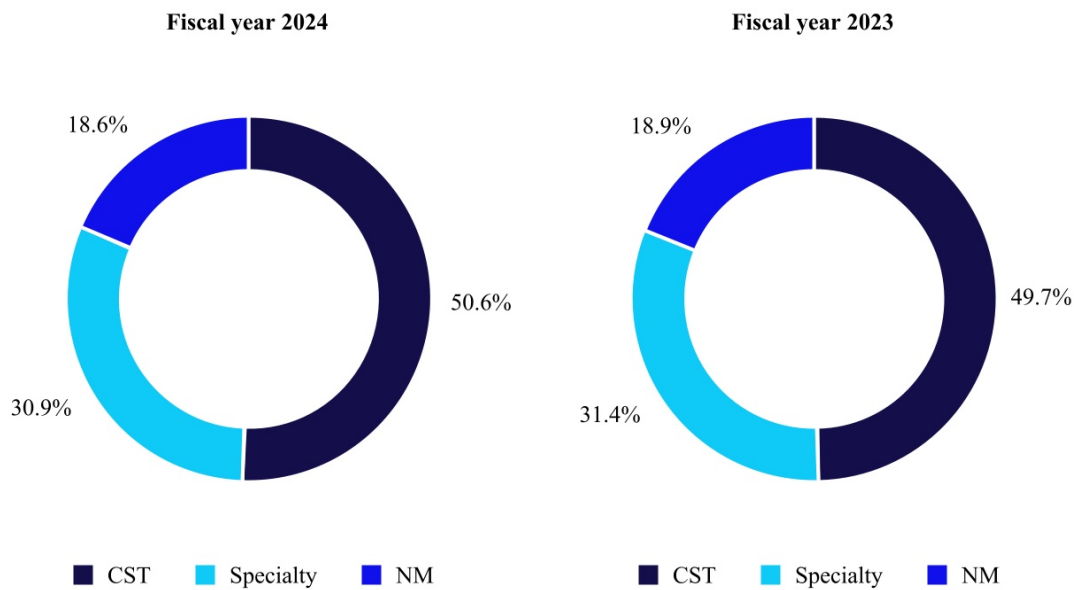
In addition to the macro-economic and geopolitical factors described in the Net Sales section, looking ahead, we expect Cardiovascular could be affected by the following:

- Continued global penetration of our Micra transcatheter pacing portfolio.
- Continued acceptance and growth from the Azure XT and Azure S SureScan pacing systems and the 3830 lead.
- Global adoption of Aurora Extravascular ICD.
- Growth of the Cobalt and Crome portfolio of ICDs and CRT-Ds.
- Growth of the CRT-P quadripolar pacing system.
- Continued growth, adoption, and utilization of the TYRX Envelope for implantable devices.
- Continued use and acceptance of Reveal LINQ and expansion of the LINQ II cardiac monitor.
- Continued acceptance, adoption, and growth of our innovative portfolio of products in the electrophysiology (EP) segment, including the Arctic Front cryoablation system, PulseSelect PFA, and Affera mapping and ablation system. The PulseSelect PFA system received CE Mark in November 2023 and was approved by the U.S. FDA in December 2023 and was the first PFA technology to receive U.S. FDA approval.
- Continued acceptance and growth of the self-expanding CoreValve Evolut transcatheter aortic valve replacement platform. This includes Evolut PRO which provides enhanced hemodynamics, reliable delivery, enhanced durability, advanced sealing, and Evolut FX, a system designed to improve the overall procedural experience through enhancements in deliverability, implant visibility, and deployment stability. The Evolut FX+ TAVR system maintains the valve performance benefits of the legacy Evolut TAVR platform and is designed to facilitate coronary access. The system was approved by the U.S. FDA in March 2024.
- Market acceptance and reimbursement for the Symplicity Spyral renal denervation system, also known as the Symplicity blood pressure procedure, for the treatment of hypertension. The Symplicity blood pressure procedure was approved by the U.S. FDA in November 2023.
- Continued acceptance and growth of the Onyx Frontier DES platform. Onyx Frontier is a DES that introduces an enhanced delivery system and is used for complex percutaneous coronary intervention (PCI).
- Acceptance and growth of IN.PACT 018 drug-coated balloons (DCB). IN.PACT 018 adds to the existing IN.PACT Admiral DCB portfolio and is used to treat femoropopliteal disease.
- Our ability to meet growing demand for our existing products and to successfully develop, obtain regulatory approval of and commercialize the products within our pipeline.

## Neuroscience

Neuroscience's products include various spinal implants, bone graft substitutes, biologic products, image-guided surgery and intra-operative imaging systems, robotic guidance systems used in the robot-assisted spine procedures, and systems that incorporate advanced energy surgical instruments. Neuroscience's products also focus on therapies to treat the diseases of the vasculature in and around the brain, including coils, neurovascular stents, and flow diversion products, as well as products to treat ear, nose, and throat (ENT), and the treatment of overactive bladder and urinary retention. Neuroscience also manufactures products related to implantable neurostimulation therapies and drug delivery systems for the treatment of chronic pain, movement disorders, and epilepsy. Neuroscience's net sales for fiscal year 2024 were \$9.4 billion, an increase of 5 percent as compared to fiscal year 2023. The net sales increase was primarily due to growth in Cranial & Spinal Technologies and ENT.

The graphs below illustrate the percent of Neuroscience net sales by division for fiscal years 2024 and 2023:



Cranial & Spinal Technologies (CST) net sales for fiscal year 2024 increased 7 percent as compared to fiscal year 2023. The net sales increase was driven by growth of AiBLE spinal ecosystem capital and Core Spine and Biologics product pull-through.

Specialty Therapies (Specialty) net sales for fiscal year 2024 increased 3 percent as compared to fiscal year 2023. The net sales increase was driven by growth in ENT.

Neuromodulation (NM) net sales for fiscal year 2024 increased 3 percent as compared to fiscal year 2023. The net sales increase was driven by growth within Brain Modulation, including growth from the Western European launch of the Percept RC neurostimulator, as well as Pain Stim growth in the U.S.

In addition to the macro-economic and geopolitical factors described in the Net Sales section, looking ahead we expect Neuroscience could be affected by the following:

- Continued adoption and growth of our integrated solutions through the AiBLE offering, which integrates spinal implants with enabling technologies (StealthStation, O-arm Imaging Systems, and Midas), Mazor robotics, and UNiD Adaptive Spine Intelligence AI-driven technology for surgical planning and personalized spinal implants.
- Market acceptance and continued global adoption of innovative new spine products and procedural solutions within our CST operating unit, such as Catalyft PL, ModuLeX, CD Horizon Voyager System, and our Infinity OCT System, as well as continued growth from Titan spine titanium interbody implants with Nanolock technology.
- Continued growth of Pipeline Embolization Devices, endovascular treatments for large or giant wide-necked brain aneurysms.
- Continued acceptance and growth of the Solitaire X revascularization device for treatment of acute ischemic stroke and our React Catheter and Riptide aspiration system.
- Continued acceptance and growth of our Pelvic Health therapies, including our InterStim therapy with InterStim X and InterStim II recharge-free neurostimulators and InterStim Micro rechargeable neurostimulator for patients suffering from overactive bladder, (non-obtrusive) urinary retention, and chronic fecal incontinence,
- Continued acceptance and growth of our ENT therapies, including capital equipment sales of the Stealth Station ENT surgical navigation system and intraoperative NIM nerve monitoring system, and the Propel sinus implants used in the treatment of chronic rhinosinusitis.
- Continued acceptance and growth from spinal cord stimulation (SCS) therapy for treating chronic pain and Diabetic Peripheral Neuropathy (DPN) on the Intellis rechargeable neurostimulator and Vanta recharge-free neurostimulator. The Inceptiv closed-loop rechargeable SCS received U.S. FDA approval in April 2024.

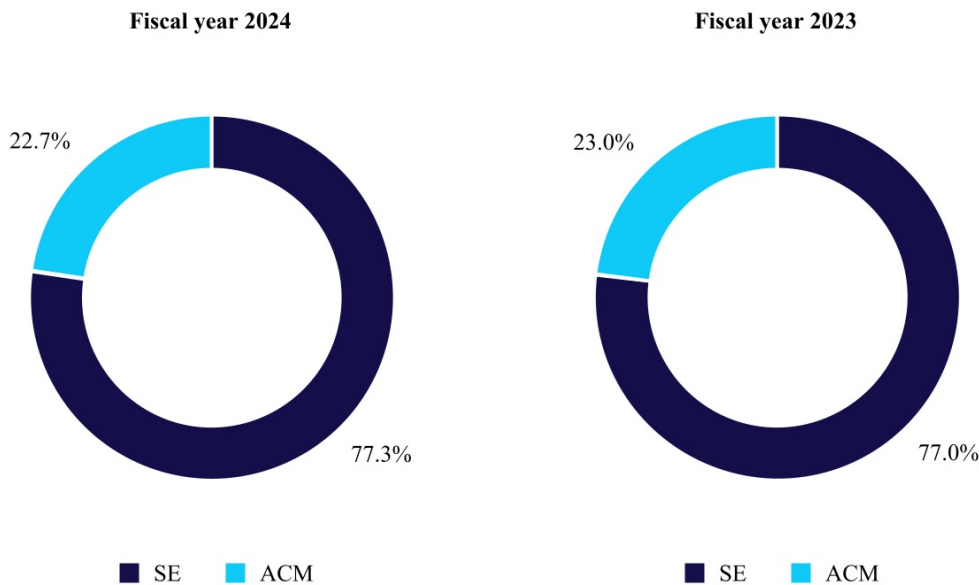


- Continued acceptance and growth of our Percept family of deep brain stimulation (DBS) devices with proprietary BrainSense technology for objectifying and personalizing the treatment of Parkinson's Disease, epilepsy, and other movement disorders.
- Our ability to meet growing demand for our existing products and to successfully develop, obtain regulatory approval of and commercialize the products within our pipeline, which include hemorrhagic stroke intravascular device and our next-generation spine enabling technologies.

**Medical Surgical**

Medical Surgical’s products span the entire continuum of patient care from diagnosis to recovery, with a focus on diseases within thoracic, colorectal, gynecology, bariatric, hernia, and preventable complications. The products include those for advanced and general surgical products, surgical stapling devices, vessel sealing instruments, wound closure, electrosurgery products, hernia mechanical devices, mesh implants, advanced ablation, interventional lung, airway products, and sensors and monitors for pulse oximetry, capnography, level of consciousness and cerebral oximetry. Medical Surgical’s net sales for fiscal year 2024 were \$8.4 billion, an increase of 5 percent as compared to fiscal year 2023. The net sales increase was primarily driven by strength across both Surgical & Endoscopy and Acute Care & Monitoring.

The charts below illustrate the percent of Medical Surgical net sales by division for fiscal years 2024 and 2023:



Surgical & Endoscopy (SE) net sales for fiscal year 2024 increased 6 percent as compared to fiscal year 2023. The net sales increase was predominantly attributable to growth in Advanced Surgical Technologies and General Surgical Technologies, primarily driven by supply expansion, as well as continued growth in Advanced Energy, Wound Management, Electrosurgery, GI Genius, and EndoFlip.

Acute Care & Monitoring (ACM) net sales for fiscal year 2024 increased 4 percent as compared to fiscal year 2023. The net sales increase was primarily driven by growth in Nellcor pulse oximetry products and McGRATH MAC video laryngoscopes.

In addition to the macro-economic and geopolitical factors described in the Net Sales section, looking ahead we expect Medical Surgical could be affected by the following:

- Acceptance and continued growth of Open-to-MIS (minimally invasive surgery) techniques and tools through our efforts to transition open surgery to MIS. Open-to-MIS initiative focuses on capturing the market opportunity that exists in transitioning open procedures to MIS, whether through traditional MIS, advanced instrumentation, or robotics. Through our approach, in parallel, we also expand our presence and optimize open surgery in current open surgery markets.
- Continued global acceptance and future growth of powered stapling and energy platform.



- Our ability to execute ongoing strategies addressing the near-term pressures to bariatric surgery procedure volumes in the U.S. from pharmaceuticals, and growth of surgical soft tissue robotics procedures in the U.S.
- Our ability to create markets and drive products and procedures into emerging markets with our high quality and cost-effective surgical products designed for customers in emerging markets.
- Continued acceptance and growth in patient monitoring and airway management. Key products in this area include Microstream Capnography, Nellcor pulse oximetry system with OxiMax technology, Shiley tracheostomy and endotracheal tubes, and McGRATH MAC video laryngoscopes.
- Acceptance of less invasive standards of care in chronic and colorectal, as well as hepatology products, including products that span the care continuum from diagnostics to therapeutics. Recently launched products include GI Genius.
- Expanding the use of less invasive treatments and furthering our commitment to improving options for women with abnormal uterine bleeding. Our expanded and strengthened surgical offerings complement our global gynecology business.
- Global adoption of robotic-assisted surgery and installations of Hugo robotic assisted surgery (RAS) system for urologic, bariatric, gynecologic, hernia, and general surgery procedures. This includes continued integration and adoption of Touch Surgery Enterprise with the first artificial intelligence powered surgical videos and analytics platform to make it easier to train and discover new techniques within the robotics platform. The Hugo RAS system, which received CE Mark in October 2021, as well as secured additional regulatory approvals outside the U.S., is designed to help reduce unwanted variability, improve patient outcomes, and, by extension, lower per procedure cost.
- Our ability to meet growing demand for our existing products and to successfully develop, obtain regulatory approval of and commercialize the products within our pipeline, which include our Hugo RAS system in the U.S., the adoption of AI in Endoscopy, Signia powered stapling devices, and our next-gen Ligasure and Sonicision vessel sealing devices.

## Diabetes

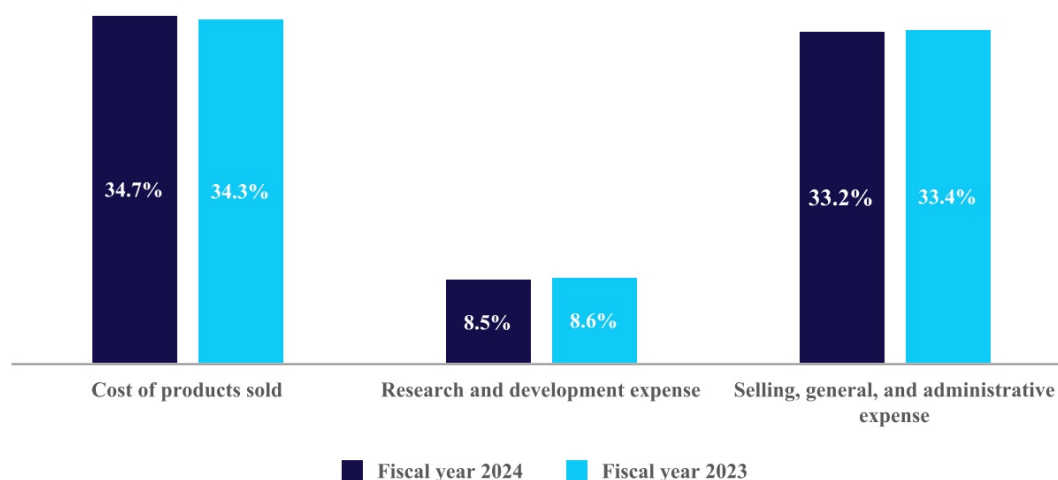
Diabetes' products include insulin pumps, continuous glucose monitoring (CGM) systems, and consumables. Diabetes' sales for fiscal year 2024 were \$2.5 billion, an increase of 10 percent as compared to fiscal year 2023. The increase in net sales was primarily driven by strong international growth as a result of the continued international expansion of the MiniMed 780G insulin pump system and integrated CGM. The launch of the MiniMed 780G insulin pump system in the U.S., during the first quarter of fiscal year 2024, also contributed to the net sales growth.

In addition to the macro-economic and geopolitical factors described in the Net Sales section, looking ahead we expect Diabetes could be affected by the following:

- Continued acceptance and growth for the MiniMed 780G insulin pump system, which is powered by SmartGuard technology and features the added benefits of meal detection technology that automatically adjusts and corrects sugar levels every five minutes. The global adoption of our Automated Insulin Delivery (AID) systems has resulted in strong sensor attachment rates. The MiniMed 780G insulin pump system with the Guardian 4 Sensor was approved by the U.S. FDA in late April 2023. The MiniMed 780G insulin pump system with Simplerla Sync received CE Mark in early January 2024.
- Continued acceptance and growth of the Guardian Connect CGM system, which displays glucose information directly to a smartphone to provide patients access to their glucose levels seamlessly and discretely. The Guardian Connect CGM system is available on both Apple iOS and Android devices.
- Market acceptance and growth of our InPen smart pen system, which allows users to have their Medtronic CGM readings in real-time alongside insulin dose information, all in one view.
- Continued pump, CGM, and consumable competition in an expanding global market.
- Changes in medical reimbursement policies and programs, along with additional payor coverage on insulin pumps.
- Our ability to meet growing demand for our existing products and to successfully develop, obtain regulatory approval of and commercialize the products within our pipeline, including our next-generation sensor Simplerla, which has been submitted for approval to the U.S. FDA and received CE Mark in September 2023.

## COSTS AND EXPENSES

The following is a summary of cost of products sold, research and development, and selling, general, and administrative expenses as a percent of net sales:



**Cost of Products Sold** Cost of products sold for fiscal year 2024 was \$11.2 billion as compared to \$10.7 billion for fiscal year 2023. The increase in cost of products sold as a percentage of net sales was primarily attributable to increased labor and direct material manufacturing costs, predominantly due to inflationary pressures, as well as \$70 million of inventory write-downs associated with our February 2024 decision to exit our ventilator product line. For additional information about the ventilator inventory write-down, refer to Note 3 of the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

**Research and Development Expense** We remain committed to deliver the best possible experiences for patients, physicians, and caregivers we serve; to create technologies that expand what's possible across the human body to transform lives; to turn data and insights into real action to serve patient needs, improving care; and to expand healthcare access and deliver positive outcomes. Research and development expense was \$2.7 billion for fiscal years 2024 and 2023.

**Selling, General, and Administrative Expense** Our goal is to continue to leverage selling, general, and administrative expense management initiatives. Selling, general, and administrative expense primarily consists of salaries and wages, other administrative costs, such as professional fees and marketing expenses, certain acquisition and divestiture-related costs, and restructuring associated expenses. Selling, general, and administrative expense for fiscal year 2024 was \$10.7 billion as compared to \$10.4 billion for fiscal year 2023. The increase in selling, general, and administrative expense is primarily due to reduced incentive performance in the prior year.

The following is a summary of other costs and expenses (income):

(in millions)	Fiscal Year	
	2024	2023
Amortization of intangible assets	\$ 1,693	\$ 1,698
Restructuring charges, net	226	375
Certain litigation charges, net	149	(30)
Other operating expense (income), net	464	(131)
Other non-operating income, net	(412)	(515)
Interest expense, net	719	636

**Amortization of Intangible Assets** Amortization of intangible assets includes the amortization expense of our definite-lived intangible assets, consisting of purchased patents, trademarks, tradenames, customer relationships, purchased technology, and other intangible assets.

**Restructuring Charges, Net** In fiscal year 2024, restructuring costs primarily related to employee termination benefits and facility consolidations to support cost reduction initiatives. In fiscal year 2023, restructuring charges primarily related to the Enterprise Excellence and Simplification restructuring programs, both of which were substantially completed as of the end of fiscal year 2023. Enterprise Excellence was designed to leverage the Company's global size and scale to focus on global operations, and functional and commercial optimization, and had total cumulative pre-tax charges of \$1.8 billion. Simplification was designed to focus the organization on accelerating innovation, enhancing customer experience, driving revenue growth and winning market share, and had total cumulative pre-tax charges of \$0.5 billion. In addition, in the fourth quarter of fiscal year 2023, the Company incurred \$0.3 billion of restructuring charges primarily related to employee termination benefits to support cost reduction initiatives. These charges were incremental to charges incurred under our Enterprise Excellence and Simplification programs noted above.

For additional information about our restructuring programs, refer to Note 4 of the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

**Certain Litigation Charges, Net** We classify specified certain litigation charges and gains related to significant legal matters as *certain litigation charges, net* in the consolidated statements of income. For additional information, refer to Note 18 of the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

**Other Operating Expense (Income), Net** Other operating expense (income), net primarily includes royalty expense, currency remeasurement and derivative gains and losses, Puerto Rico excise taxes, changes in the fair value of contingent consideration, certain acquisition and divestiture related items, income from funded research and development arrangements, and commitments to the Medtronic Foundation and Medtronic LABS.

The change in other operating expense (income), net was largely driven by an increase in acquisition and divestiture-related expenses in fiscal year 2024. In fiscal year 2024, there were \$369 million of charges related to the Company's decision to exit the ventilator product line in the fourth quarter of fiscal year 2024, which primarily included intangible asset impairments of \$295 million and other charges for contract cancellation costs and severance. Fiscal year 2023 included non-cash charges of \$136 million, primarily related to impairments of goodwill and changes in the carrying value of the disposal group, as a result of the April 1, 2023 sale of half of the Company's RCS business. Also contributing to the increase in acquisition and divestiture related expenses was a change in the fair value of contingent consideration, which resulted in \$156 million of expense in fiscal year 2024 as compared to \$24 million of income in fiscal year 2023.

The change in other operating expense (income), net was also driven by the net currency impact of remeasurement expense and our hedging programs, which resulted in a net gain of \$68 million combined for fiscal year 2024 as compared to a net gain of \$465 million for fiscal year 2023, partially offset by a decrease of \$94 million in Puerto Rico Excise Taxes. As a result of newly enacted tax legislation in Puerto Rico, the Company is no longer subject to Puerto Rico Excise Tax, but is now subject to a higher withholding tax, which is recorded in *income tax provision* in the consolidated statements of income. Fiscal year 2023 also included \$70 million in commitments to the Medtronic Foundation and Medtronic LABS.

Additional information regarding the acquisition and divestiture-related charges is described in Note 3 of the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

**Other Non-Operating Income, Net** Other non-operating income, net includes the non-service component of net periodic pension and postretirement benefit cost, investment gains and losses, and interest income.

The decrease in other non-operating income, net for fiscal year 2024 is primarily attributable to an increase in net losses on our minority investment portfolio, partially offset by an increase in interest income driven by higher returns on cash and cash equivalents and investments. Net losses on minority investments were \$308 million for fiscal year 2024 as compared to a net gain of \$33 million for fiscal year 2023. Interest income was \$597 million and \$386 million for fiscal year 2024 and 2023, respectively.

**Interest Expense, Net** Interest expense, net includes interest incurred on our outstanding borrowings, amortization of debt issuance costs and debt premiums or discounts, amortization of amounts excluded from the effectiveness assessment of certain net investment hedges, and charges recognized in connection with the early redemption of senior notes.

The increase in interest expense, net for fiscal year 2024 was primarily driven by increased rates on our global liquidity structures, the impact of higher coupons on Senior Notes issued in the second quarter of fiscal year 2023, and the higher outstanding commercial paper balance. Partially offsetting the increase for fiscal year 2024 was \$197 million in after-tax unrealized gains representing amounts excluded from the effectiveness assessment of certain net investment hedges as compared to \$107 million for fiscal year 2023. Also partially offsetting the increase in interest expense, net was the \$53 million charge incurred as a result of the early redemption of approximately \$2.3 billion of senior notes during the first quarter of fiscal year 2023.

## INCOME TAXES

(in millions)	Fiscal Year	
	2024	2023
Income tax provision	\$ 1,133	\$ 1,580
Income before income taxes	4,837	5,364
Effective tax rate	23.4 %	29.5 %
Non-GAAP income tax provision	\$ 1,327	\$ 1,128
Non-GAAP income before income taxes	8,273	8,194
Non-GAAP Nominal Tax Rate	16.0 %	13.8 %
Difference between the effective tax rate and Non-GAAP Nominal Tax Rate	(7.4)%	(15.7)%

The Israeli Central-Lod District Court issued its decision in Medtronic Ventor Technologies Ltd (Ventor) v. Kfar Saba Assessing Office in June 2023. The court determined that there was a deemed taxable transfer of intellectual property. As a result, the Company recorded a \$187 million income tax charge during fiscal year 2024 and filed an appeal with the Supreme Court of Israel.

Our effective tax rate for fiscal year 2024 was 23.4 percent, as compared to 29.5 percent in fiscal year 2023. The decrease in our effective tax rate primarily relates to the decrease in certain tax adjustments discussed below which is partially offset by an increase in Puerto Rico withholding taxes and year-over-year changes in operational results by jurisdiction.

Our Non-GAAP Nominal Tax Rate for fiscal year 2024 was 16.0 percent, as compared to 13.8 percent in fiscal year 2023. The increase in our Non-GAAP Nominal Tax Rate primarily relates to an increase in Puerto Rico withholding taxes and year-over-year changes in operational results by jurisdiction, inclusive of the operational tax costs and benefits discussed below.

During fiscal year 2024, we recognized \$19 million of operational tax costs. The operational tax costs included a \$16 million cost from the impact of stock-based compensation, and a \$3 million net cost associated with the resolution of certain income tax audits, finalization of certain tax returns, and changes to uncertain tax position reserves.

During fiscal year 2023, we recognized \$110 million of operational tax benefits. The operational tax benefits included an \$11 million cost from the impact of stock-based compensation, and a \$121 million benefit associated with the resolution of certain income tax audits, finalization of certain tax returns, changes to uncertain tax position reserves, and changes to certain deferred income tax balances.

An increase in our Non-GAAP Nominal Tax Rate of one percent would result in an additional income tax provision for fiscal years 2024 and 2023 of approximately \$83 million and \$82 million, respectively.

### Certain Tax Adjustments

During fiscal year 2024, the net cost from certain tax adjustments of \$299 million, recognized in *income tax provision* in the consolidated statement of income, included the following:

- A cost of \$187 million associated with a reserve adjustment related to the Israeli Central-Lod District Court decision with respect to a deemed taxable transfer of intellectual property.
- A cost of \$124 million related to a change in valuation allowance on previously recorded net operating losses.
- A benefit of \$95 million related to a Swiss Cantonal tax rate change on previously recorded deferred tax assets.
- A cost of \$50 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A cost of \$33 million associated with a change in the Company's permanent reinvestment assertion on certain historical earnings.

During fiscal year 2023, the net cost from certain tax adjustments of \$910 million, recognized in *income tax provision* in the consolidated statement of income, included the following:

- A net cost of \$764 million associated with a reserve adjustment that was a direct result of the U.S. Tax Court opinion, issued in August 2022, on the prior year previously disclosed litigation regarding the allocation of income between Medtronic, Inc. and its wholly owned subsidiary operating in Puerto Rico.
- A cost of \$55 million related to the disallowance of certain interest deductions.

- A cost of \$30 million related to the change in reporting currency for certain carryover attributes.
- A cost of \$28 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A net cost of \$33 million primarily associated with the sale of half of the Company's RCS business.

Certain tax adjustments will affect the comparability of our operating results between periods. Therefore, we consider these Non-GAAP Adjustments. Refer to the "Executive Level Overview" section of this Management's Discussion and Analysis for further discussion of these adjustments.

The Organization for Economic Co-operation and Development (OECD) published Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large multinational corporations at a minimum rate of 15% in each jurisdiction in which the group operates. A number of countries, including Ireland, have enacted legislation to implement the core elements of Pillar Two, which will be effective for the Company in fiscal year 2025. The Company is continuing to evaluate the potential impacts of proposed and enacted legislative changes as new guidance becomes available. There are no impacts of this global minimum tax in the consolidated financial statements for the fiscal year ended April 26, 2024.

## LIQUIDITY AND CAPITAL RESOURCES

We are currently in a strong financial position, and we believe our balance sheet and liquidity as of April 26, 2024 provide us with flexibility, and our cash, cash equivalents, and current investments, along with our credit facility and related commercial paper programs will satisfy our foreseeable operating needs.

Our liquidity and capital structure are evaluated regularly within the context of our annual operating and strategic planning processes. We consider the liquidity necessary to fund our operations, which includes working capital needs, investments in research and development, property, plant, and equipment, and other operating costs. We also consider capital allocation alternatives that balance returning value to shareholders through dividends and share repurchases, satisfying maturing debt, and acquiring businesses and technology.

### Summary of Cash Flows

The following is a summary of cash provided by (used in) operating, investing, and financing activities, the effect of exchange rate changes on cash and cash equivalents, and the net change in cash and cash equivalents:

(in millions)	Fiscal Year	
	2024	2023
<b>Cash provided by (used in):</b>		
Operating activities	\$ 6,787	\$ 6,039
Investing activities	(2,366)	(3,493)
Financing activities	(4,450)	(4,960)
Effect of exchange rate changes on cash and cash equivalents	(230)	243
Net change in cash and cash equivalents	<u>\$ (259)</u>	<u>\$ (2,171)</u>

**Operating Activities** The \$748 million increase in net cash provided was primarily driven by an increase in cash collected from customers due to an increase in sales. The increase in net cash was partially offset by timing of payments to vendors, as well as an increase in cash paid for interest and litigation. For more information on litigation payments, refer to Note 18 of the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

**Investing Activities** The \$1.1 billion decrease in net cash used was primarily attributable to a decrease in cash paid for acquisitions of \$1.7 billion, partially offset by an increase in net purchases of investments of \$136 million and cash paid for additions of property, plant, and equipment of \$128 million. For more information on the acquisitions, refer to Note 3 of the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

**Financing Activities** There was a \$510 million decrease in net cash used primarily due to proceeds from commercial paper in the current year and prior year net debt repayments, partially offset by increased share repurchases. In the current period, there was an increase in commercial paper that was issued and outstanding at year-end of \$1.1 billion. This increase in cash provided by financing activities was offset by an increase in share repurchases of \$1.5 billion. In the fourth quarter of fiscal year 2023, the Company issued two tranches of USD-denominated Senior Notes resulting in cash proceeds of approximately \$2.0 billion, net of discounts and issuance costs. The Company used the net proceeds to repay in full the ¥297 billion Fiscal 2023 Loan Agreement discussed below for \$2.3 billion of total consideration. In the second quarter of fiscal year 2023, the Company issued four tranches of Euro-denominated Senior Notes for approximately \$3.4 billion. The Company used a portion of the net proceeds to repay at maturity €750 million of Medtronic Global Holdings S.C.A.

(Medtronic Luxco) Senior Notes for \$772 million of total consideration in December 2022 and €2.8 billion of Medtronic Luxco Senior Notes for \$2.9 billion of total consideration in March 2023. In the first quarter of fiscal year 2023, the Company issued short-term borrowings of approximately \$2.3 billion under the Fiscal 2023 Loan Agreement and used the proceeds to fund the early redemption of senior notes for total consideration of \$2.3 billion. For more information on the issuance and redemption of senior notes and the Term Loan, refer to the Debt and Capital section.

## Debt and Capital

Our capital structure consists of equity and interest-bearing debt. We primarily utilize unsecured senior debt obligations to meet our financing needs and, to a lesser extent, bank borrowings. From time to time, we may repurchase our outstanding debt obligations in the open market or through privately negotiated transactions.

Total debt at April 26, 2024 was \$25.0 billion, as compared to \$24.4 billion at April 28, 2023. The increase in total debt was driven by commercial paper outstanding of \$1.1 billion, partially offset by fluctuations in exchange rates.

In May 2022, we entered into a term loan agreement (Fiscal 2023 Loan Agreement) with Mizuho Bank, Ltd. for an aggregate principal amount of up to ¥300 billion with a term of 364 days. In May and June 2022, Medtronic Luxco borrowed an aggregate of ¥297 billion, or approximately \$2.3 billion, of the term loan, under the Fiscal 2023 Loan Agreement. The Company used the net proceeds of the borrowings to fund the early redemption of \$1.9 billion of Medtronic Inc. Senior Notes for \$1.9 billion of total consideration, and \$368 million of Medtronic Luxco Senior Notes for \$376 million of total consideration. The Company recognized a total loss on debt extinguishment of \$53 million within *interest expense, net* in the consolidated statements of income during fiscal year 2023, which primarily included cash premiums and accelerated amortization of deferred financing costs and debt discounts and premiums. During the fourth quarter of fiscal year 2023, the Company repaid the term loan in full, including interest.

In September 2022, we issued four tranches of Euro-denominated Senior Notes with an aggregate principal of €3.5 billion, with maturities ranging from fiscal year 2026 to 2035, resulting in cash proceeds of approximately \$3.4 billion, net of discounts and issuance costs. The Company used the net proceeds to repay at maturity €750 million of 0.000% Medtronic Luxco Senior Notes for \$772 million of total consideration in December 2022 and €1.5 billion of 0.375% Medtronic Luxco Senior Notes and €1.25 billion of 0.000% Medtronic Luxco Senior Notes for \$2.9 billion of total consideration in March 2023.

In March 2023, Medtronic Luxco issued two tranches of USD-denominated Senior Notes with an aggregate principal of \$2.0 billion, with maturities ranging from 2028 to 2033, resulting in cash proceeds of approximately \$2.0 billion, net of discounts and issuance costs. The Company used the net proceeds supplemented by additional cash to repay the ¥297 billion Fiscal 2023 Loan Agreement discussed above for \$2.3 billion of total consideration.

Subsequent to year-end, on June 3, 2024, Medtronic Inc. issued four tranches of EUR-denominated Senior Notes with an aggregate principal of €3.0 billion, with maturities ranging from fiscal year 2030 to 2054, resulting in cash proceeds of approximately \$3.2 billion, net of discounts and issuance costs. In anticipation of the Euro-denominated debt issuance, the Company entered into forward currency exchange rate contracts to manage the exposure to exchange rate movements. These contracts were settled in conjunction with the issuance of the June 2024 Notes.

We repurchase our ordinary shares on occasion as part of our focus on returning value to our shareholders. In March 2019, the Company's Board of Directors authorized the repurchase of \$6.0 billion of the Company's ordinary shares. In March 2024, the Company's Board of Directors authorized the repurchase of an incremental \$5.0 billion of the Company's ordinary shares. There is no specific time period associated with these repurchase authorizations. During fiscal years 2024 and 2023, we repurchased a total of 25 million and 6 million shares, respectively, under these programs at an average price of \$83.04 and \$91.31, respectively. At April 26, 2024, we had approximately \$5.3 billion remaining under the share repurchase program authorized by our Board of Directors.

For more information on credit arrangements, see Note 6 of the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

## Liquidity

Our liquidity sources at April 26, 2024 included \$1.3 billion of cash and cash equivalents and \$6.7 billion of current investments. Additionally, we maintain commercial paper programs and a Credit Facility.

Our investments primarily include available-for-sale debt securities, including U.S. and non-U.S. government and agency securities, corporate debt securities, mortgage-backed securities, certificates of deposit, and other asset-backed securities. See Note 5 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information regarding fair value measurements.

We maintain multicurrency commercial paper programs for short-term financing, which allow us to issue unsecured commercial paper notes on a private placement basis up to a maximum aggregate amount outstanding at any time of \$3.5 billion. At April 26, 2024 and April 28,



2023, we had \$1.1 billion and no commercial paper outstanding, respectively. The issuance of commercial paper reduces the amount of credit available under our existing line of credit, as explained below.

We also have a \$3.5 billion five-year syndicated credit facility (Credit Facility), which expires in December 2028. At each anniversary date of the Credit Facility, we can request a one-year extension of the maturity date. The Credit Facility provides backup funding for the commercial paper programs and may also be used for general corporate purposes. The Credit Facility provides us with the ability to increase our borrowing capacity by an additional \$1.0 billion at any time during the term of the agreement. At April 26, 2024 and April 28, 2023, no amounts were outstanding under the Credit Facility.

Interest rates on advances of our Credit Facility are determined by a pricing matrix based on our long-term debt ratings assigned by Standard & Poor's Ratings Services (S&P) and Moody's Investors Service (Moody's). Facility fees are payable on the Credit Facility and are determined in the same manner as the interest rates. We are in compliance with all covenants related to the Credit Facility.

The following table is a summary of our S&P and Moody's long-term debt ratings and short-term debt ratings:

	Agency Rating <sup>(1)</sup>	
	April 26, 2024	April 28, 2023
<b>Standard &amp; Poor's Ratings Services</b>		
Long-term debt	A	A
Short-term debt	A-1	A-1
<b>Moody's Investors Service</b>		
Long-term debt	A3	A3
Short-term debt	P-2	P-2

(1) Agency ratings are subject to change, and there may be no assurance that an agency will continue to provide ratings and/or maintain its current ratings. A security rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time by the rating agency, and each rating should be evaluated independently of any other rating.

S&P and Moody's long-term debt ratings and short-term debt ratings at April 26, 2024 were unchanged as compared to the ratings at April 28, 2023. We do not expect the S&P and Moody's ratings to have a significant impact on our liquidity or future flexibility to access additional liquidity given our balance sheet, Credit Facility, and related commercial paper programs.

## Contractual Obligations and Cash Requirements

We have future contractual obligations and other minimum commercial commitments that are entered into in the normal course of business, some of which are recorded in our consolidated balance sheet. We believe our off-balance sheet arrangements do not have a material current or anticipated future effect on our consolidated earnings, financial position, and/or cash flows.

Presented below is a summary of our off-balance sheet contractual obligations and other minimum commercial commitments at April 26, 2024, as well as long-term contractual obligations reflected in the balance sheet at April 26, 2024.

(in millions)	Maturity by Fiscal Year						
	Total	2025	2026	2027	2028	2029	Thereafter
<b>Contractual obligations related to off-balance sheet arrangements:</b>							
Commitments to fund minority investments, milestone payments, and royalty obligations <sup>(1)</sup>	270	115	71	38	26	11	9
Interest payments <sup>(2)</sup>	6,707	487	487	470	452	466	4,346
Other <sup>(3)</sup>	2,066	634	405	301	274	182	270
<b>Contractual obligations reflected in the balance sheet<sup>(4)</sup>:</b>							
Debt obligations <sup>(5)</sup>	\$ 25,189	\$ 1,092	\$ 2,684	\$ 1,612	\$ 1,006	\$ 2,146	\$ 16,649
Operating leases	1,177	203	178	151	113	88	444
Contingent consideration <sup>(6)</sup>	149	33	87	24	3	2	1
Tax obligations <sup>(7)</sup>	990	440	550	—	—	—	—

- (1) Includes commitments related to the funding of minority investments, estimated milestone payments, and royalty obligations. While it is not certain if and/or when payments will be made, the maturity dates included in the table reflect our best estimates.
- (2) Includes the contractual interest payments on our outstanding debt and excludes the impacts of debt premium and discount amortization. See Note 6 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information on our debt agreements.
- (3) Includes inventory purchase commitments, research and development, and other arrangements that are legally binding and specify minimum purchase quantities or spending amounts. These purchase commitments do not exceed our projected requirements and are in the normal course of business. Excludes open purchase orders with a remaining term of less than one year.
- (4) Excludes defined benefit plan obligations, guarantee obligations, uncertain tax positions, non-current tax liabilities, and litigation settlements for which we cannot make a reliable estimate of the period of cash settlement. For further information, see Notes 13, 15, and 18 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.
- (5) Includes the current and non-current portion of our contractual maturities of debt, excluding deferred financing costs and debt discounts, net. See Note 6 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information on our debt agreements.
- (6) Includes the fair value of our current and non-current portions of contingent consideration. While it is not certain if and/or when payments will be made, the maturity dates included in this table reflect our best estimates.
- (7) Represents the tax obligations associated with the transition tax that resulted from U.S. Tax Reform. The transition tax will be paid over an eight-year period and will not accrue interest.

In the normal course of business, we periodically enter into agreements that require us to indemnify customers or suppliers for specific risks, such as claims for injury or property damage arising as a result of our products or the negligence of our personnel or claims alleging that our products infringe third-party patents or other intellectual property. Our maximum exposure under these indemnification provisions is unable to be estimated, and we have not accrued any liabilities within our consolidated financial statements or included any indemnification provisions in the table above. Historically, we have not experienced significant losses on these types of indemnification agreements.

Note 18 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K provides information regarding amounts we have accrued related to legal matters. In accordance with U.S. GAAP, we record a liability in our consolidated financial statements for these matters when a loss is known or considered probable and the amount can be reasonably estimated. Actual settlements may be different than estimated and could have a material effect on our consolidated earnings, financial position, and/or cash flows.

We record tax liabilities in our consolidated financial statements for amounts that we expect to repatriate from subsidiaries (to the extent the repatriation would be subject to tax); however, no tax liabilities are recorded for amounts we consider to be permanently reinvested. We expect to have access to the majority of our cash flows in the future. In addition, we continue to evaluate our legal entity structure supporting our business operations, and to the extent such evaluation results in a change to our overall business structure, we may be required to accrue for additional tax obligations.

Beyond the contractual obligations and other minimum commercial commitments outlined above, we have recurring cash requirements arising from the normal operation of our business that include capital expenditures, research and developments costs, and other operational costs.

We believe our balance sheet and liquidity provide us with flexibility, and our cash, cash equivalents, current investments, Credit Facility and related commercial paper programs, as well as our ability to generate operating cash flows, will satisfy our current and future contractual obligations and cash requirements. We regularly review our capital needs and consider various investing and financing alternatives to support our requirements.

## ACQUISITIONS AND DISPOSITIONS

Information regarding acquisitions and disposition activity is included in Note 3 of the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" within this Annual Report on Form 10-K.

## CRITICAL ACCOUNTING ESTIMATES

We have used various accounting policies to prepare the consolidated financial statements in accordance with U.S. GAAP. Our significant accounting policies are disclosed in Note 1 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

The preparation of the consolidated financial statements, in conformity with U.S. GAAP, requires us to use judgment in making estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates reflect our best judgment about economic and market conditions and the potential effects on the valuation and/or carrying value of assets and liabilities based upon relevant information available. We base our estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Our critical accounting estimates include the following:

**Revenue Recognition** The Company sells its products through direct sales representatives and independent distributors. Additionally, a portion of the Company's revenue is generated from consignment inventory maintained at hospitals and royalty and intellectual property arrangements. The Company recognizes revenue when control is transferred to the customer. For products sold through direct sales representatives and independent distributors, control is transferred upon shipment or upon delivery, based on the contract terms and legal requirements. For consignment inventory, control is transferred when the product is used or implanted. Payment terms vary depending on the country of sale, type of customer, and type of product.

The amount of revenue recognized reflects sales rebates and returns, which are estimated based on sales terms, historical experience, and trend analysis. In estimating rebates, the Company considers the lag time between the point of sale and the payment of the rebate claim, the stated rebate rates, and other relevant information. The Company records adjustments to rebates and returns reserves as increases or decreases of revenue.

**Litigation Contingencies** We are involved in a number of legal actions from time to time involving product liability, employment, intellectual property and commercial disputes, shareholder related matters, environmental proceedings, tax disputes, and governmental proceedings and investigations. The outcomes of legal actions are not within the Company's complete control and may not be known for prolonged periods of time. In some actions, the enforcement agencies or private claimants seek damages, as well as other civil or criminal remedies (including injunctions barring the sale of products that are the subject of the proceeding), that could require significant expenditures, result in lost revenues, or limit the Company's ability to conduct business in the applicable jurisdictions. Estimating probable losses from our litigation and governmental proceedings is inherently difficult, particularly when the matters are in early procedural stages, with incomplete scientific facts or legal discovery, involve unsubstantiated or indeterminate claims for damages, potentially involve penalties, fines, or punitive damages, or could result in a change in business practice. The Company records a liability in the consolidated financial statements on an undiscounted basis for loss contingencies when a loss is known or considered probable, and the amount may be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and may be reasonably estimated, the estimated loss or range of loss is disclosed. Our significant legal proceedings are discussed in Note 18 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

**Income Tax Reserves** We establish reserves when, despite our belief that our tax return positions are fully supportable, we believe that certain positions are likely to be challenged and that we may or may not prevail. Under U.S. GAAP, if we determine that a tax position is more likely than not of being sustained upon audit, based solely on the technical merits of the position, we recognize the benefit. We measure the benefit by determining the amount that is greater than 50 percent likely of being realized upon settlement. We presume that all tax positions will be examined by a taxing authority with full knowledge of all relevant information. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations.

We regularly monitor our tax positions and tax liabilities. We reevaluate the technical merits of our tax positions and recognize an uncertain tax benefit, or derecognize a previously recorded tax benefit, when there is (i) a completion of a tax audit, (ii) effective settlement of an issue, (iii) a change in applicable tax law including a tax case or legislative guidance, or (iv) the expiration of the applicable statute of limitations. These reserves are subject to a high degree of estimation and management judgment. Although we believe that we have adequately reserved for liabilities resulting from tax assessments by taxing authorities, positions taken by these tax authorities could have a material impact on our effective tax rate, consolidated earnings, financial position, and/or cash flows.

**Valuation of Intangible Assets and Goodwill** When we acquire a business, the assets acquired and liabilities assumed are recorded at their respective fair values at the acquisition date. Goodwill is the excess of the purchase price over the estimated fair value of identified net assets of acquired businesses. Intangible assets primarily include patents, trademarks, tradenames, customer relationships, purchased technology, and in-process research and development. Determining the fair value of intangible assets acquired as part of a business combination requires us to make significant estimates. These estimates include the amount and timing of projected future cash flows of each project or technology, the discount rate used to discount those cash flows to present value, and the assessment of the asset's life cycle. The estimates could be impacted by legal, technical, regulatory, economic, and competitive risks.

The test for impairment of goodwill requires us to make several estimates related to projected future cash flows to determine the fair value of the goodwill reporting units. Our estimates associated with the goodwill impairment test are considered critical due to the amount of goodwill recorded on our consolidated balance sheets and the judgment required in determining fair value. We assess the impairment of goodwill at the reporting unit level annually as of the first day of the third quarter and whenever an event occurs or circumstances change that would indicate that the carrying amount may be impaired. As a result of our operating segment realignments during the current fiscal year, additional impairment of goodwill tests were performed. The results of the tests are disclosed in Note 9 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

We also test definite-lived intangible assets for impairment when an event occurs or circumstances change that would indicate the carrying amount of the assets or asset group may be impaired. We assess the impairment of indefinite-lived intangible assets annually in the third quarter and whenever an event occurs or circumstances change that would indicate that the carrying amount may be impaired.

Our tests for goodwill and intangible assets are based on future cash flows that require significant judgment with respect to future revenue and expense growth rates, appropriate discount rates, asset groupings, and other assumptions and estimates. The test for goodwill also utilizes revenue and earnings multiples using comparable public company information. We use estimates that are consistent with the highest and best use of the assets based on a market participant's view of the assets being evaluated. Actual results may differ from our estimates due to a number of factors including, among others, changes in competitive conditions, timing of regulatory approval, results of clinical trials, changes in worldwide economic conditions, and fluctuations in currency exchange rates.

## **NEW ACCOUNTING PRONOUNCEMENTS**

Information regarding new accounting pronouncements is included in Note 1 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

## SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION

Medtronic plc and Medtronic Global Holdings S.C.A. (Medtronic Luxco), a wholly-owned subsidiary guarantor, each have provided full and unconditional guarantees of the obligations of Medtronic, Inc., a wholly-owned subsidiary issuer, under the Senior Notes (Medtronic Senior Notes) and full and unconditional guarantees of the obligations of Covidien International Finance S.A. (CIFSA), a wholly-owned subsidiary issuer, under the Senior Notes (CIFSA Senior Notes). The guarantees of the CIFSA Senior Notes are in addition to the guarantees of the CIFSA Senior Notes by Covidien Ltd. and Covidien Group Holdings Ltd., both of which are wholly-owned subsidiary guarantors of the CIFSA Senior Notes. Medtronic plc and Medtronic, Inc. each have provided a full and unconditional guarantee of the obligations of Medtronic Luxco under the Senior Notes (Medtronic Luxco Senior Notes). The following is a summary of these guarantees:

### Guarantees of Medtronic Senior Notes

- Parent Company Guarantor - Medtronic plc
- Subsidiary Issuer - Medtronic, Inc.
- Subsidiary Guarantor - Medtronic Luxco

### Guarantees of Medtronic Luxco Senior Notes

- Parent Company Guarantor - Medtronic plc
- Subsidiary Issuer - Medtronic Luxco
- Subsidiary Guarantor - Medtronic, Inc.

### Guarantees of CIFSA Senior Notes

- Parent Company Guarantor - Medtronic plc
- Subsidiary Issuer - CIFSA
- Subsidiary Guarantors - Medtronic Luxco, Covidien Ltd., and Covidien Group Holdings Ltd. (CIFSA Subsidiary Guarantors)

The following tables present summarized financial information for the fiscal year ended April 26, 2024 for the obligor groups of Medtronic and Medtronic Luxco Senior Notes, and CIFSA Senior Notes. The obligor group consists of the parent company guarantor, subsidiary issuer, and subsidiary guarantors for the applicable senior notes. The summarized financial information is presented after elimination of (i) intercompany transactions and balances among the guarantors and issuers and (ii) equity in earnings from and investments in any subsidiary that is a non-guarantor or issuer.

The summarized results of operations information for the fiscal year ended April 26, 2024 was as follows:

(in millions)	Medtronic & Medtronic Luxco Senior Notes <sup>(1)</sup>	CIFSA Senior Notes <sup>(2)</sup>
Net sales	\$ 3,181	\$ —
Operating profit (loss)	(485)	(83)
Loss before income taxes	(2,723)	(2,240)
Net loss attributable to Medtronic	(2,580)	(2,230)

The summarized balance sheet information for the fiscal year ended April 26, 2024 was as follows:

(in millions)	Medtronic & Medtronic Luxco Senior Notes <sup>(1)</sup>	CIFSA Senior Notes <sup>(2)</sup>
Total current assets <sup>(3)</sup>	\$ 17,389	\$ 4,179
Total noncurrent assets <sup>(4)</sup>	11,548	19,246
Total current liabilities <sup>(5)</sup>	25,228	43,416
Total noncurrent liabilities <sup>(6)</sup>	33,508	26,995
Noncontrolling interests	206	206

- (1) The Medtronic Senior Notes and Medtronic Luxco Senior Notes obligor group consists of the following entities: Medtronic plc, Medtronic Luxco, and Medtronic, Inc. Refer to the guarantee summary above for further details.
- (2) The CIFSA Senior Notes obligor group consists of the following entities: Medtronic plc, Medtronic Luxco, CIFSA, and CIFSA Subsidiary Guarantors. Refer to the guarantee summary above for further details.
- (3) Includes receivables due from non-guarantor subsidiaries of \$14.3 billion and \$1.7 billion for Medtronic & Medtronic Luxco Senior Notes, and CIFSA Senior Notes, respectively.
- (4) Includes loans receivable due from non-guarantor subsidiaries of \$5.2 billion and \$19.1 billion for Medtronic & Medtronic Luxco Senior Notes, and CIFSA Senior Notes, respectively.
- (5) Includes payables due to non-guarantor subsidiaries of \$21.8 billion and \$42.1 billion for Medtronic & Medtronic Luxco Senior Notes, and CIFSA Senior Notes, respectively.
- (6) Includes loans payable due to non-guarantor subsidiaries of \$7.7 billion and \$7.7 billion for Medtronic & Medtronic Luxco Senior Notes, and CIFSA Senior Notes, respectively.

**Item 7A. Quantitative and Qualitative Disclosures About Market Risk****CURRENCY EXCHANGE RATE RISK**

Due to the global nature of our operations, we are exposed to currency exchange rate changes, which may cause fluctuations in earnings and cash flows. Fluctuations in the currency exchange rates of currency exposures that are unhedged, such as in certain emerging markets, may result in future earnings and cash flow volatility. The gross notional amount of all currency exchange rate derivative instruments outstanding at April 26, 2024 and April 28, 2023 was \$23.7 billion and \$22.0 billion, respectively. At April 26, 2024, these contracts were in a net unrealized gain position of \$593 million. Additional information regarding our currency exchange rate derivative instruments is included in Note 7 to the consolidated financial statements in “Item 8. Financial Statements and Supplementary Data” in this Annual Report on Form 10-K.

A sensitivity analysis of changes in the fair value of all currency exchange rate derivative contracts at April 26, 2024 and April 28, 2023 indicates that, if the U.S. dollar uniformly strengthened/weakened by 10 percent against all currencies, the fair value of these contracts would increase/decrease by approximately \$1.7 billion and \$1.6 billion, respectively. Any gains and losses on the fair value of derivative contracts would generally be offset by gains and losses on the underlying transactions. These offsetting gains and losses are not reflected in the above analysis.

**INTEREST RATE RISK**

We are subject to interest rate risk on our short-term investments and our borrowings. We manage interest rate risk in the aggregate, while focusing on our immediate and intermediate liquidity needs. Our debt portfolio at April 26, 2024 was comprised of debt predominantly denominated in U.S. dollars and Euros, which is primarily fixed rate debt. We are also exposed to interest rate changes affecting our investments in interest rate sensitive instruments, which include our marketable debt securities.

A sensitivity analysis of the impact on our interest rate-sensitive financial instruments of a hypothetical 50 basis point change in interest rates, as compared to interest rates at April 26, 2024 and April 28, 2023, indicates that the fair value of these instruments would change by \$64 million and \$61 million, respectively.

For a discussion of current market conditions and the impact on our financial condition and results of operations, see the “Liquidity” section of the Management's Discussion and Analysis in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K. For additional discussion of market risk, see Notes 5 and 7 to the consolidated financial statements in “Item 8. Financial Statements and Supplementary Data” in this Annual Report on Form 10-K.



## Item 8. Financial Statements and Supplementary Data

### Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Medtronic plc

#### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of Medtronic plc and its subsidiaries (the “Company”) as of April 26, 2024 and April 28, 2023, and the related consolidated statements of income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended April 26, 2024, including the related notes and schedule of valuation and qualifying accounts for each of the three years in the period ended April 26, 2024 appearing under Item 15 (a)(1) (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of April 26, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of April 26, 2024 and April 28, 2023, and the results of its operations and its cash flows for each of the three years in the period ended April 26, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 26, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

#### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

#### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Income Tax Reserve for the Uncertain Tax Position Related to Puerto Rico Manufacturing*

As described in Notes 13 and 18 to the consolidated financial statements, management records reserves for uncertain tax positions related to unresolved matters with the Internal Revenue Service (IRS) and other taxing authorities. A remaining unresolved issue with the IRS relates to the allocation of income between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico, which is one of the Company's manufacturing sites. These reserves are subject to a high degree of estimation and management judgment. Total reserves relating to uncertain tax positions as of April 26, 2024 were \$2.824 billion, of which the Puerto Rico manufacturing reserve makes up a significant portion.

The principal considerations for our determination that performing procedures relating to the income tax reserve for the uncertain tax position related to Puerto Rico manufacturing is a critical audit matter are (i) the significant judgment by management when determining the reserve, including a high degree of estimation uncertainty relative to the unresolved issue with the IRS involving one of the Company's manufacturing sites; and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's measurement of the income tax reserve for the uncertain tax position related to Puerto Rico manufacturing, as the nature of the evidence is often highly subjective.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the recognition of the income tax reserves for uncertain tax positions, as well as controls over measurement of the reserve for the uncertain tax position related to Puerto Rico manufacturing. These procedures also included, among others (i) testing management's process for determining the reserve, (ii) evaluating the status and results of the related U.S. Tax Court case, and (iii) evaluating the consistency of the reserve calculation with the relevant documents related to the U.S. Tax Court case. Evaluating the reasonableness of the measurement of the reserve included evaluating whether the methodology and assumptions used by the Company were consistent with the U.S. Tax Court's ruling.

/s/ PricewaterhouseCoopers LLP  
Minneapolis, Minnesota  
June 20, 2024

We have served as the Company's auditor since 1963.

**Medtronic plc**  
**Consolidated Statements of Income**

(in millions, except per share data)	Fiscal Year		
	2024	2023	2022
<b>Net sales</b>	\$ 32,364	\$ 31,227	\$ 31,686
<b>Costs and expenses:</b>			
Cost of products sold, excluding amortization of intangible assets	11,216	10,719	10,145
Research and development expense	2,735	2,696	2,746
Selling, general, and administrative expense	10,736	10,415	10,292
Amortization of intangible assets	1,693	1,698	1,733
Restructuring charges, net	226	375	60
Certain litigation charges, net	149	(30)	95
Other operating expense (income), net	464	(131)	862
<b>Operating profit</b>	5,144	5,485	5,752
Other non-operating income, net	(412)	(515)	(318)
Interest expense, net	719	636	553
<b>Income before income taxes</b>	4,837	5,364	5,517
<b>Income tax provision</b>	1,133	1,580	456
<b>Net income</b>	3,705	3,784	5,062
<b>Net income attributable to noncontrolling interests</b>	(28)	(26)	(22)
<b>Net income attributable to Medtronic</b>	\$ 3,676	\$ 3,758	\$ 5,039
<b>Basic earnings per share</b>	\$ 2.77	\$ 2.83	\$ 3.75
<b>Diluted earnings per share</b>	\$ 2.76	\$ 2.82	\$ 3.73
<b>Basic weighted average shares outstanding</b>	1,327.7	1,329.8	1,342.4
<b>Diluted weighted average shares outstanding</b>	1,330.2	1,332.8	1,351.4

The accompanying notes are an integral part of these consolidated financial statements.

**Medtronic plc**  
**Consolidated Statements of Comprehensive Income**

(in millions)	Fiscal Year		
	2024	2023	2022
<b>Net income</b>	\$ 3,705	\$ 3,784	\$ 5,062
<b>Other comprehensive income (loss), net of tax:</b>			
Unrealized gain (loss) on investment securities	46	(49)	(301)
Translation adjustment	(848)	(240)	(2,086)
Net investment hedge	633	(596)	2,299
Net change in retirement obligations	212	32	574
Unrealized gain (loss) on cash flow hedges	136	(381)	727
<b>Other comprehensive income (loss)</b>	178	(1,234)	1,213
<b>Comprehensive income including noncontrolling interests</b>	3,883	2,549	6,274
Comprehensive income attributable to noncontrolling interests	(27)	(26)	(16)
<b>Comprehensive income attributable to Medtronic</b>	<u>\$ 3,856</u>	<u>\$ 2,524</u>	<u>\$ 6,258</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**Medtronic plc**
**Consolidated Balance Sheets**

(in millions, except share amounts)

	April 26, 2024	April 28, 2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,284	\$ 1,543
Investments	6,721	6,416
Accounts receivable, less allowances and credit losses of \$173 and \$176, respectively	6,128	5,998
Inventories	5,217	5,293
Other current assets	2,584	2,425
<b>Total current assets</b>	<b>21,935</b>	<b>21,675</b>
<b>Property, plant, and equipment, net</b>	<b>6,131</b>	<b>5,569</b>
<b>Goodwill</b>	<b>40,986</b>	<b>41,425</b>
<b>Other intangible assets, net</b>	<b>13,225</b>	<b>14,844</b>
<b>Tax assets</b>	<b>3,657</b>	<b>3,477</b>
<b>Other assets</b>	<b>4,047</b>	<b>3,959</b>
<b>Total assets</b>	<b>\$ 89,981</b>	<b>\$ 90,948</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Current debt obligations	\$ 1,092	\$ 20
Accounts payable	2,410	2,662
Accrued compensation	2,375	1,949
Accrued income taxes	1,330	840
Other accrued expenses	3,582	3,581
<b>Total current liabilities</b>	<b>10,789</b>	<b>9,051</b>
<b>Long-term debt</b>	<b>23,932</b>	<b>24,344</b>
<b>Accrued compensation and retirement benefits</b>	<b>1,101</b>	<b>1,093</b>
<b>Accrued income taxes</b>	<b>1,859</b>	<b>2,360</b>
<b>Deferred tax liabilities</b>	<b>515</b>	<b>708</b>
<b>Other liabilities</b>	<b>1,365</b>	<b>1,727</b>
<b>Total liabilities</b>	<b>39,561</b>	<b>39,283</b>
<b>Commitments and contingencies (Notes 3, 16, and 18)</b>		
<b>Shareholders' equity:</b>		
Ordinary shares— par value \$0.0001, 2.6 billion shares authorized, 1,311,337,531 and 1,330,809,036 shares issued and outstanding, respectively	—	—
Additional paid-in capital	23,129	24,590
Retained earnings	30,403	30,392
Accumulated other comprehensive loss	(3,318)	(3,499)
<b>Total shareholders' equity</b>	<b>50,214</b>	<b>51,483</b>
Noncontrolling interests	206	182
<b>Total equity</b>	<b>50,420</b>	<b>51,665</b>
<b>Total liabilities and equity</b>	<b>\$ 89,981</b>	<b>\$ 90,948</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Medtronic plc**  
**Consolidated Statements of Equity**

(in millions, except per share data)	Ordinary Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
	Number	Par Value						
<b>April 30, 2021</b>	1,345	\$ —	\$ 26,319	\$ 28,594	\$ (3,485)	\$ 51,428	\$ 174	\$ 51,602
Net income	—	—	—	5,039	—	5,039	22	5,062
Other comprehensive income (loss)	—	—	—	—	1,219	1,219	(6)	1,213
Dividends to shareholders (\$2.52 per ordinary share)	—	—	—	(3,383)	—	(3,383)	—	(3,383)
Issuance of shares under stock purchase and award plans	7	—	329	—	—	329	—	329
Repurchase of ordinary shares	(21)	—	(2,442)	—	—	(2,442)	—	(2,442)
Stock-based compensation	—	—	359	—	—	359	—	359
Changes to noncontrolling ownership interests	—	—	1	—	—	1	(19)	(18)
<b>April 29, 2022</b>	1,331	\$ —	\$ 24,566	\$ 30,250	\$ (2,265)	\$ 52,551	\$ 171	\$ 52,722
Net income	—	—	—	3,758	—	3,758	26	3,784
Other comprehensive loss	—	—	—	—	(1,234)	(1,234)	—	(1,234)
Dividends to shareholders (\$2.72 per ordinary share)	—	—	—	(3,616)	—	(3,616)	—	(3,616)
Issuance of shares under stock purchase and award plans	6	—	236	—	—	236	—	236
Repurchase of ordinary shares	(6)	—	(571)	—	—	(571)	—	(571)
Stock-based compensation	—	—	355	—	—	355	—	355
Changes to noncontrolling ownership interests	—	—	5	—	—	5	(15)	(10)
<b>April 28, 2023</b>	1,331	\$ —	\$ 24,590	\$ 30,392	\$ (3,499)	\$ 51,483	\$ 182	\$ 51,665
Net income	—	—	—	3,676	—	3,676	28	3,705
Other comprehensive income (loss)	—	—	—	—	180	180	(2)	178
Dividends to shareholders (\$2.76 per ordinary share)	—	—	—	(3,666)	—	(3,666)	—	(3,666)
Issuance of shares under stock purchase and award plans	6	—	231	—	—	231	—	231
Repurchase of ordinary shares	(25)	—	(2,084)	—	—	(2,084)	—	(2,084)
Stock-based compensation	—	—	393	—	—	393	—	393
Changes to noncontrolling ownership interests	—	—	—	—	—	—	(2)	(2)
<b>April 26, 2024</b>	1,311	\$ —	\$ 23,129	\$ 30,403	\$ (3,318)	\$ 50,214	\$ 206	\$ 50,420

The accompanying notes are an integral part of these consolidated financial statements.



**Medtronic plc**  
**Consolidated Statements of Cash Flows**

(in millions)	Fiscal Year		
	2024	2023	2022
<b>Operating Activities:</b>			
Net income	\$ 3,705	\$ 3,784	\$ 5,062
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,647	2,697	2,707
Provision for credit losses	90	73	58
Deferred income taxes	(508)	(226)	(604)
Stock-based compensation	393	355	359
Loss on debt extinguishment	—	53	—
Asset impairments and related inventory write-downs	371	—	515
Other, net	573	270	138
Change in operating assets and liabilities, net of acquisitions and divestitures:			
Accounts receivable, net	(391)	(576)	(477)
Inventories, net	(139)	(939)	(560)
Accounts payable and accrued liabilities	391	696	213
Other operating assets and liabilities	(345)	(148)	(65)
<b>Net cash provided by operating activities</b>	<b>6,787</b>	<b>6,039</b>	<b>7,346</b>
<b>Investing Activities:</b>			
Acquisitions, net of cash acquired	(211)	(1,867)	(91)
Additions to property, plant, and equipment	(1,587)	(1,459)	(1,368)
Purchases of investments	(7,748)	(7,514)	(9,882)
Sales and maturities of investments	7,441	7,343	9,692
Other investing activities, net	(261)	4	(10)
<b>Net cash used in investing activities</b>	<b>(2,366)</b>	<b>(3,493)</b>	<b>(1,659)</b>
<b>Financing Activities:</b>			
Change in current debt obligations, net	1,073	—	—
Proceeds from short-term borrowings (maturities greater than 90 days)	—	2,284	—
Repayments from short-term borrowings (maturities greater than 90 days)	—	(2,279)	—
Issuance of long-term debt	—	5,409	—
Payments on long-term debt	—	(6,012)	(1)
Dividends to shareholders	(3,666)	(3,616)	(3,383)
Issuance of ordinary shares	284	308	429
Repurchase of ordinary shares	(2,138)	(645)	(2,544)
Other financing activities	(3)	(409)	163
<b>Net cash used in financing activities</b>	<b>(4,450)</b>	<b>(4,960)</b>	<b>(5,336)</b>
Effect of exchange rate changes on cash and cash equivalents	(230)	243	(231)
<b>Net change in cash and cash equivalents</b>	<b>(259)</b>	<b>(2,171)</b>	<b>121</b>
Cash and cash equivalents at beginning of period	1,543	3,714	3,593
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,284</b>	<b>\$ 1,543</b>	<b>\$ 3,714</b>
<b>Supplemental Cash Flow Information</b>			
Cash paid for:			
Income taxes	\$ 1,622	\$ 1,548	\$ 996
Interest	826	606	540

The accompanying notes are an integral part of these consolidated financial statements.

## Medtronic plc

### Notes to Consolidated Financial Statements

#### 1. Summary of Significant Accounting Policies

**Nature of Operations** Medtronic plc (Medtronic or the Company) is the leading global healthcare technology company—alleviating pain, restoring health, and extending life for millions of people around the world. The Company provides innovative products and therapies to serve healthcare systems, physicians, clinicians, and patients. Medtronic was founded in 1949 and is headquartered in Dublin, Ireland.

**Principles of Consolidation** The consolidated financial statements include the accounts of Medtronic plc, its wholly-owned subsidiaries, entities for which the Company has a controlling financial interest, and variable interest entities for which the Company is the primary beneficiary. Intercompany transactions and balances have been fully eliminated in consolidation. Certain reclassifications have been made to prior year financial statements to conform to classifications used in the current year. Amounts reported in millions within this annual report are computed based on the amounts in thousands, and therefore, the sum of the components may not equal the total amount reported in millions due to rounding. Additionally, certain columns and rows within tables may not sum due to rounding.

**Use of Estimates** The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States (U.S.) (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Estimates are used when accounting for items such as income taxes, contingencies, goodwill, intangible asset, equity investment, and liability valuations. Actual results may or may not differ from those estimates.

**Fiscal Year-End** The Company utilizes a 52/53-week fiscal year, ending the last Friday in April, for the presentation of its consolidated financial statements and related notes thereto at April 26, 2024 and April 28, 2023 and for each of the three fiscal years ended April 26, 2024 (fiscal year 2024), April 28, 2023 (fiscal year 2023), and April 29, 2022 (fiscal year 2022).

**Cash Equivalents** The Company considers highly liquid investments with maturities of three months or less from the date of purchase to be cash equivalents. These investments are carried at cost, which approximates fair value.

**Investments** The Company invests in marketable debt and equity securities, investments for which the Company has elected the fair value option, investments that do not have readily determinable fair values, and investments accounted for under the equity method.

Marketable debt securities are classified and accounted for as available-for-sale. These investments are recorded at fair value in the consolidated balance sheets. The change in fair value for available-for-sale securities is recorded, net of taxes, as a component of *accumulated other comprehensive loss* on the consolidated balance sheets. The Company determines the appropriate classification of its investments in marketable debt securities at the time of purchase and reevaluates such determinations at each balance sheet date. The classification of marketable debt securities as current or long-term is based on the nature of the securities and the availability for use in current operations consistent with the Company's management of its capital structure and liquidity.

Certain of the Company's investments in marketable equity securities and other securities are long-term, strategic investments in companies that are in various stages of development and are primarily included in *other assets* on the consolidated balance sheets. Marketable equity securities are recorded at fair value in the consolidated balance sheets. The change in fair value of marketable equity securities is recognized within *other non-operating income, net* in the consolidated statements of income. At each reporting period, the Company makes a qualitative assessment considering impairment indicators to evaluate whether the investment is impaired. Equity method investments for which the Company has elected the fair value option are valued using a discounted cash flow methodology, taking into consideration various assumptions including discount rate and all pertinent financial information available related to the investees, including the timing of anticipated product launches, historical financial results, and projections of future cash flows. Equity investments that do not have readily determinable fair values are measured using the measurement alternative at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. Equity securities accounted for under the equity method are initially recorded at the amount of the Company's investment and are adjusted each period for the Company's share of the investee's income or loss and dividends paid. Securities accounted for under the equity method are reviewed quarterly for changes in circumstance or the occurrence of events that suggest other than temporary impairment has occurred.

**Accounts Receivable and Allowance for Doubtful Accounts and Credit Losses** The Company grants credit to customers in the normal course of business and maintains an allowance for doubtful accounts for potential credit losses. When evaluating allowances for doubtful accounts, the Company considers various factors, including historical experience and customer-specific information. Uncollectible accounts are written-off against the allowance when it is deemed that a customer account is uncollectible.

**Inventories** Inventories are stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out basis. The Company reduces the carrying value of inventories for items that are potentially excess, obsolete, or slow-moving based on changes in customer demand, technology developments, or other economic factors.

**Medtronic plc****Notes to Consolidated Financial Statements (Continued)**

**Property, Plant, and Equipment** Property, plant, and equipment is stated at cost and depreciated over the useful lives of the assets using the straight-line method. Additions and improvements that extend the lives of the assets are capitalized, while expenditures for repairs and maintenance are expensed as incurred. The Company assesses property, plant, and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant, and equipment asset groupings may not be recoverable. The cost of interest that is incurred in connection with significant ongoing construction projects is capitalized using a weighted average interest rate. These costs are included in property, plant, and equipment and amortized over the useful life of the related asset. Upon retirement or disposal of property, plant, and equipment, the costs and related amounts of accumulated depreciation or amortization are eliminated from the asset and accumulated depreciation accounts. The difference, if any, between the net asset value and the proceeds, is recognized in earnings.

**Goodwill and Intangible Assets** Goodwill is the excess of the purchase price over the estimated fair value of identified net assets of acquired businesses. The Company assesses goodwill for impairment annually in the third quarter of the fiscal year and whenever an event occurs or circumstances change that would indicate the carrying amount may be impaired. Impairment testing for goodwill is performed at a reporting unit level. The Company calculates the excess of each reporting unit's fair value over its carrying amount, including goodwill, utilizing a discounted cash flow analysis and revenue and earnings multiples using comparable public company information. The test for impairment of goodwill requires the Company to make several estimates related to projected future cash flows and appropriate multiples to determine the fair value of the goodwill reporting units. Significant assumptions used in the reporting unit fair value measurements include forecasted cash flows, including revenue and expense growth rates, discount rates, and revenue and earnings multiples. An impairment loss is recognized when the carrying amount of the reporting unit's net assets exceeds the estimated fair value of the reporting unit.

Intangible assets include patents, trademarks, tradenames, customer relationships, purchased technology, and in-process research and development (IPR&D). Intangible assets with a definite life are amortized on a straight-line basis with estimated useful lives typically ranging from three to 20 years. Amortization is recognized within *amortization of intangible assets* in the consolidated statements of income. Intangible assets with a definite life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group, which includes intangible assets, may not be recoverable. When events or changes in circumstances indicate that the carrying amount of an asset group, which includes intangible assets, may not be recoverable, the Company calculates the excess of an asset group's carrying value over its undiscounted future cash flows. If the carrying value is not recoverable, an impairment loss is recognized based on the amount by which the carrying value exceeds the fair value. The fair value of an asset group, which includes intangible assets, is estimated by utilizing a discounted cash flow analysis.

Acquired IPR&D represents the fair value assigned to those research and development projects that were primarily acquired in a business combination for which the related products have not received regulatory approval and have no alternative future use. IPR&D is capitalized at its fair value as an indefinite-lived intangible asset, and any development costs incurred after the acquisition are expensed as incurred. The fair value of IPR&D is determined by estimating the future cash flows of each project and discounting the net cash flows back to their present values. Upon achieving regulatory approval or commercial viability for the related product, the indefinite-lived intangible asset is accounted for as a definite-lived asset and is amortized on a straight-line basis over the estimated useful life. If the project is not completed or is terminated or abandoned, the Company may have an impairment related to the IPR&D, which is charged to expense. Indefinite-lived intangible assets are tested for impairment annually in the third quarter of the fiscal year, prior to moving to definite-lived, and whenever events or changes in circumstances indicate that the carrying amount may be impaired. Impairment is calculated as the excess of the asset's carrying value over its fair value. Fair value is generally determined using a discounted future cash flow analysis. IPR&D with no alternative future use acquired outside of a business combination is expensed immediately.

**Contingent Consideration** Certain of the Company's business combinations involve potential payment or receipt of future consideration that is contingent upon the achievement of certain product development milestones and/or contingent on the acquired business reaching certain performance milestones. The Company records contingent consideration at fair value at the date of acquisition or divestiture based on the consideration expected to be transferred, estimated as the probability-weighted future cash flows, discounted back to present value. The fair value of contingent consideration is measured using projected payment dates, discount rates, probabilities of payment, and projected revenues (for revenue-based considerations). Projected revenues are based on the Company's most recent internal operational budgets and long-range strategic plans. The discount rate used is determined at the time of measurement in accordance with accepted valuation methodologies. Changes in projected revenues, probabilities of payment, discount rates, and projected payment dates may result in adjustments to the fair value measurements. Contingent consideration is remeasured each reporting period using Level 3 inputs, and the change in fair value, including accretion for the passage of time, is recognized as income or expense within *other operating expense (income)*, net in the consolidated statements of income. Contingent consideration payments made or received soon after the acquisition date are classified as investing activities in the consolidated statements of cash flows. Contingent consideration payments not made or received soon after the acquisition date that are related to the acquisition date fair value are reported as financing activities in the consolidated statements of cash flows, and amounts paid or received in excess of the original acquisition date fair value are reported as operating activities in the consolidated statements of cash flows.

**Medtronic plc****Notes to Consolidated Financial Statements (Continued)**

**Self-Insurance** The Company self-insures the majority of its insurable risks, including medical and dental costs, disability coverage, physical loss to property, business interruptions, workers' compensation, comprehensive general, and product liability. Insurance coverage is obtained for risks required to be insured by law or contract. The Company uses claims data and historical experience, as applicable, to estimate liabilities associated with the exposures that the Company has self-insured.

**Retirement Benefit Plan Assumptions** The Company sponsors various retirement benefit plans, including defined benefit pension plans, post-retirement medical plans, defined contribution savings plans, and termination indemnity plans, covering substantially all U.S. employees and many employees outside the U.S. See Note 15 for assumptions used in determining pension and post-retirement benefit costs and liabilities.

**Derivatives** The Company recognizes all derivative financial instruments in its consolidated financial statements at fair value in accordance with authoritative guidance on derivatives and hedging, and presents assets and liabilities associated with derivative financial instruments on a gross basis in the consolidated financial statements. For derivative instruments that are designated and qualify as hedging instruments, the hedging instrument must be designated as a cash flow hedge or hedges of net investments, based upon the exposure being hedged. See Note 7 for more information on the Company's derivative instruments and hedging programs.

**Fair Value Measurements** The Company follows the authoritative guidance on fair value measurements and disclosures with respect to assets and liabilities that are measured at fair value on both a recurring and nonrecurring basis. Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The authoritative guidance also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability, based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The categorization of financial assets and financial liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy is broken down into three levels defined as follows:

- Level 1 - Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Inputs are unobservable for the asset or liability.

Financial assets that are classified as Level 1 securities include highly liquid government bonds within U.S. government and agency securities, mutual funds, short-term investments, and equity securities for which quoted market prices are available. In addition, the Company classifies currency forward contracts as Level 1 since they are valued using quoted market prices in active markets which have identical assets or liabilities.

The valuation for most fixed maturity securities are classified as Level 2. Financial assets that are classified as Level 2 include corporate debt securities, government and agency securities, other asset-backed securities, certificates of deposits, and mortgage-backed securities whose value is determined using inputs that are observable in the market or may be derived principally from, or corroborated by, observable market data such as pricing for similar securities, recently executed transactions, cash flow models with yield curves, and benchmark securities. In addition, total return swaps are included in Level 2 as the Company uses inputs other than quoted prices that are observable for the asset. The Level 2 derivative instruments are primarily valued using standard calculations and models that use readily observable market data as their basis.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies, or similar techniques, and at least one significant model assumption or input is unobservable. Financial assets that are classified as Level 3 include certain investment securities for which there is limited market activity such that the determination of fair value requires significant judgment or estimation, equity method investments for which the Company has elected the fair value option, and auction rate securities. The investment securities with limited market activity are valued using third-party pricing sources that incorporate transaction details such as contractual terms, maturity, timing, and amount of expected future cash flows, as well as assumptions about liquidity and credit valuation adjustments by market participants. The fair value of auction rate securities is estimated by the Company using a discounted cash flow model, which incorporates significant unobservable inputs. The significant unobservable inputs used in the fair value measurement of the Company's auction rate securities are years to principal recovery and the illiquidity premium that is incorporated into the discount rate. Valuation techniques for investments valued using the fair value option are included in the "Investments" section above. For goodwill, other

**Medtronic plc****Notes to Consolidated Financial Statements (Continued)**

intangible assets, and IPR&D, inputs used in the fair value analysis fall within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs to determine fair value.

Certain investments for which the fair value is measured using the net asset value per share (or its equivalent) practical expedient are excluded from the fair value hierarchy. Financial assets for which the fair value is measured using the net asset value per share practical expedient include equity and fixed income commingled trusts, partnership units, and registered investment companies.

**Revenue Recognition** The Company sells its products through direct sales representatives and independent distributors. Additionally, a portion of the Company's revenue is generated from consignment inventory maintained at hospitals and royalty and intellectual property arrangements. The Company recognizes revenue when control is transferred to the customer. For products sold through direct sales representatives and independent distributors, control is typically transferred upon shipment or upon delivery, based on the contract terms and legal requirements. For consignment inventory, control is transferred when the product is used or implanted. Payment terms vary depending on the country of sale, type of customer, and type of product.

If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on relative standalone selling price. Shipping and handling is treated as a fulfillment activity rather than a promised service, and therefore, is not considered a performance obligation. Taxes assessed by a governmental authority that are both imposed on, and concurrent with, a specific revenue producing transaction and collected by the Company from customers (for example, sales, use, value added, and some excise taxes) are not included in revenue. For contracts that have an original duration of one year or less, the Company uses the practical expedient applicable to such contracts and does not adjust the transaction price for the time value of money.

The amount of revenue recognized reflects sales rebates and returns, which are estimated based on sales terms, historical experience, and trend analysis. In estimating rebates, the Company considers the lag time between the point of sale and the payment of the rebate claim, the stated rebate rates, and other relevant information. The Company records adjustments to rebates and returns reserves as increases or decreases of revenue.

The Company records a deferred revenue liability if a customer pays consideration, or the Company has the right to invoice, before the Company transfers a good or service to the customer. Deferred revenue primarily represents remote monitoring services and equipment maintenance, for which consideration is received at the same time as consideration for the device or equipment. Revenue related to remote monitoring services and equipment maintenance is recognized over the service period as time elapses.

**Shipping and Handling** Shipping and handling costs incurred to physically move product from the Company's premises to the customer's premises are recognized in *selling, general, and administrative expense* in the consolidated statements of income and were \$341 million, \$351 million, and \$354 million in fiscal years 2024, 2023, and 2022, respectively. Other shipping and handling costs incurred to store, move, and prepare products for shipment are recognized in *cost of products sold* in the consolidated statements of income.

**Research and Development** Research and development costs are expensed when incurred. Research and development costs include costs of research, engineering, and technical activities to develop a new product or service or make significant improvement to an existing product or manufacturing process. Research and development costs also include pre-approval regulatory and clinical trial expenses and license payments for technology not yet approved by regulators.

**Contingencies** The Company records a liability in the consolidated financial statements on an undiscounted basis for loss contingencies related to legal actions when a loss is known or considered probable and the amount may be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and may be reasonably estimated, the estimated loss or range of loss is disclosed.

**Income Taxes** The Company has deferred taxes that arise as a result of the different treatment of transactions for U.S. GAAP and income tax accounting, known as temporary differences. The Company records the tax effect of these temporary differences as deferred tax assets and deferred tax liabilities. Deferred tax assets generally represent items that may be used as a tax deduction or credit in a tax return in future years for which the Company has already recognized the tax benefit in the consolidated statements of income. The Company establishes valuation allowances for deferred tax assets when the amount of expected future taxable income is not likely to support the use of the deduction or credit. Deferred tax liabilities generally represent tax expense for which payment has been deferred or expense has already been taken as a deduction on the Company's tax return but has not yet been recognized as an expense in the consolidated statements of income. See Footnote 13 for more information on the Company's uncertain tax positions and tax policies.

**Other Operating Expense (Income), Net** Other operating expense (income), net primarily includes royalty expense, currency remeasurement and derivative gains and losses, Puerto Rico excise taxes, changes in fair value of contingent consideration, certain

**Medtronic plc****Notes to Consolidated Financial Statements (Continued)**

acquisition and divestiture-related items, income from funded research and development arrangements, and commitments to the Medtronic Foundation and Medtronic LABS.

**Other Non-Operating Income, Net** Other non-operating income, net includes the non-service component of net periodic pension and post-retirement benefit cost, investment gains and losses, and interest income.

**Currency Translation** Assets and liabilities of non-U.S. dollar functional currency entities are translated to U.S. dollars at period-end exchange rates, and the currency impacts arising from the translation of the assets and liabilities are recorded as a cumulative translation adjustment, a component of *accumulated other comprehensive loss*, on the consolidated balance sheets. Elements of the consolidated statements of income are translated at the average monthly currency exchange rates in effect during the period. Currency transaction gains and losses are included in *other operating expense (income), net* in the consolidated statements of income.

**Stock-Based Compensation** The Company measures stock-based compensation expense at the grant date based on the fair value of the award and recognizes the compensation expense over the requisite service period, which is generally the vesting period. The amount of stock-based compensation expense recognized during a period is based on the portion of the awards that are expected to vest. The Company estimates pre-vesting forfeitures at the time of grant and revises the estimates in subsequent periods.

**Recently Adopted Accounting Standards***Supplier Finance Programs*

In September 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2022-04, Liabilities— Supplier Finance Programs (Subtopic 405-50), which requires that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. The Company adopted this guidance on April 29, 2023. The adoption of this standard did not have a material impact on the Company's Consolidated Financial Statements.

**Not Yet Adopted Accounting Standards***Segment Reporting*

In November 2023, the FASB issued ASU 2023-07, Improvements to Segment Reporting (Topic 280), which requires incremental disclosures on reportable segments, primarily through enhanced disclosures on significant segment expenses. The Company will adopt this guidance beginning in the fourth quarter of fiscal year 2025 for our annual report and for interim periods starting in fiscal year 2026. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

*Income Taxes*

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures (Topic 740), which requires incremental annual disclosures on income taxes, including rate reconciliations, income taxes paid, and other disclosures. The Company will adopt this guidance beginning in the fourth quarter of fiscal year 2026 for our annual report. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

**2. Revenue**

The Company's revenues are principally derived from device-based medical therapies and services related to cardiac rhythm disorders, cardiovascular disease, neurological disorders and diseases, spinal conditions and musculoskeletal trauma, chronic pain, urological and digestive disorders, ear, nose, and throat conditions, and diabetes conditions as well as advanced and general surgical care products, respiratory and monitoring solutions, and neurological surgery technologies. The Company's primary customers include healthcare systems, clinics, third-party healthcare providers, distributors, and other institutions, including governmental healthcare programs and group purchasing organizations. Prior period revenue has been recast to reflect the new reporting structure. The activity of the Company's Renal Care Solutions business and the ventilator product line were moved out of Medical Surgical and into the Other line, and the retained PMRI businesses were combined into one business unit called Acute Care & Monitoring in Medical Surgical. Refer to Note 19 to the consolidated financial statements for additional information regarding the Company's reporting structure.



**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

The table below illustrates net sales by segment and division for fiscal years 2024, 2023, and 2022:

(in millions)	Net Sales by Fiscal Year		
	2024	2023	2022
Cardiac Rhythm & Heart Failure	\$ 5,995	\$ 5,783	\$ 5,852
Structural Heart & Aortic	3,358	3,363	3,055
Coronary & Peripheral Vascular	2,478	2,375	2,460
Cardiovascular	11,831	11,522	11,368
Cranial & Spinal Technologies	4,756	4,451	4,456
Specialty Therapies	2,905	2,815	2,592
Neuromodulation	1,746	1,693	1,735
Neuroscience	9,406	8,959	8,784
Surgical & Endoscopy	6,508	6,152	6,543
Acute Care & Monitoring	1,908	1,837	1,926
Medical Surgical	8,417	7,989	8,469
Diabetes	2,488	2,262	2,338
Reportable segment net sales	32,142	30,731	30,959
Other operating segment <sup>(1)</sup>	221	495	727
Total net sales	\$ 32,364	\$ 31,227	\$ 31,686

(1) Includes historical operations and ongoing transition agreements from businesses the Company has exited or divested, which primarily includes the Company's ventilator product line and the Renal Care Solutions business.

The table below illustrates net sales by market geography for each segment for fiscal years 2024, 2023, and 2022:

(in millions)	U.S. <sup>(1)</sup>			Non-U.S. Developed Markets <sup>(2)</sup>			Emerging Markets <sup>(3)</sup>		
	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Cardiovascular	\$ 5,597	\$ 5,796	\$ 5,490	\$ 3,857	\$ 3,564	\$ 3,866	\$ 2,377	\$ 2,161	\$ 2,012
Neuroscience	6,305	6,018	5,753	1,739	1,658	1,801	1,362	1,283	1,229
Medical Surgical	3,717	3,549	3,659	3,049	2,917	3,155	1,650	1,522	1,655
Diabetes	852	849	974	1,284	1,106	1,085	352	307	279
Reportable segment net sales	16,471	16,212	15,876	9,929	9,245	9,907	5,742	5,273	5,176
Other operating segment <sup>(4)</sup>	91	160	259	50	163	218	81	172	250
Total net sales	\$ 16,562	\$ 16,373	\$ 16,135	\$ 9,979	\$ 9,408	\$ 10,126	\$ 5,823	\$ 5,446	\$ 5,426

(1) U.S. includes the United States and U.S. territories.

(2) Non-U.S. developed markets include Japan, Australia, New Zealand, Korea, Canada, and the countries within Western Europe.

(3) 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 defined above.

(4) Includes historical operations and ongoing transition agreements from businesses the Company has exited or divested, which primarily includes the Company's ventilator product line and the Renal Care Solutions business.

The amount of revenue recognized is reduced by sales rebates and returns. Adjustments to rebates and returns reserves are recorded as increases or decreases to revenue. At April 26, 2024, \$1.0 billion of rebates were classified as *other accrued expenses*, and \$574 million of rebates were classified as a reduction of *accounts receivable* in the consolidated balance sheet. At April 28, 2023, \$1.1 billion of rebates were classified as *other accrued expenses*, and \$555 million of rebates were classified as a reduction of *accounts receivable* in the consolidated balance sheet. During fiscal year 2024, adjustments to rebate and return reserves recognized in revenue that were included in the rebate and return reserves at the beginning of the period were not material.

**Medtronic plc****Notes to Consolidated Financial Statements (Continued)****Deferred Revenue and Remaining Performance Obligations**

Deferred revenue at April 26, 2024 and April 28, 2023 was \$453 million and \$405 million, respectively. At April 26, 2024 and April 28, 2023, \$352 million and \$314 million was included in *other accrued expenses*, respectively, and \$101 million and \$91 million was included in *other liabilities*, respectively. During the fiscal year ended April 26, 2024, the Company recognized \$324 million of revenue that was included in deferred revenue as of April 28, 2023. During the fiscal year ended April 28, 2023, the Company recognized \$240 million of revenue that was included in deferred revenue at April 29, 2022.

Remaining performance obligations include goods and services that have not yet been delivered or provided under existing, noncancellable contracts with minimum purchase commitments. At April 26, 2024, the estimated revenue expected to be recognized in future periods related to unsatisfied performance obligations for executed contracts with an original duration of one year or more was approximately \$0.5 billion. The Company expects to recognize revenue on the majority of these remaining performance obligations over the next two years.

**3. Acquisitions and Dispositions****Acquisition Activity**

The Company had acquisitions during fiscal years 2024 and 2023 that were accounted for as business combinations. The assets and liabilities of the businesses acquired were recorded and consolidated on the acquisition date at their respective fair values. Goodwill resulting from business combinations is largely attributable to future, yet to be defined technologies, new customer relationships, existing workforce of the acquired businesses, and synergies expected to arise after the Company's acquisition of these businesses. The results of operations of acquired businesses have been included in the Company's consolidated statements of income since the date each business was acquired. The results of operations of acquired businesses and the pro forma impact of the acquisitions during fiscal years 2024 and 2023 was not significant, either individually or in the aggregate, to the consolidated results of the Company. Purchase price allocation adjustments for fiscal years 2024 and 2023 business combinations were not significant.

**Fiscal Year 2024**

The acquisition date fair value of net assets acquired during the fiscal year ended April 26, 2024 was \$335 million. Based on preliminary valuations, assets acquired were primarily comprised of \$131 million of goodwill, \$150 million of IPR&D, and \$29 million of technology-based intangible assets with estimated useful lives of 10 years. For tax purposes, \$51 million of goodwill is deductible while \$80 million is not deductible. The Company recognized \$30 million of non-cash contingent consideration liabilities in connection with these business combinations during the fiscal year ended April 26, 2024, which are comprised of revenue and product development milestone-based payments.

**Fiscal Year 2023***Intersect ENT*

On May 13, 2022, the Company acquired Intersect ENT, a global ear, nose, and throat (ENT) medical technology leader. The acquisition expands the Neuroscience segment portfolio of products used during ENT procedures, and combined with the Company's navigation, powered instruments, and existing tissue health products, offers a broader suite of solutions to assist surgeons treating patients who suffer from chronic rhinosinusitis (CRS). Total consideration, net of cash acquired, for the transaction, in which the Company acquired all outstanding shares of Intersect ENT for \$28.25 per share, was \$1.2 billion consisting of \$1.1 billion of cash and \$98 million previously held investments in Intersect ENT. The Company acquired \$615 million of goodwill, \$635 million of technology-based intangible assets, \$35 million of customer-related intangible assets, and \$13 million of tradenames with estimated useful lives of 20 years. The goodwill is not deductible for tax purposes. Revenue and net loss attributable to Intersect ENT since the date of acquisition as well as costs incurred in connection with the acquisition included in the consolidated statements of income were not significant for fiscal year 2023.

*Affera, Inc.*

On August 30, 2022, the Company acquired Affera, Inc. (Affera) a privately-held company focused on the development of cardiac mapping and navigation systems and catheter-based cardiac ablation technologies. The acquisition expands the Cardiovascular segment suite of advanced cardiac ablation products and accessories, including its first cardiac mapping and navigation platform. Total consideration, net of cash acquired for the transaction, was \$904 million. The Company acquired \$660 million of goodwill and \$300 million of IPR&D, which was capitalized into intangible assets during the fourth quarter of fiscal year 2023. The goodwill is not deductible for tax purposes. The Company recognized \$201 million of non-cash contingent consideration liabilities in connection with the acquisition, which are comprised of product development milestone-based payments. Revenue and net loss attributable to Affera since the date of acquisition as well as costs incurred in connection with the acquisition included in the consolidated statements of income were not significant for fiscal year 2023.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

The acquisition date fair values of the assets acquired and liabilities assumed were as follows:

(in millions)	Intersect ENT	Affera
Cash and cash equivalents	\$ 39	\$ 66
Inventory	32	—
Goodwill	615	660
Other intangible assets	683	300
Other assets	40	1
Total assets acquired	1,408	1,027
Current liabilities	63	2
Deferred tax liabilities	51	53
Other liabilities	18	1
Total liabilities assumed	131	56
Net assets acquired	\$ 1,277	\$ 970

*Other Acquisitions*

For acquisitions, other than Intersect ENT and Affera, the acquisition date fair value of net assets acquired during fiscal year 2023 was \$123 million. Assets acquired were primarily comprised of \$66 million of goodwill and \$57 million of technology-based intangible assets with estimated useful lives of 16 years. The goodwill is deductible for tax purposes. The Company recognized \$73 million of non-cash contingent consideration liabilities in connection with these acquisitions during fiscal year 2023, which are comprised of revenue and product development milestone-based payments.

**Disposal Activity**

*Ventilator Product Line Exit*

On February 20, 2024, the Company announced the decision to exit its ventilator product line and retain and combine the remaining Patient Monitoring and Respiratory Interventions (PMRI) businesses into one business unit called Acute Care and Monitoring (ACM). In connection with this decision, the Company recorded pre-tax charges of \$439 million, including \$369 million recognized within *other operating expense (income), net* and \$70 million recognized in *cost of products sold* in the consolidated statements of income in fiscal year 2024. The charges included \$371 million of non-cash impairments and write-downs primarily related to \$295 million of long-lived intangible asset impairments and \$70 million of inventory-write downs. The other charges primarily related to contract cancellation costs and severance. The Company will continue to honor existing ventilator contracts to serve the needs of its customers and their patients.

*Renal Care Solutions (RCS) Disposition*

On May 25, 2022, the Company and DaVita Inc. (DaVita) entered into a definitive agreement for the Company to sell half of its RCS business, and on April 1, 2023, completed the transaction. This sale is part of an agreement between Medtronic and DaVita to form a new, independent kidney care-focused medical device company ("Mozarc Medical" or "Mozarc") with equal equity ownership. At closing, the Company received \$45 million cash consideration, recorded non-cash contingent consideration receivables valued at \$195 million, made an additional cash investment of \$224 million, and retained a 50% non-controlling equity interest in Mozarc valued at \$307 million. For the contingent consideration receivables, the maximum consideration the Company could receive in the future is \$300 million based on the achievement of certain milestones, as further described below. The Company recorded non-cash pre-tax charges of \$136 million in fiscal year 2023, primarily related to impairment of goodwill and changes in the carrying amount of the disposal group, recognized in *other operating expense (income), net* in the consolidated statements of income. Refer to Note 9 to the consolidated financial statements for additional information on the goodwill impairment. Refer to Note 5 to the consolidated financial statements for additional information on the Company's retained 50% equity investment in Mozarc as a result of this transaction.

The Company determined that the sale of the RCS business did not meet the criteria to be classified as discontinued operations.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

*Mechanical Circulatory Support (MCS) Business Exit*

In June 2021, the Company announced the decision to stop the distribution and sale of the Medtronic HVAD System. In connection with this decision, the Company recorded pre-tax charges of \$881 million, including \$58 million recognized in *costs of products sold* and \$823 million recognized within *other operating expense (income), net* in the consolidated statement of income in fiscal year 2022. The charges included \$515 million of non-cash impairments and write-downs primarily related to \$409 million of intangible asset impairments and \$58 million of inventory write-downs. The Company also recorded charges of \$366 million for commitments and obligations associated with the decision, which included charges for patient support obligations, restructuring, and other associated costs.

**Contingent Consideration**

Certain of the Company's business combinations involve potential payment of future consideration that is contingent upon the achievement of certain product development milestones and/or contingent on the acquired business reaching certain performance milestones. A liability is recorded for the estimated fair value of the contingent consideration on the acquisition date. The fair value of the contingent consideration is remeasured at each reporting period, and the change in fair value is recognized within *other operating expense (income), net* in the consolidated statements of income.

The fair value of contingent consideration liabilities at April 26, 2024 and April 28, 2023 was \$149 million and \$206 million, respectively. At April 26, 2024, \$96 million was recorded in *other accrued expenses*, and \$53 million was recorded in *other liabilities* on the consolidated balance sheets. At April 28, 2023, \$34 million was reflected in *other accrued expenses*, and \$171 million was reflected in *other liabilities* on the consolidated balance sheets.

The following table provides a reconciliation of the beginning and ending balances of contingent consideration liabilities:

(in millions)	Fiscal Year	
	2024	2023
Beginning Balance	\$ 206	\$ 119
Purchase price contingent consideration	30	274
Payments	(104)	(154)
Change in fair value	18	(24)
Divestiture-related and other	—	(8)
Ending Balance	<u>\$ 149</u>	<u>\$ 206</u>

The recurring Level 3 fair value measurements of contingent consideration for which a liability is recorded include the following significant unobservable inputs:

(in millions)	Fair Value at April 26, 2024	Unobservable Input	Range	Weighted Average <sup>(1)</sup>
Revenue and other performance-based payments	\$ 80	Discount rate	16.5% - 28.2%	20.3%
		Projected fiscal year of payment	2025 - 2030	2027
Product development and other milestone-based payments	\$ 69	Discount rate	5.5% - 5.5%	5.5%
		Projected fiscal year of payment	2025 - 2027	2026

(1) Unobservable inputs were weighted by the relative fair value of the contingent consideration liability. For projected fiscal year of payment, the amount represents the median of the inputs and is not a weighted average.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

In connection with the sale of our RCS business as further discussed above, the Company may be entitled to receive additional consideration based on the achievement of certain revenue, regulatory, and profitability milestones, with potential payouts starting in fiscal year 2025 through 2029. The fair value of the contingent consideration receivable at April 26, 2024 and April 28, 2023 was \$58 million and \$195 million, respectively, and was recorded in *other assets* in the consolidated balance sheet.

The following table provides a reconciliation of the beginning and ending balances of the Level 3 measurement of contingent consideration receivable:

(in millions)	Fiscal Year	
	2024	2023
Beginning balance	\$ 195	\$ —
Purchase price contingent consideration	—	195
Change in fair value	(138)	—
Ending balance	<u>\$ 58</u>	<u>\$ 195</u>

#### 4. Restructuring Charges

In fiscal year 2024, the Company incurred \$389 million of restructuring and associated costs primarily related to employee termination benefits and facility consolidations to support cost reduction initiatives. In fiscal years 2023 and 2022, restructuring costs primarily related to Enterprise Excellence and Simplification restructuring programs, both of which were substantially completed as of the end fiscal year 2023. Enterprise Excellence was designed to leverage the Company's global size and scale to focus on global operations, and functional and commercial optimization, and had total cumulative pre-tax charges of \$1.8 billion. Simplification was designed to focus the organization on accelerating innovation, enhancing customer experience, driving revenue growth and winning market share, and had total cumulative pre-tax charges of \$0.5 billion. In addition, in the fourth quarter of fiscal year 2023, the Company incurred \$0.3 billion of restructuring charges primarily related to employee termination benefits to support cost reduction initiatives. These charges were incremental to charges incurred under our Enterprise Excellence and Simplification programs noted above.

Employee-related costs primarily consist of termination benefits provided to employees who have been involuntarily terminated and voluntary early retirement benefits in fiscal year 2023. Associated costs primarily include salaries and wages of employees that are fully-dedicated to restructuring programs, consulting fees, and asset write-offs.

The following table presents the classification of restructuring costs in the consolidated statements of income:

(in millions)	Fiscal year		
	2024	2023	2022
Cost of products sold	\$ 55	\$ 97	\$ 117
Selling, general, and administrative expenses	108	173	158
Restructuring charges, net <sup>(1)</sup>	<u>226</u>	<u>375</u>	<u>60</u>
Total restructuring and associated costs	<u>\$ 389</u>	<u>\$ 647</u>	<u>\$ 335</u>

(1) In fiscal year 2023, restructuring charges, net included \$94 million of incremental defined benefit, defined contribution, and post-retirement related expenses for employees that accepted voluntary early retirement packages.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

The following table summarizes the activity related to restructuring programs for fiscal years 2024 and 2023:

(in millions)	Employee Termination Benefits <sup>(1)</sup>	Associated and Other Costs	Total
April 29, 2022	\$ 81	\$ 28	\$ 110
Charges	285	279	564
Cash payments	(150)	(281)	(433)
Accrual adjustments <sup>(2)</sup>	(11)	(1)	(12)
April 28, 2023	204	25	230
Charges	233	163	396
Cash payments	(292)	(161)	(453)
Settled non-cash	—	(16)	(16)
Accrual adjustments <sup>(2)</sup>	(8)	—	(8)
April 26, 2024	\$ 136	\$ 11	\$ 147

- (1) In fiscal year 2023, restructuring charges, net included \$94 million of incremental defined benefit, defined contribution, and post-retirement related expenses for employees that accepted voluntary early retirement packages. These costs are not included in the table summarizing restructuring charges above, as they are associated with costs that are accounted for under the pension and post-retirement rules.
- (2) Accrual adjustments relate to certain employees identified for termination finding other positions within the Company or contract terminations being settled for less than originally estimated.

## 5. Financial Instruments

### Debt Securities

The Company holds investments in marketable debt securities that are classified and accounted for as available-for-sale and are remeasured on a recurring basis. The following tables summarize the Company's investments in available-for-sale debt securities by significant investment category and the related consolidated balance sheet classification at April 26, 2024 and April 28, 2023:

(in millions)	April 26, 2024				Balance Sheet Classification	
	Valuation				Investments	Other Assets
	Cost	Unrealized Gains	Unrealized Losses	Fair Value		
<b>Level 1:</b>						
U.S. government and agency securities	\$ 494	\$ —	\$ (22)	\$ 472	\$ 472	\$ —
<b>Level 2:</b>						
Corporate debt securities	3,953	4	(125)	3,832	3,832	—
U.S. government and agency securities	847	—	(43)	804	804	—
Mortgage-backed securities	692	1	(50)	643	643	—
Non-U.S. government and agency securities	5	—	—	5	5	—
Other asset-backed securities	941	2	(9)	934	934	—
Total Level 2	6,438	7	(227)	6,218	6,218	—
<b>Level 3:</b>						
Auction rate securities	36	—	(3)	33	—	33
Total available-for-sale debt securities	\$ 6,968	\$ 7	\$ (252)	\$ 6,723	\$ 6,690	\$ 33

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

(in millions)	April 28, 2023					
	Valuation				Balance Sheet Classification	
	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Investments	Other Assets
<b>Level 1:</b>						
U.S. government and agency securities	\$ 527	\$ —	\$ (22)	\$ 505	\$ 505	\$ —
<b>Level 2:</b>						
Corporate debt securities	4,140	6	(162)	3,984	3,984	—
U.S. government and agency securities	879	—	(45)	834	834	—
Mortgage-backed securities	560	—	(54)	506	506	—
Non-U.S. government and agency securities	15	—	—	15	15	—
Certificates of deposit	10	—	—	10	10	—
Other asset-backed securities	580	—	(19)	561	561	—
Total Level 2	6,185	6	(281)	5,911	5,911	—
<b>Level 3:</b>						
Auction rate securities	36	—	(3)	33	—	33
Total available-for-sale debt securities	<u>\$ 6,748</u>	<u>\$ 6</u>	<u>\$ (305)</u>	<u>\$ 6,449</u>	<u>\$ 6,416</u>	<u>\$ 33</u>

The amortized cost of debt securities excludes accrued interest, which is reported in *other current assets* in the consolidated balance sheets.

The following tables present the gross unrealized losses and fair values of the Company's available-for-sale debt securities that have been in a continuous unrealized loss position deemed to be temporary, aggregated by investment category at April 26, 2024 and April 28, 2023:

(in millions)	April 26, 2024			
	Less than 12 months		More than 12 months	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	\$ 661	\$ (10)	\$ 2,448	\$ (116)
U.S. government and agency securities	177	(4)	730	(61)
Mortgage-backed securities	—	—	582	(50)
Other asset-backed securities	—	—	502	(9)
Auction rate securities	—	—	33	(3)
Total	<u>\$ 838</u>	<u>\$ (14)</u>	<u>\$ 4,296</u>	<u>\$ (238)</u>

(in millions)	April 28, 2023			
	Less than 12 months		More than 12 months	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	\$ 286	\$ (4)	\$ 2,901	\$ (158)
U.S. government and agency securities	89	(3)	821	(64)
Mortgage-backed securities	26	(1)	460	(53)
Other asset-backed securities	—	—	545	(19)
Auction rate securities	—	—	33	(3)
Total	<u>\$ 401</u>	<u>\$ (8)</u>	<u>\$ 4,760</u>	<u>\$ (297)</u>

The Company reviews the fair value hierarchy classification on a quarterly basis. Changes in the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. There were no transfers into or out of Level 3 during the fiscal years ended April 26, 2024 and April 28, 2023. When a determination is made to classify an asset or liability within Level 3, the determination is based upon the significance of the unobservable inputs to the overall fair value measurement.



**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

Activity related to the Company's available-for-sale debt securities portfolio is as follows:

(in millions)	April 26, 2024	April 28, 2023	April 29, 2022
Proceeds from sales	\$ 7,359	\$ 7,321	\$ 9,611
Gross realized gains	24	10	15
Gross realized losses	(26)	(43)	(18)

The contractual maturities of available-for-sale debt securities at April 26, 2024 are shown in the following table. Within the table, maturities of mortgage-backed securities have been allocated based upon timing of estimated cash flows assuming no change in the current interest rate environment. Actual maturities may differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

(in millions)	Amortized Cost	Fair Value
Due in one year or less	\$ 1,548	\$ 1,534
Due after one year through five years	3,644	3,479
Due after five years through ten years	758	744
Due after ten years	1,019	967
Total	<u>\$ 6,968</u>	<u>\$ 6,723</u>

Interest income is recognized in *other non-operating income, net*, in the consolidated statements of income. For fiscal years 2024, 2023, and 2022 there was \$597 million, \$386 million, and \$186 million of interest income, respectively.

**Equity Securities, Equity Method Investments, and Other Investments**

The Company holds investments in equity securities with readily determinable fair values, equity method investments for which the Company has elected the fair value option, equity investments without readily determinable fair values, investments accounted for under the equity method, and other investments. Equity securities with readily determinable fair values are included in Level 1 of the fair value hierarchy, as they are measured using quoted market prices. Equity method investments for which the Company has elected the fair value option are included within Level 3 of the fair value hierarchy due to the use of significant unobservable inputs to determine fair value. To determine the fair value of these investments, the Company uses a discounted cash flow methodology, taking into consideration various assumptions including discount rate, and all pertinent financial information available related to the investees, including the timing of anticipated product launches, historical financial results, and projections of future cash flows. Equity investments that do not have readily determinable fair values, and that are not accounted for via the fair value option, are included within Level 3 of the fair value hierarchy, as they are measured using the measurement alternative at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer.

The following table summarizes the Company's equity and other investments at April 26, 2024 and April 28, 2023, which are classified as primarily *other assets* in the consolidated balance sheets:

(in millions)	April 26, 2024	April 28, 2023
Investments with readily determinable fair value (marketable equity securities)	\$ 28	\$ 115
Investments for which the fair value option has been elected	311	531
Investments without readily determinable fair values	859	872
Equity method and other investments	84	89
Total equity and other investments	<u>\$ 1,282</u>	<u>\$ 1,607</u>

Gains and losses on the Company's portfolio of equity and other investments are recognized in *other non-operating income, net* in the consolidated statements of income. During the fiscal year ended April 26, 2024, there were \$291 million of net unrealized losses on equity securities and other investments still held at April 26, 2024. During the fiscal year ended April 28, 2023, there were \$56 million of net unrealized gains on equity securities and other investments still held at April 28, 2023.

## Medtronic plc

### Notes to Consolidated Financial Statements (Continued)

#### Mozarc Medical Investment

As further described in Note 3, on April 1, 2023 the Company sold half of its RCS business to Mozarc, and as a result of the transaction the Company retained a 50% equity interest in Mozarc. Although the equity investment provides the Company with the ability to exercise significant influence over Mozarc, the Company has elected the fair value option to account for this equity investment. The Company believes the fair value option best reflects the economics of the underlying transaction.

Under the fair value option, changes in the fair value of the investment are recognized through earnings each reporting period in *other non-operating income, net* in the consolidated statements of income. During the fiscal year ended April 26, 2024, the Company recognized a loss of \$220 million, primarily driven by the timing of anticipated product launches, historical financial results, and projections of future cash flows.

The following table provides a reconciliation of the beginning and ending balances of the Mozarc investment for which the fair value option has been elected:

(in millions)	Fiscal Year	
	2024	2023
Beginning Balance	\$ 531	\$ —
Initial valuation	—	307
Additional cash investment	—	224
Change in fair value	(220)	—
Ending Balance	\$ 311	\$ 531

#### 6. Financing Arrangements

Current debt obligations consisted of the following:

(in millions)	April 26, 2024	April 28, 2023
Bank borrowings	\$ 13	\$ 13
Finance lease obligations	6	7
Commercial Paper	1,073	—
Current debt obligations	\$ 1,092	\$ 20

**Commercial Paper** On January 26, 2015, Medtronic Global Holdings S.C.A. (Medtronic Luxco), an entity organized under the laws of Luxembourg, entered into various agreements pursuant to which Medtronic Luxco may issue United States Dollar-denominated unsecured commercial paper notes (the 2015 CP Program) on a private placement basis, and on January 31, 2020 Medtronic Luxco entered into various agreements pursuant to which Medtronic Luxco may issue Euro-denominated unsecured commercial paper notes (the 2020 CP Program) on a private placement basis. The maximum aggregate amount outstanding at any time under the 2015 CP Program and the 2020 CP Program together may not exceed the equivalent of \$3.5 billion. The Company and Medtronic, Inc. have guaranteed the obligations of Medtronic Luxco under the 2015 CP Program and the 2020 CP Program.

There was \$1.1 billion commercial paper outstanding at April 26, 2024. During fiscal year 2024, the weighted average original maturity of the commercial paper outstanding was approximately 20 days and the weighted average interest rate was 5.45 percent. There was no commercial paper outstanding at April 28, 2023. During fiscal year 2023, the weighted average original maturity of the commercial paper outstanding was approximately 22 days and the weighted average interest rate was 4.34 percent. The issuance of commercial paper reduces the amount of credit available under the Company's existing credit facility, defined below.

**Line of Credit** On December 12, 2023, Medtronic Luxco, as borrower, entered into an amendment to its amended and restated credit agreement (Credit Facility), by and among Medtronic, Medtronic, Inc., Medtronic Luxco, the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent and issuing bank, extending the maturity date of the Credit Facility to December 2028.

The Credit Facility provides for a \$3.5 billion five-year unsecured revolving credit facility (Credit Facility). At each anniversary date of the Credit Facility, we can request a one-year extension of the maturity date. The Credit Facility provides the Company with the ability to increase its borrowing capacity by an additional \$1.0 billion at any time during the term of the agreement. The Company and Medtronic, Inc. have guaranteed the obligations of the borrowers under the Credit Facility, and Medtronic Luxco will also guarantee the obligations of any designated borrower. The Credit Facility includes a multi-currency borrowing feature for certain specified foreign currencies. At April 26, 2024 and April 28, 2023, no amounts were outstanding under the Credit Facility.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

Interest rates on advances on the Credit Facility are determined by a pricing matrix based on the Company's long-term debt ratings, assigned by Standard & Poor's Ratings Services and Moody's Investors Service. Facility fees are payable on the Credit Facility and are determined in the same manner as the interest rates. The Company is in compliance with all covenants related to the Credit Facility.

The Company's long-term debt obligations consisted of the following:

(in millions, except interest rates)	Maturity by Fiscal Year	April 26, 2024		April 28, 2023	
		Amount	Effective Interest Rate	Amount	Effective Interest Rate
0.250 percent six-year 2019 senior notes	2026	1,070	0.44	1,097	0.44
2.625 percent three-year 2022 senior notes	2026	535	2.86	549	2.86
0.000 percent five-year 2020 senior notes	2026	1,070	0.23	1,097	0.23
1.125 percent eight-year 2019 senior notes	2027	1,606	1.25	1,646	1.25
4.250 percent five-year 2023 senior notes	2028	1,000	4.42	1,000	4.42
3.000 percent six-year 2022 senior notes	2029	1,070	3.10	1,097	3.09
0.375 percent eight-year 2020 senior notes	2029	1,070	0.51	1,097	0.51
1.625 percent twelve-year 2019 senior notes	2031	1,070	1.75	1,097	1.75
1.000 percent twelve-year 2019 senior notes	2032	1,070	1.06	1,097	1.06
3.125 percent nine-year 2022 senior notes	2032	1,070	3.25	1,097	3.25
0.750 percent twelve-year 2020 senior notes	2033	1,070	0.81	1,097	0.81
4.500 percent ten-year 2023 senior notes	2033	1,000	4.62	1,000	4.62
3.375 percent twelve-year 2022 senior notes	2035	1,070	3.44	1,097	3.44
4.375 percent twenty-year 2015 senior notes	2035	1,932	4.47	1,932	4.47
6.550 percent thirty-year 2007 CIFSA senior notes	2038	253	4.67	253	4.67
2.250 percent twenty-year 2019 senior notes	2039	1,070	2.34	1,097	2.34
6.500 percent thirty-year 2009 senior notes	2039	158	6.56	158	6.56
1.500 percent twenty-year 2019 senior notes	2040	1,070	1.58	1,097	1.58
5.550 percent thirty-year 2010 senior notes	2040	224	5.58	224	5.58
1.375 percent twenty-year 2020 senior notes	2041	1,070	1.46	1,097	1.46
4.500 percent thirty-year 2012 senior notes	2042	105	4.54	105	4.54
4.000 percent thirty-year 2013 senior notes	2043	305	4.09	305	4.09
4.625 percent thirty-year 2014 senior notes	2044	127	4.67	127	4.67
4.625 percent thirty-year 2015 senior notes	2045	1,813	4.69	1,813	4.69
1.750 percent thirty-year 2019 senior notes	2050	1,070	1.87	1,097	1.87
1.625 percent thirty-year 2020 senior notes	2051	1,070	1.75	1,097	1.75
Finance lease obligations	2026-2036	55	10.17	57	9.91
Debt discount, net	2026-2051	(55)	—	(64)	—
Deferred financing costs	2026-2051	(110)	—	(124)	—
Long-term debt		<u>\$ 23,932</u>		<u>\$ 24,344</u>	

**Senior Notes** The Company has outstanding unsecured senior obligations, described as senior notes in the tables above (collectively, the Senior Notes). The Senior Notes rank equally with all other unsecured and unsubordinated indebtedness of the Company. The Company is in compliance with all covenants related to the Senior Notes.

In September 2022, Medtronic Luxco issued four tranches of Euro-denominated Senior Notes with an aggregate principal of €3.5 billion, with maturities ranging from fiscal year 2026 to 2035, resulting in cash proceeds of approximately \$3.4 billion, net of discounts and issuance costs. The Company used the net proceeds to repay at maturity €750 million of Medtronic Luxco Senior Notes for \$772 million of total consideration in December 2022 and €2.8 billion of Medtronic Luxco Senior Notes for \$2.9 billion of total consideration in March 2023.

## Medtronic plc

### Notes to Consolidated Financial Statements (Continued)

In March 2023, Medtronic Luxco issued two tranches of USD-denominated Senior Notes with an aggregate principal of \$2.0 billion, with maturities ranging from fiscal year 2028 to 2033, resulting in cash proceeds of approximately \$2.0 billion, net of discounts and issuance costs. The Company used the net proceeds supplemented by additional cash to repay the ¥297 billion Fiscal 2023 Loan Agreement discussed below for \$2.3 billion of total consideration.

Subsequent to year-end, on June 3, 2024, Medtronic Inc. issued four tranches of EUR-denominated Senior Notes with an aggregate principal of €3.0 billion, with maturities ranging from fiscal year 2030 to 2054, resulting in cash proceeds of approximately \$3.2 billion, net of discounts and issuance costs. In anticipation of the Euro-denominated debt issuance, the Company entered into forward currency exchange rate contracts to manage the exposure to exchange rate movements. These contracts were settled in conjunction with the issuance of the June 2024 Notes.

The Euro-denominated debt issued in September 2022 is designated as a net investment hedge of certain of the Company's European operations. Refer to Note 7 for additional information regarding the net investment hedge.

**Term Loan Agreements** In May 2022, Medtronic Luxco entered into a term loan agreement (Fiscal 2023 Loan Agreement) by and among Medtronic Luxco, Medtronic plc, Medtronic, Inc., and Mizuho Bank, Ltd. as administrative agent and as lender. The Fiscal 2023 Loan Agreement provides an unsecured term loan in an aggregate principal amount of up to ¥300 billion with a term of 364 days. Borrowings under the Fiscal 2023 Loan Agreement bear interest at the TIBOR Rate (as defined in the Fiscal 2023 Loan Agreement) plus a margin of 0.40% per annum. Medtronic plc and Medtronic, Inc. guaranteed the obligations of Medtronic Luxco under the Fiscal 2023 Loan Agreement. In May and June 2022, Medtronic Luxco borrowed an aggregate of ¥297 billion, or approximately \$2.3 billion, of the term loan, under the Fiscal 2023 Loan Agreement. The Company used the net proceeds of the borrowings to fund the early redemption of \$1.9 billion of Medtronic Inc.'s 3.500% Senior Notes due 2025 for \$1.9 billion of total consideration, and \$368 million of Medtronic Luxco's 3.350% Senior Notes due 2027 for \$376 million of total consideration. The Company recognized a total loss on debt extinguishment of \$53 million within *interest expense, net* in the consolidated statements of income during fiscal year 2023, which primarily includes cash premiums and accelerated amortization of deferred financing costs and debt discounts and premiums. During the fourth quarter of fiscal year 2023, the Company repaid the term loan in full, including interest.

Contractual maturities of debt for the next five fiscal years and thereafter, excluding deferred financing costs and debt discount, net, are as follows:

(in millions)	
2025	\$ 1,092
2026	2,684
2027	1,612
2028	1,006
2029	2,146
Thereafter	16,649
<b>Total</b>	<b>\$ 25,189</b>

For fiscal years 2024, 2023, and 2022, there was \$916 million, \$743 million, and \$553 million of interest expense on outstanding borrowings, including amortization of debt issuance costs and debt discounts and premiums, and charges recognized in connection with the early redemption of senior notes, recognized in *interest expense, net* in the consolidated statements of income.

### Financial Instruments Not Measured at Fair Value

At April 26, 2024, the estimated fair value of the Company's Senior Notes was \$21.2 billion compared to a principal value of \$24.0 billion. At April 28, 2023, the estimated fair value was \$21.7 billion compared to a principal value of \$24.5 billion. The fair value was estimated using quoted market prices for the publicly registered Senior Notes, which are classified as Level 2 within the fair value hierarchy. The fair values and principal values consider the terms of the related debt and exclude the impacts of debt discounts and hedging activity.

### 7. Derivatives and Currency Exchange Risk Management

The Company uses derivative instruments and foreign currency denominated debt to manage the impact that currency exchange rate and interest rate changes have on reported financial statements. The Company does not enter into derivative contracts for speculative purposes.

# Medtronic plc

## Notes to Consolidated Financial Statements (Continued)

### Cash Flow Hedges

The Company uses foreign currency forward and option contracts designated as cash flow hedges to manage its exposure to the variability of future cash flows that are denominated in a foreign currency.

At inception, foreign currency forward and option contracts are designated as a cash flow hedge. Changes in the fair value of these derivatives are reported as a component of *accumulated other comprehensive loss* until the hedged transaction affects earnings. When the hedged transaction affects earnings, the gain or loss on the derivative is reclassified to earnings. Amounts excluded from the measurement of hedge effectiveness are recognized in earnings on a straight-line basis over the term of the hedge. Cash flows are reported as operating activities in the consolidated statements of cash flows.

The Company's cash flow hedges will mature within the subsequent three-year period. At April 26, 2024 and April 28, 2023, the Company had \$229 million and \$93 million in after-tax unrealized gains, respectively, associated with cash flow hedging instruments recorded in *accumulated other comprehensive loss*. The Company expects that \$158 million of after-tax net unrealized gains at April 26, 2024 will be recognized in the consolidated statements of income over the next 12 months.

### Net Investment Hedges

The Company uses derivative instruments and foreign currency denominated debt to manage foreign currency risk associated with its net investment in foreign operations. The derivative instruments that the Company uses for this purpose may include foreign currency forward exchange contracts used on a standalone basis or in combination with option collars and standalone cross currency interest rate contracts.

For instruments that are designated as net investment hedges, the gains or losses are reported as a component of *accumulated other comprehensive loss*. The gains or losses are reclassified into earnings upon a liquidation event or deconsolidation of the foreign subsidiary. Amounts excluded from the assessment of effectiveness are recognized in *interest expense, net* on a straight-line basis over the term of the hedge. During the twelve months ended April 26, 2024 and April 28, 2023, the Company recognized \$197 million and \$107 million, respectively, of after-tax unrealized gains related to excluded components in *interest expense, net*. The cash flows related to the Company's derivative instruments designated as net investment hedges are reported as investing activities in the consolidated statements of cash flows. Cash flows attributable to amounts excluded from the assessment of effectiveness are reported as operating activities in the consolidated statements of cash flows.

### Undesignated Derivatives

The Company uses foreign currency forward exchange contracts to offset the Company's exposure to the change in the value of non-functional currency denominated assets, liabilities, and cash flows.

These foreign currency forward exchange rate contracts are not designated as hedges at inception, and therefore, changes in the fair value of these contracts are recognized in the consolidated statements of income. Cash flows related to the Company's undesignated derivative contracts are reported in the consolidated statements of cash flows based on the nature of the derivative instrument.

### Outstanding Instruments

The following table presents the contractual amounts of the Company's outstanding instruments:

(in billions)	Designation	As of	
		April 26, 2024	April 28, 2023
Currency exchange rate contracts	Cash flow hedge	\$ 10.4	\$ 9.1
Currency exchange rate contracts <sup>(1)</sup>	Net investment hedge	7.4	7.2
Foreign currency-denominated debt <sup>(2)</sup>	Net investment hedge	17.1	17.6
Currency exchange rate contracts	Undesignated	5.9	5.8

(1) At April 26, 2024, includes derivative contracts with a notional value of €5.0 billion, or \$5.4 billion, designated as hedges of a portion of our net investment in certain European operations and derivative contracts with a notional value of ¥322 billion, or \$2.1 billion, designated as hedges of a portion of our net investment in certain Japanese operations. These derivative contracts mature in fiscal years 2025 through 2033.

(2) At April 26, 2024, includes €16.0 billion, or \$17.1 billion, of outstanding Euro-denominated debt designated as hedges of a portion our net investment in foreign operations. This debt matures in fiscal years 2026 through 2051.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

**Gains and Losses on Hedging Instruments and Derivatives not Designated as Hedging Instruments**

The amount of the gains and losses on hedging instruments and the classification of those gains and losses within our consolidated financial statements for fiscal years 2024, 2023, and 2022 were as follows:

(in millions)	(Gain) Loss Recognized in Accumulated Other Comprehensive Income			(Gain) Loss Reclassified into Income			Location of (Gain) Loss in Income Statement
	Fiscal Year			Fiscal Year			
	2024	2023	2022	2024	2023	2022	
Cash flow hedges							
Currency exchange rate contracts	\$ (416)	\$ (161)	\$ (953)	\$ (312)	\$ (703)	\$ (144)	Other operating expense (income), net
Currency exchange rate contracts	(124)	(79)	18	(57)	(3)	61	Cost of products sold
Net investment hedges							
Foreign currency-denominated debt	(431)	524	(2,299)	—	—	—	N/A
Currency exchange rate contracts	(202)	73	—	—	—	—	N/A
Total	\$ (1,173)	\$ 356	\$ (3,234)	\$ (369)	\$ (706)	\$ (83)	

The amount of the gains and losses on our derivative instruments not designated as hedging instruments and the classification of those gains and losses within our consolidated financial statements for fiscal years 2024, 2023, and 2022 were as follows:

(in millions)	(Gain) Loss Recognized in Income			Location of (Gain) Loss in Income Statement
	Fiscal Year			
	2024	2023	2022	
Currency exchange rate contracts	\$ 136	\$ 31	\$ (54)	Other operating expense (income), net

**Balance Sheet Presentation**

The following tables summarize the balance sheet classification and fair value of derivative instruments included in the consolidated balance sheets at April 26, 2024 and April 28, 2023. The fair value amounts are presented on a gross basis and are segregated between derivatives that are designated and qualify as hedging instruments and those that are not designated and do not qualify as hedging instruments, and are further segregated by type of contract within those two categories.

(in millions)	Fair Value - Assets			Fair Value - Liabilities		
	April 26, 2024	April 28, 2023	Balance Sheet Classification	April 26, 2024	April 28, 2023	Balance Sheet Classification
Derivatives designated as hedging instruments						
Currency exchange rate contracts	\$ 368	\$ 318	Other current assets	\$ 37	\$ 109	Other accrued expenses
Currency exchange rate contracts	276	33	Other assets	17	117	Other liabilities
Total derivatives designated as hedging instruments	644	351		54	226	
Derivatives not designated as hedging instruments						
Currency exchange rate contracts	15	17	Other current assets	12	10	Other accrued expenses
Total derivatives	\$ 659	\$ 368		\$ 66	\$ 236	

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

The following table provides information by level for the derivative assets and liabilities that are measured at fair value on a recurring basis:

(in millions)	April 26, 2024		April 28, 2023	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Level 1	\$ 659	\$ 66	\$ 368	\$ 236

The Company has elected to present the fair value of derivative assets and liabilities within the consolidated balance sheets on a gross basis, even when derivative transactions are subject to master netting arrangements and may otherwise qualify for net presentation. The cash flows related to collateral posted and received are reported gross as investing and financing activities, respectively, in the consolidated statements of cash flows.

The following tables provide information as if the Company had elected to offset the asset and liability balances of derivative instruments, netted in accordance with various criteria as stipulated by the terms of the master netting arrangements with each of the counterparties. Derivatives not subject to master netting arrangements are not eligible for net presentation.

(in millions)	April 26, 2024			
	Gross Amount of Recognized Assets (Liabilities)	Gross Amount Not Offset on the Balance Sheet		Net Amount
		Financial Instruments	Cash Collateral (Received) Posted	
<b>Derivative assets:</b>				
Currency exchange rate contracts	\$ 659	\$ (66)	\$ (101)	\$ 492
<b>Derivative liabilities:</b>				
Currency exchange rate contracts	(66)	66	—	—
<b>Total</b>	<b>\$ 593</b>	<b>\$ —</b>	<b>\$ (101)</b>	<b>\$ 492</b>

(in millions)	April 28, 2023			
	Gross Amount of Recognized Assets (Liabilities)	Gross Amount Not Offset on the Balance Sheet		Net Amount
		Financial Instruments	Cash Collateral (Received) Posted	
<b>Derivative assets:</b>				
Currency exchange rate contracts	\$ 368	\$ (189)	\$ (11)	\$ 168
<b>Derivative liabilities:</b>				
Currency exchange rate contracts	(236)	189	—	(48)
<b>Total</b>	<b>\$ 132</b>	<b>\$ —</b>	<b>\$ (11)</b>	<b>\$ 121</b>

**Concentrations of Credit Risk**

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of interest-bearing investments, derivative contracts, and trade accounts receivable. Global concentrations of credit risk with respect to trade accounts receivable are limited due to the large number of customers and their dispersion across many geographic areas. The Company monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business.

The Company maintains cash and cash equivalents, investments, and certain other financial instruments (including currency exchange rate and interest rate derivative contracts) with various major financial institutions. The Company performs periodic evaluations of the relative credit standings of these financial institutions and limits the amount of credit exposure with any one institution. In addition, the Company has collateral credit agreements with its primary derivatives counterparties. Under these agreements, either party is required to post eligible collateral when the market value of transactions covered by the agreement exceeds specific thresholds, thus limiting credit exposure for both parties. As of April 26, 2024 and April 28, 2023, the Company received net cash collateral of \$101 million and \$11 million, respectively,



**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

from its counterparties. Cash collateral posted is recorded as a reduction in *cash and cash equivalents*, with the offset recorded as an increase in *other current assets* in the consolidated balance sheets. Cash collateral received is recorded as an increase in *cash and cash equivalents* with the offset recorded in *other accrued expenses* in the consolidated balance sheets.

**8. Inventories**

Inventory balances were as follows:

(in millions)	April 26, 2024	April 28, 2023
Finished goods	\$ 3,668	\$ 3,440
Work-in-process	642	789
Raw materials	907	1,063
Total	<u>\$ 5,217</u>	<u>\$ 5,293</u>

**9. Goodwill and Other Intangible Assets**

**Goodwill**

The following table presents the changes in the carrying amount of goodwill by segment:

(in millions)	Cardiovascular	Neuroscience	Medical Surgical	Diabetes	Total
April 29, 2022	\$ 7,160	\$ 11,132	\$ 19,957	\$ 2,254	\$ 40,502
Goodwill as a result of acquisitions	726	615	—	—	1,340
Purchase accounting adjustments	(6)	2	—	—	(5)
Sale of RCS business	—	—	(208)	—	(208)
Currency translation and other	(6)	(30)	(170)	1	(204)
April 28, 2023	7,873	11,718	19,579	2,255	41,425
Goodwill as a result of acquisitions	131	—	—	—	131
Purchase accounting adjustments	(5)	—	—	—	(5)
Currency translation and other	(33)	(74)	(458)	—	(565)
April 26, 2024	<u>\$ 7,966</u>	<u>\$ 11,644</u>	<u>\$ 19,121</u>	<u>\$ 2,255</u>	<u>\$ 40,986</u>

As further described in Note 19, the Company had changes to the operating segments during fiscal year 2024. As of the beginning of fiscal year 2024, the Medical Surgical portfolio was separated into two operating segments, and each new operating segment was considered a standalone reporting unit as of the beginning of fiscal year 2024. As a result of this change, the Company allocated all goodwill that was previously assigned to the Medical Surgical reporting unit to the Surgical/Endoscopy reporting unit and the Patient Monitoring/Respiratory Interventions (PMRI) reporting unit using a relative fair value allocation approach. The effected reporting units were tested for impairment before and after the alignment. No goodwill impairment was identified in either test as of the beginning of the fiscal year 2024.

Additionally, during the fourth quarter of fiscal year 2024, the Company's operating segments changed again resulting in the two reporting units created in the first quarter to be combined into the Medical Surgical reporting unit. All goodwill that was previously assigned to the two reporting units was combined into the Medical Surgical reporting unit.

The Company did not recognize any goodwill impairment charges during fiscal years 2024 or 2022. As a result of the agreement with DaVita, as disclosed in Note 3, the Company allocated \$208 million of goodwill to the RCS business that met the criteria to be classified as held for sale during the first quarter of fiscal year 2023 and was subsequently sold on April 1, 2023. Upon allocation, a goodwill impairment test was performed for the RCS business, and the Company recognized \$61 million of goodwill impairment charges during fiscal year 2023. The goodwill impairment charges are recognized in *other operating expense (income), net* in the consolidated statements of income.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

**Intangible Assets**

The following table presents the gross carrying amount and accumulated amortization of intangible assets:

(in millions)	April 26, 2024		April 28, 2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<b>Definite-lived:</b>				
Customer-related	\$ 16,518	\$ (8,689)	\$ 16,956	\$ (7,979)
Purchased technology and patents	11,557	(6,868)	11,659	(6,277)
Trademarks and tradenames	424	(274)	486	(280)
Other	256	(84)	116	(69)
Total	<u>\$ 28,755</u>	<u>\$ (15,915)</u>	<u>\$ 29,217</u>	<u>\$ (14,605)</u>
<b>Indefinite-lived:</b>				
IPR&D	\$ 385	\$ —	\$ 232	\$ —

During fiscal year 2024, the Company recognized \$295 million of definite-lived intangible asset impairment charges in connection with the decision to exit its ventilator product line. The intangible asset impairment charges primarily related to purchased technology, customer-related intangibles, and trade names. During fiscal year 2022, the Company recognized \$409 million of definite-lived intangible asset impairment charges in connection with the Company's decision to stop the distribution and sale of the Medtronic HVAD System. The intangible asset impairment charge primarily related to purchased technology and patents. The intangible asset impairment charges are recognized in *other operating expense (income), net* in the consolidated statements of income. Refer to Note 3 for additional information on what led to the impairments in fiscal year 2024 and 2022. The Company did not recognize any definite-lived intangible asset impairment charges during fiscal year 2023.

Indefinite-lived intangible asset impairment charges were not significant for fiscal year 2024, 2023, or 2022. Due to the nature of IPR&D projects, the Company may experience future delays or failures to obtain regulatory approvals to conduct clinical trials, failures of such clinical trials, delays or failures to obtain required market clearances, other failures to achieve a commercially viable product, or the discontinuation of certain projects, and as a result, may recognize impairment losses in the future.

**Amortization Expense**

Intangible asset amortization expense was \$1.7 billion for fiscal years 2024, 2023 and 2022. Estimated aggregate amortization expense by fiscal year based on the current carrying value and remaining estimated useful lives of definite-lived intangible assets at April 26, 2024, excluding any possible future amortization associated with acquired IPR&D which has not met technological feasibility, is as follows:

(in millions)	Amortization Expense
2025	\$ 1,635
2026	1,623
2027	1,600
2028	1,550
2029	1,471

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

## 10. Property, Plant, and Equipment

Property, plant, and equipment balances and corresponding estimated useful lives were as follows:

(in millions)	April 26, 2024	April 28, 2023	Estimated Useful Lives (in years)
Equipment	\$ 6,396	\$ 6,707	Generally 2-10, up to 15
Computer software	2,872	2,952	Up to 10
Land and land improvements	159	162	Up to 20
Buildings and leasehold improvements	2,506	2,487	Up to 40
Construction in progress	2,119	1,754	—
Property, plant, and equipment	14,052	14,062	
Less: Accumulated depreciation	(7,922)	(8,493)	
Property, plant, and equipment, net	\$ 6,131	\$ 5,569	

Depreciation expense of \$954 million, \$999 million, and \$974 million was recognized in fiscal years 2024, 2023, and 2022, respectively.

## 11. Shareholders' Equity

**Share Capital** Medtronic plc is authorized to issue 2.6 billion Ordinary Shares, \$0.0001 par value; 40 thousand Euro Deferred Shares, €1.00 par value; 127.5 million Preferred Shares, \$0.20 par value; and 500 thousand A Preferred Shares, \$1.00 par value.

**Euro Deferred Shares** The authorized share capital of the Company includes 40 thousand Euro Deferred Shares, with a par value of €1.00 per share. At April 26, 2024, no Euro Deferred Shares were issued or outstanding.

**Preferred Shares** The authorized share capital of the Company includes 127.5 million of Preferred Shares, with a par value of \$0.20 per share. At April 26, 2024, no Preferred Shares were issued or outstanding.

**A Preferred Shares** The authorized share capital of the Company includes 500 thousand A Preferred Shares, with a par value of \$1.00 per share. At April 26, 2024, no A Preferred Shares were outstanding.

**Dividends** The timing, declaration, and payment of future dividends to holders of the Company's ordinary shares falls within the discretion of the Company's Board of Directors and depends upon many factors, including the statutory requirements of Irish law, the Company's earnings and financial condition, the capital requirements of the Company's businesses, industry practice and any other factors the Board of Directors deems relevant.

**Ordinary Share Repurchase Program** Shares are repurchased on occasion to support the Company's stock-based compensation programs and to return capital to shareholders. During fiscal years 2024 and 2023, the Company repurchased approximately 25 million and 6 million shares, respectively, at an average price of \$83.04 and \$91.31, respectively.

In March 2019, the Company's Board of Directors authorized \$6.0 billion for repurchase of the Company's ordinary shares. In March 2024, the Company's Board of Directors authorized an incremental \$5.0 billion for share repurchases. There is no specific time-period associated with these repurchase authorizations. At April 26, 2024, the Company had used \$5.7 billion of the \$11.0 billion authorized under the repurchase program, leaving approximately \$5.3 billion available for future repurchases. The Company accounts for repurchases of ordinary shares using the par value method and shares repurchased are cancelled.

## 12. Stock Purchase and Award Plans

In fiscal year 2024, the Company granted stock awards under the 2021 Medtronic plc Long Term Incentive Plan (2021 Plan). The 2021 Plan provides for the grant of non-qualified and incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, and other stock and cash-based awards. At April 26, 2024, there were approximately 88 million shares available for future grants under the 2021 Plan.

**Medtronic plc**
**Notes to Consolidated Financial Statements (Continued)**

**Stock-Based Compensation Expense** The following table presents the components and classification of stock-based compensation expense recognized for stock options, restricted stock, performance share units, and employee stock purchase plan (ESPP) in fiscal years 2024, 2023, and 2022:

(in millions)	Fiscal Year		
	2024	2023	2022
Stock options	\$ 76	\$ 77	\$ 70
Restricted stock	184	166	184
Performance share units	97	74	66
Employee stock purchase plan	36	38	39
Total stock-based compensation expense	<u>\$ 393</u>	<u>\$ 355</u>	<u>\$ 359</u>
Cost of products sold	\$ 35	\$ 36	\$ 36
Research and development expense	47	39	40
Selling, general, and administrative expense	310	280	283
Total stock-based compensation expense	<u>393</u>	<u>355</u>	<u>359</u>
Income tax benefits	(64)	(60)	(62)
Total stock-based compensation expense, net of tax	<u>\$ 329</u>	<u>\$ 295</u>	<u>\$ 297</u>

**Stock Options** Options are granted at the exercise price, which is equal to the closing price of the Company's ordinary shares on the grant date. The majority of the Company's options are non-qualified options with a ten-year life and a four-year ratable vesting term. The Company uses the Black-Scholes option pricing model (Black-Scholes model) to determine the fair value of stock options at the grant date. The fair value of stock options under the Black-Scholes model requires management to make assumptions regarding projected employee stock option exercise behaviors, risk-free interest rates, volatility of the Company's stock price, and expected dividends. Expected volatility is based on a blend of historical volatility and an implied volatility of the Company's ordinary shares. Implied volatility is based on market traded options of the Company's ordinary shares.

The following table provides the weighted average fair value of options granted to employees and the related assumptions used in the Black-Scholes model:

	Fiscal Year		
	2024	2023	2022
Weighted average fair value of options granted	\$ 18.49	\$ 17.76	\$ 22.83
Assumptions used:			
Expected life (years)	6.1	6.0	6.0
Risk-free interest rate	4.16 %	2.70 %	0.90 %
Volatility	24.29 %	24.05 %	23.04 %
Dividend yield	3.18 %	2.92 %	1.95 %

The following table summarizes stock option activity during fiscal year 2024:

	Options (in thousands)	Wtd. Avg. Exercise Price	Wtd. Avg. Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at April 28, 2023	30,866	\$ 93.30		
Granted	4,823	86.86		
Exercised	(1,445)	65.07		
Expired/Forfeited/Cancelled	(1,905)	98.12		
Outstanding at April 26, 2024	<u>32,339</u>	93.32	4.9	\$ 30
Expected to vest at April 26, 2024	<u>8,914</u>	95.62	8.4	2
Exercisable at April 26, 2024	<u>22,746</u>	92.46	3.4	28

**Medtronic plc**
**Notes to Consolidated Financial Statements (Continued)**

The following table summarizes the total cash received from the issuance of new shares upon stock option award exercises, the total intrinsic value of options exercised, and the related tax benefit during fiscal years 2024, 2023, and 2022:

(in millions)	Fiscal Year		
	2024	2023	2022
Cash proceeds from options exercised	\$ 78	\$ 77	\$ 209
Intrinsic value of options exercised	28	42	174
Tax benefit related to options exercised	6	9	40

Unrecognized compensation expense related to outstanding stock options at April 26, 2024 was \$90 million and is expected to be recognized over a weighted average period of 2.4 years.

**Restricted Stock** Restricted stock units are expensed over the vesting period and are subject to forfeiture if employment terminates prior to the lapse of the restrictions. The expense recognized for restricted stock units is equal to the grant date fair value, which is equal to the closing stock price on the date of grant. The majority of the Company's restricted stock units either have a four-year ratable vesting term or cliff vest after three years. Restricted stock units are not considered issued or outstanding ordinary shares of the Company. Dividend equivalent units are accumulated on restricted stock units during the vesting period.

The following table summarizes restricted stock activity during fiscal year 2024:

	Units (in thousands)	Wtd. Avg. Grant Price
Nonvested at April 28, 2023	5,189	\$ 102.34
Granted	3,297	82.80
Vested	(1,819)	102.17
Forfeited/Cancelled	(526)	99.34
Nonvested at April 26, 2024	6,142	92.57

The following table summarizes the weighted-average grant date fair value of restricted stock granted, total fair value of restricted stock vested and related tax benefit during fiscal years 2024, 2023, and 2022:

(in millions, except per share data)	Fiscal Year		
	2024	2023	2022
Weighted-average grant-date fair value per restricted stock	\$ 82.80	\$ 91.83	\$ 127.47
Fair value of restricted stock vested	186	256	194
Tax benefit related to restricted stock vested	29	45	52

Unrecognized compensation expense related to restricted stock as of April 26, 2024 was \$361 million and is expected to be recognized over a weighted average period of 2.6 years.

**Performance Share Units** Performance share units typically cliff vest after three years. The awards include three metrics: relative total shareholder return (rTSR), revenue growth, and return on investor capital (ROIC). rTSR is considered a market condition metric, and the expense is determined at the grant date and will not be adjusted even if the market condition is not met. Revenue growth and ROIC are considered performance metrics, and the expense is recorded over the performance period, which will be reassessed each reporting period based on the probability of achieving the various performance conditions. The number of shares earned at the end of the three-year period will vary, based on only actual performance, from 0% to 200% of the target number of performance share units granted. Performance share units are subject to forfeiture if employment terminates prior to the lapse of the restrictions. Performance share units are not considered issued or outstanding ordinary shares of the Company. Dividend equivalent units are accumulated on performance share units for each component of the award during the vesting period.

The Company calculates the fair value of the performance share units for each component individually. The fair value of the rTSR metric will be determined using the Monte Carlo valuation model. The fair value of the revenue growth and ROIC metrics are equal to the closing stock price on the grant date.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

The following table summarizes performance share unit activity during fiscal year 2024:

	Units (in thousands)	Wtd. Avg. Grant Price
Nonvested at April 28, 2023	2,043	\$ 119.88
Granted	1,283	104.78
Vested	(249)	129.49
Performance adjustments <sup>(1)</sup>	(455)	147.92
Forfeited/Cancelled	(200)	113.57
Nonvested at April 26, 2024	2,422	106.50

(1) Performance adjustments are adjustments to grants where the performance period has ended and actual performance is known.

The following table summarizes the weighted-average grant date fair value of performance share units granted, total fair value of performance share units vested and related tax benefit during fiscal year 2024, 2023, and 2022:

(in millions, except per share data)	Fiscal Year		
	2024	2023	2022
Weighted-average grant-date fair value per performance share units	\$ 104.78	\$ 98.17	\$ 149.16
Fair value of performance share units vested	78	—	—
Tax benefit related to performance share units vested	3	—	—

Unrecognized compensation expense related to performance share units as of April 26, 2024 was \$89 million and is expected to be recognized over a weighted average period of 1.6 years.

**Employees Stock Purchase Plan (ESPP)** The Company's shareholders approved the Medtronic plc 2024 Employee Stock Purchase Plan (2024 Plan) on October 19, 2023, which provides for a maximum of 30 million ordinary shares to be purchased by participating employees. The 2024 Plan replaced the Medtronic plc Amended and Restated 2014 Employees Stock Purchase Plan (2014 Plan) starting January 1, 2024. The 2024 Plan allows participating employees to purchase the Company's ordinary shares at a discount through payroll deductions. The expense recognized for shares purchased under the Company's 2014 Plan and 2024 Plan is equal to the 15 percent discount the employee receives. Employees purchased 3 million shares at an average price of \$71.10 per share in fiscal year 2024. At April 26, 2024, approximately 29 million ordinary shares were available for future purchase under the 2024 Plan.

**Medtronic plc**
**Notes to Consolidated Financial Statements (Continued)**
**13. Income Taxes**

The income tax provision is based on income before income taxes reported for financial statement purposes. The components of income before income taxes, based on tax jurisdiction, are as follows:

(in millions)	Fiscal Year		
	2024	2023	2022
U.S.	\$ 750	\$ 1,295	\$ 436
International	4,087	4,069	5,081
Income before income taxes	<u>\$ 4,837</u>	<u>\$ 5,364</u>	<u>\$ 5,517</u>

The income tax provision consists of the following:

(in millions)	Fiscal Year		
	2024	2023	2022
<b>Current tax expense:</b>			
U.S.	\$ 756	\$ 1,303	\$ 467
International	905	530	599
Total current tax expense	1,661	1,833	1,066
<b>Deferred tax (benefit) expense:</b>			
U.S.	(435)	(336)	(402)
International	(93)	83	(209)
Net deferred tax benefit	(528)	(253)	(611)
Income tax provision	<u>\$ 1,133</u>	<u>\$ 1,580</u>	<u>\$ 456</u>



**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

Tax assets (liabilities), shown before jurisdictional netting of deferred tax assets (liabilities), are comprised of the following:

(in millions)	April 26, 2024	April 28, 2023
<b>Deferred tax assets:</b>		
Net operating loss, capital loss, and credit carryforwards	\$ 11,775	\$ 10,803
Intangible assets	2,858	2,259
Capitalization of research and development	1,255	971
Other accrued liabilities	404	458
Accrued compensation	374	312
Pension and post-retirement benefits	—	66
Stock-based compensation	147	141
Inventory	138	135
Deferred revenue	172	37
Lease obligations	157	150
Federal and state benefit on uncertain tax positions	21	79
Interest limitation	608	377
Unrealized gain on available-for-sale securities and derivative financial instruments	13	39
Other	355	240
Gross deferred tax assets	18,277	16,067
Valuation allowance	(13,271)	(11,311)
Total deferred tax assets	5,006	4,756
<b>Deferred tax liabilities:</b>		
Intangible assets	(1,406)	(1,551)
Realized loss on derivative financial instruments	(70)	(70)
Right of use leases	(149)	(147)
Accumulated depreciation	(110)	(109)
Outside basis difference of subsidiaries	(90)	(119)
Pension and post-retirement benefits	(45)	—
Other	(90)	(80)
Total deferred tax liabilities	(1,960)	(2,076)
Prepaid income taxes	520	480
Income tax receivables	406	494
<b>Tax assets, net</b>	<b>\$ 3,972</b>	<b>\$ 3,654</b>
<b>Reported as (after valuation allowance and jurisdictional netting):</b>		
Other current assets	\$ 830	\$ 885
Tax assets	3,657	3,477
Deferred tax liabilities	(515)	(708)
<b>Tax assets, net</b>	<b>\$ 3,972</b>	<b>\$ 3,654</b>

No deferred taxes have been provided on the approximately \$86.3 billion and \$83.7 billion of undistributed earnings of the Company's subsidiaries at April 26, 2024 and April 28, 2023, respectively, since these earnings have been, and under current plans will continue to be, permanently reinvested in these subsidiaries. Due to the number of legal entities and jurisdictions involved, the complexity of the legal entity structure of the Company, and the complexity of the tax laws in the relevant jurisdictions, the Company believes it is not practicable to estimate, within any reasonable range, the amount of additional taxes which may be payable upon distribution of these undistributed earnings.

At April 26, 2024, the Company had approximately \$11.3 billion of tax effected net operating loss carryforwards in certain non-U.S. jurisdictions, of which \$5.1 billion have no expiration, and the remaining \$6.2 billion will expire during fiscal years 2025 through 2041.

**Medtronic plc**
**Notes to Consolidated Financial Statements (Continued)**

Included in these net operating loss carryforwards are \$4.0 billion of tax effected net operating losses generated in fiscal year 2008 as a result of the receipt of a favorable tax ruling from certain non-U.S. taxing authorities; and \$5.1 billion of tax effected net operating losses generated during fiscal year 2023 as a result of an intercompany reorganization. The Company has recorded a full valuation allowance against these net operating losses, as management does not believe that it is more likely than not that these net operating losses will be utilized. Certain of the remaining non-U.S. net operating loss carryforwards of \$2.2 billion have a valuation allowance recorded against the carryforwards, as management does not believe that it is more likely than not that these net operating losses will be utilized.

At April 26, 2024, the Company had \$81 million of tax effected U.S. federal net operating loss carryforwards, of which \$56 million have no expiration. The remaining loss carryforwards will expire during fiscal years 2025 through 2036. For U.S. state purposes, the Company had \$90 million of tax effected net operating loss carryforwards at April 26, 2024, \$12 million of which have no expiration. The remaining U.S. state loss carryforwards will expire during fiscal years 2025 through 2042.

At April 26, 2024, the Company also had \$292 million of tax credits available to reduce future income taxes payable, of which \$122 million have no expiration. The remaining credits will expire during fiscal years 2025 through 2043.

The Company has established valuation allowances of \$13.3 billion and \$11.3 billion at April 26, 2024 and April 28, 2023, respectively, primarily related to the uncertainty of the utilization of certain deferred tax assets which are primarily comprised of tax loss and credit carryforwards in various jurisdictions. The increase in the valuation allowance during fiscal year 2024 is primarily related to the finalization of certain tax returns as well as an increase in the Swiss Cantonal tax rate applied to previously recorded deferred tax assets and associated valuation allowances. These valuation allowances would result in a reduction to the income tax provision in the consolidated statements of income if they are ultimately not required.

The Company's effective income tax rate varied from the U.S. federal statutory tax rate as follows:

	Fiscal Year		
	2024	2023	2022
U.S. federal statutory tax rate	21.0 %	21.0 %	21.0 %
<b>Increase (decrease) in tax rate resulting from:</b>			
U.S. state taxes, net of federal tax benefit	0.2	0.1	0.2
Research and development credit	(2.2)	(1.9)	(1.3)
Puerto Rico excise tax	—	(1.0)	(1.1)
International	(6.7)	(8.0)	(10.9)
Stock based compensation	0.3	0.2	(0.8)
Uncertain tax positions and interest	1.3	1.2	0.2
Base erosion anti-abuse tax	0.3	—	0.9
Foreign derived intangible income benefit	(1.7)	(1.2)	(1.0)
Certain tax adjustments	6.2	17.0	(0.9)
U.S. tax on foreign earnings	3.5	2.5	2.2
Other, net	1.2	(0.4)	(0.2)
Effective tax rate	23.4 %	29.5 %	8.3 %

The Israeli Central-Lod District Court issued its decision in Medtronic Ventor Technologies Ltd (Ventor) v. Kfar Saba Assessing Office in June 2023. The court determined that there was a deemed taxable transfer of intellectual property. As a result, the Company recorded a \$187 million income tax charge during fiscal year 2024 and filed an appeal with the Supreme Court of Israel.

During fiscal year 2024, the net cost from certain tax adjustments of \$299 million, recognized in *income tax provision* in the consolidated statement of income, included the following:

- A cost of \$187 million associated with a reserve adjustment related to the Israeli Central-Lod District Court decision with respect to a deemed taxable transfer of intellectual property.
- A cost of \$124 million related to a change in valuation allowance on previously recorded net operating losses.
- A benefit of \$95 million related to a Swiss Cantonal tax rate change on previously recorded deferred tax assets.

**Medtronic plc****Notes to Consolidated Financial Statements (Continued)**

- A cost of \$50 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A cost of \$33 million associated with a change in the Company's permanent reinvestment assertion on certain historical earnings.

During fiscal year 2023, the net benefit from certain tax adjustments of \$910 million, recognized in *income tax provision* in the consolidated statement of income, included the following:

- A net cost of \$764 million associated with the August 18, 2022 U.S. Tax Court (Tax Court) Opinion on the previously disclosed litigation regarding the allocation of income between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico for fiscal years 2005 and 2006 (Opinion). While the Opinion rejected the IRS's position and the Tax Court determined the methodology advanced by Medtronic was appropriate for purposes of determining the intercompany royalty rate between Puerto Rico and the U.S., it determined that the royalty rate should be higher, thereby increasing income allocated to the U.S. and consequently subject to U.S. tax. This case relates only to fiscal years 2005 and 2006. The Company has assumed the Tax Court findings will be applied for all years following fiscal year 2006.
- A cost of \$55 million related to the disallowance of certain interest deductions.
- A cost of \$30 million related to the change in reporting currency for certain carryover attributes.
- A cost of \$28 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A net cost of \$33 million primarily associated with the sale of half of the Company's RCS business.

During fiscal year 2022, the net benefit from certain tax adjustments of \$50 million, recognized in *income tax provision* in the consolidated statement of income, included the following:

- A benefit of \$82 million associated with a step up in tax basis for Swiss Cantonal purposes.
- A benefit of \$82 million related to a change in tax rates on intangible assets.
- A cost of \$47 million associated with the amortization of the previously established deferred tax assets from intercompany intellectual property transactions.
- A cost of \$41 million associated with a change in the Company's permanent reinvestment assertion on certain historical earnings.
- A net cost of \$26 million primarily associated with an intercompany sale of assets.

Currently, the Company's operations in Puerto Rico, Singapore, Dominican Republic, Costa Rica, and China have various tax holidays and tax incentive grants. The tax reductions as compared to the local statutory rate favorably impacted earnings by \$229 million, \$115 million, and \$248 million in fiscal years 2024, 2023, and 2022, respectively, and diluted earnings per share by \$0.17, \$0.09, and \$0.18, in fiscal years 2024, 2023, and 2022, respectively. The tax holidays are conditional upon the Company meeting certain thresholds required under statutory law. The tax incentive grants, unless extended, will expire between fiscal years 2025 and 2049. The tax incentive grants which expired during fiscal year 2024 did not have a material impact on the Company's consolidated financial statements.

The Organization for Economic Co-operation and Development (OECD) published Pillar Two Model Rules defining the global minimum tax, which calls for the taxation of large multinational corporations at a minimum rate of 15% in each jurisdiction in which the group operates. A number of countries, including Ireland, have enacted legislation to implement the core elements of Pillar Two, which will be effective for the Company in fiscal year 2025. The Company is continuing to evaluate the potential impacts of proposed and enacted legislative changes as new guidance becomes available. There are no impacts of this global minimum tax in the consolidated financial statements for the fiscal year ended April 26, 2024.

**Medtronic plc**
**Notes to Consolidated Financial Statements (Continued)**

The Company had \$2.8 billion, \$2.7 billion, and \$1.7 billion of gross unrecognized tax benefits at April 26, 2024, April 28, 2023, and April 29, 2022, respectively. A reconciliation of the beginning and ending amount of unrecognized tax benefits for fiscal years 2024, 2023, and 2022 is as follows:

(in millions)	Fiscal Year		
	2024	2023	2022
Gross unrecognized tax benefits at beginning of fiscal year	\$ 2,682	\$ 1,661	\$ 1,668
<b>Gross increases:</b>			
Prior year tax positions	121	980	1
Current year tax positions	85	89	40
<b>Gross decreases:</b>			
Prior year tax positions	(2)	(12)	(29)
Settlements	(55)	(4)	(8)
Statute of limitation lapses	(7)	(32)	(11)
Gross unrecognized tax benefits at end of fiscal year	2,824	2,682	1,661
Cash advance paid to taxing authorities	(934)	(918)	(859)
Gross unrecognized tax benefits at end of fiscal year, net of cash advance	\$ 1,890	\$ 1,764	\$ 802

If all of the Company's unrecognized tax benefits at April 26, 2024, April 28, 2023, and April 29, 2022 were recognized, \$2.7 billion, \$2.5 billion, and \$1.6 billion would impact the Company's effective tax rate, respectively. Although the Company believes that it has adequately reserved for liabilities resulting from tax assessments by taxing authorities, positions taken by these tax authorities could have a material impact on the Company's effective tax rate in future periods. The Company has recorded gross unrecognized tax benefits, net of cash advance, of \$1.8 billion as a noncurrent liability. The Company estimates that within the next 12 months it is reasonably possible that its uncertain tax positions, excluding interest, could decrease by as much as \$15 million, net as a result of statute of limitation lapses.

The Company recognizes interest and penalties related to income tax matters in *income tax provision* in the consolidated statements of income and records the liability in the current or noncurrent *accrued income taxes* in the consolidated balance sheets, as appropriate. During fiscal years 2024, 2023, and 2022, the Company recognized gross interest expense of \$134 million, \$86 million, and \$17 million, respectively, in *income tax provision* in the consolidated statements of income. The Company had \$19 million, \$61 million, and \$117 million of accrued gross interest and penalties at April 26, 2024, April 28, 2023, and April 29, 2022, respectively.

The Company reserves for uncertain tax positions related to unresolved matters with the IRS and other taxing authorities. These reserves are subject to a high degree of estimation and management judgment. Resolution of these significant unresolved matters, or positions taken by the IRS or other tax authorities during future tax audits, could have a material impact on the Company's financial results in future periods. The Company continues to believe that its reserves for uncertain tax positions are appropriate and that it has meritorious defenses for its tax filings and will vigorously defend them during the audit process, appellate process, and through litigation in courts, as necessary.

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The major tax jurisdictions where the Company conducts business which remain subject to examination are as follows:

<b>Jurisdiction</b>	<b>Earliest Year Open</b>
United States - federal and state	2005
Australia	2023
Brazil	2018
Canada	2013
China	2015
Costa Rica	2020
Dominican Republic	2020
France	2021
Germany	2017
India	2002
Ireland	2020
Israel	2010
Italy	2019
Japan	2020
Korea	2022
Luxembourg	2019
Mexico	2018
Puerto Rico	2014
Singapore	2019
Switzerland	2010
United Kingdom	2020

See Note 18 for additional information regarding the status of current tax audits and proceedings.

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**Notes to Consolidated Financial Statements (Continued)**

**14. Earnings Per Share**

Basic earnings per share is computed based on the weighted average number of ordinary shares outstanding. Diluted earnings per share is computed based on the weighted number of ordinary shares outstanding, increased by the number of additional shares that would have been outstanding had the potentially dilutive ordinary shares been issued, and reduced by the number of shares the Company could have repurchased with the proceeds from issuance of the potentially dilutive shares. Potentially dilutive ordinary shares include stock-based awards granted under stock-based compensation plans and shares committed to be purchased under the employee stock purchase plan.

The table below sets forth the computation of basic and diluted earnings per share:

(in millions, except per share data)	Fiscal Year		
	2024	2023	2022
<b>Numerator:</b>			
Net income attributable to ordinary shareholders	\$ 3,676	\$ 3,758	\$ 5,039
<b>Denominator:</b>			
Basic – weighted average shares outstanding	1,327.7	1,329.8	1,342.4
Effect of dilutive securities:			
Employee stock options	0.7	1.5	6.6
Employee restricted stock units	1.4	1.0	1.6
Employee performance share units	0.4	0.5	0.8
Diluted – weighted average shares outstanding	1,330.2	1,332.8	1,351.4
Basic earnings per share	\$ 2.77	\$ 2.83	\$ 3.75
Diluted earnings per share	\$ 2.76	\$ 2.82	\$ 3.73

The calculation of weighted average diluted shares outstanding excludes options to purchase approximately 28 million, 23 million, and 5 million ordinary shares in fiscal year 2024, 2023, and 2022, respectively because their effect would have been anti-dilutive on the Company's earnings per share.

**15. Retirement Benefit Plans**

The Company sponsors various retirement benefit plans, including defined benefit pension plans, post-retirement medical plans, defined contribution savings plans, and termination indemnity plans, covering substantially all U.S. employees and many employees outside the U.S. The net expense related to these plans was \$451 million, \$494 million, and \$459 million in fiscal years 2024, 2023, and 2022, respectively.

In the U.S., the Company maintains qualified pension plans designed to provide guaranteed minimum retirement benefits to all eligible U.S. participants. Pension coverage for non-U.S. employees is provided, to the extent deemed appropriate, through separate plans. In addition to the benefits provided under the qualified pension plan, retirement benefits associated with wages in excess of the IRS allowable limits are provided to certain employees under a non-qualified plan. U.S. and Puerto Rico employees are also eligible to receive a medical benefit component, in addition to normal retirement benefits, through the Company's post-retirement benefits.

At April 26, 2024 and April 28, 2023, the funded status of the Company's benefit plans was \$484 million overfunded and \$103 million overfunded, respectively.

During fiscal year 2023, the Company offered certain eligible U.S. employees voluntary early retirement packages, resulting in charges of \$94 million, primarily related to U.S. pension benefits. The charges were recognized in *restructuring charges, net* in the consolidated statements of income. See Note 4 for additional information on restructuring charges.

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**Notes to Consolidated Financial Statements (Continued)**

**Defined Benefit Pension Plans** The change in benefit obligation and funded status of the Company's U.S. and Non-U.S. pension benefits are as follows:

(in millions)	U.S. Pension Benefits <sup>(1)</sup>		Non-U.S. Pension Benefits	
	Fiscal Year		Fiscal Year	
	2024	2023	2024	2023
<b>Accumulated benefit obligation at end of year:</b>	\$ 3,144	\$ 3,348	\$ 1,513	\$ 1,422
<b>Change in projected benefit obligation:</b>				
Projected benefit obligation at beginning of year	\$ 3,451	\$ 3,526	\$ 1,499	\$ 1,740
Service cost	61	77	42	43
Interest cost	162	142	53	38
Employee contributions	—	—	9	9
Plan curtailments, settlements, and amendments	—	(19)	(10)	(8)
Actuarial (gain) loss <sup>(2)</sup>	(245)	(210)	116	(303)
Benefits paid	(234)	(140)	(65)	(63)
Special termination benefits <sup>(3)</sup>	—	74	—	—
Currency exchange rate changes and other	—	—	(41)	43
Projected benefit obligation at end of year	\$ 3,194	\$ 3,451	\$ 1,604	\$ 1,499
<b>Change in plan assets:</b>				
Fair value of plan assets at beginning of year	\$ 3,398	\$ 3,559	\$ 1,614	\$ 1,732
Actual return on plan assets	356	(43)	103	(163)
Employer contributions	32	22	40	57
Employee contributions	—	—	9	9
Plan settlements	—	—	(7)	(8)
Benefits paid	(234)	(140)	(65)	(63)
Currency exchange rate changes and other	—	—	(36)	50
Fair value of plan assets at end of year	\$ 3,551	\$ 3,398	\$ 1,659	\$ 1,614
<b>Funded status at end of year:</b>				
Fair value of plan assets	\$ 3,551	\$ 3,398	\$ 1,659	\$ 1,614
Benefit obligations	3,194	3,451	1,604	1,499
Over (under) funded status of the plans	357	(53)	54	115
Recognized asset (liability)	\$ 357	\$ (53)	\$ 54	\$ 115
<b>Amounts recognized on the consolidated balance sheets consist of:</b>				
Non-current assets	\$ 617	\$ 221	\$ 296	\$ 350
Current liabilities	(30)	(24)	(7)	(6)
Non-current liabilities	(230)	(250)	(235)	(228)
Recognized asset (liability)	\$ 357	\$ (53)	\$ 54	\$ 115
<b>Amounts recognized in accumulated other comprehensive loss:</b>				
Prior service (credit) cost	\$ (16)	\$ (19)	\$ (3)	\$ (3)
Net actuarial loss	534	891	161	76
Ending balance	\$ 517	\$ 873	\$ 158	\$ 73

- (1) As of April 24, 2020, the Company announced the freezing of the U.S. pension benefits beginning Plan year 2028. Employees will continue to earn benefits as required by the Medtronic Retirement Plan until April 30, 2027, after which date benefits will no longer be earned and employees will earn benefits through the Medtronic Savings and Investment Plan.
- (2) Actuarial gains and losses result from changes in actuarial assumptions (such as changes in the discount rate and revised mortality rates). The actuarial gains and losses were primarily driven by increases and decreases in discount rates, respectively.
- (3) This represents a portion of the total voluntary early retirement package charges for fiscal year 2023.



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**Notes to Consolidated Financial Statements (Continued)**

In certain countries outside the U.S., fully funding pension plans is not a common practice, as funding provides no income tax benefit. Consequently, certain pension plans were partially funded at April 26, 2024 and April 28, 2023. U.S. and non-U.S. pension plans with accumulated benefit obligations in excess of plan assets consist of the following:

(in millions)	Fiscal Year	
	2024	2023
Accumulated benefit obligation	\$ 773	\$ 731
Projected benefit obligation	809	772
Plan assets at fair value	334	301

U.S. and non-U.S. pension plans with projected benefit obligations in excess of plan assets consist of the following:

(in millions)	Fiscal Year	
	2024	2023
Projected benefit obligation	\$ 1,321	\$ 1,285
Plan assets at fair value	819	776

The net periodic benefit cost of the plans includes the following components:

(in millions)	U.S. Pension Benefits			Non-U.S. Pension Benefits		
	Fiscal Year			Fiscal Year		
	2024	2023	2022	2024	2023	2022
Service cost	\$ 61	\$ 77	\$ 98	\$ 42	\$ 43	\$ 64
Interest cost	162	142	102	53	38	26
Expected return on plan assets	(261)	(224)	(226)	(72)	(58)	(64)
Amortization of prior service cost	(2)	—	—	(1)	(1)	(1)
Amortization of net actuarial loss (gain)	18	20	64	(1)	2	22
Settlement and curtailment (gain) loss	—	—	—	(3)	2	(10)
Special termination benefits	—	74	—	—	—	—
Net periodic benefit (credit) cost	<u>\$ (22)</u>	<u>\$ 89</u>	<u>\$ 39</u>	<u>\$ 18</u>	<u>\$ 26</u>	<u>\$ 37</u>

Components of net periodic benefit cost other than the service component are recognized in *other non-operating income, net* in the consolidated statements of income.

The other changes in plan assets and projected benefit obligations recognized in *other comprehensive income* for fiscal year 2024 are as follows:

(in millions)	U.S. Pension Benefits	Non-U.S. Pension Benefits
Net actuarial (gain) loss	\$ (339)	\$ 86
Prior service cost	—	(1)
Amortization of prior service cost	2	1
Amortization and settlement recognition of actuarial (gain) loss	(18)	3
Effect of exchange rates	—	(3)
Total recognized in other comprehensive income	(355)	85
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ (378)</u>	<u>\$ 103</u>

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**Notes to Consolidated Financial Statements (Continued)**

The actuarial assumptions are as follows:

	U.S. Pension Benefits			Non-U.S. Pension Benefits		
	Fiscal Year			Fiscal Year		
	2024	2023	2022	2024	2023	2022
<b>Critical assumptions – projected benefit obligation:</b>						
Discount rate	5.54% - 5.75%	4.73% - 4.99%	4.23% - 4.48%	1.40% - 26.40%	1.30% - 10.70%	0.60% - 25.40%
Rate of compensation increase	3.90 %	3.90 %	4.83 %	2.85 %	2.75 %	2.70 %
<b>Critical assumptions – net periodic benefit cost:</b>						
Discount rate – benefit obligation	4.73% - 4.99%	4.23% - 4.48%	2.80% - 3.46%	1.30% - 10.70%	0.60% - 25.40%	0.25% - 12.80%
Discount rate – service cost	4.68% - 5.07%	4.12% - 4.51%	2.50% - 3.51%	1.30% - 10.70%	0.60% - 25.40%	0.24% - 12.80%
Discount rate – interest cost	4.73% - 4.90%	3.90% - 4.23%	2.08% - 2.87%	1.30% - 10.70%	0.60% - 25.40%	0.08% - 12.80%
Expected return on plan assets	6.40% - 8.10%	5.30% - 7.20%	5.60% - 7.40%	4.07 %	3.48 %	3.67 %
Rate of compensation increase	3.90 %	3.90 %	3.90% - 4.83%	2.75 %	2.70 %	2.90 %

The Company utilizes a full yield curve approach methodology to estimate the service and interest cost components of net periodic pension cost and net periodic post-retirement benefit cost for the Company's pension and other post-retirement benefits. The full yield curve approach applies specific spot rates along the yield curve to their underlying projected cash flows in estimation of the cost components. The current yield curves represent high quality, long-term fixed income instruments.

The expected long-term rate of return on plan assets assumptions are determined using a building block approach, considering historical averages and real returns of each asset class. In certain countries, where historical returns are not meaningful, consideration is given to local market expectations of long-term returns.

**Retirement Benefit Plan Investment Strategy** The Company sponsors trusts that hold the assets for U.S. pension plans and other U.S. post-retirement benefit plans, primarily retiree medical benefits. For investment purposes, the Medtronic U.S. pension and other U.S. post-retirement benefit plans employ similar investment strategies with different asset allocation targets.

The Company has a Qualified Plan Committee (the Plan Committee) that sets investment guidelines for U.S. pension plans and other U.S. post-retirement benefit plans with the assistance of external consultants. These guidelines are established based on market conditions, risk tolerance, funding requirements, and expected benefit payments. The Plan Committee also oversees the investment allocation process, selects the investment managers, and monitors asset performance. As pension liabilities are long-term in nature, the Company employs a long-term total return approach to maximize the long-term rate of return on plan assets for a prudent level of risk. An annual analysis on the risk versus the return of the investment portfolio is conducted to justify the expected long-term rate of return assumption.

The investment portfolios contain a diversified allocation of investment categories, including equities, fixed income securities, hedge funds, and private equity. Securities are also diversified in terms of domestic and international, short- and long-term, growth and value styles, large cap and small cap stocks, and active and passive management.

Outside the U.S., pension plan assets are typically managed by decentralized fiduciary committees. There is significant variation in policy asset allocation from country to country. Local regulations, funding rules, and financial and tax considerations are part of the funding and investment allocation process in each country. The weighted average target asset allocations at April 26, 2024 for the plans are 42% equity securities, 34% debt securities, and 24% other.

The plans did not hold any investments in the Company's ordinary shares at April 26, 2024 or April 28, 2023.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

The Company's U.S. plans target asset allocations at April 26, 2024, compared to the U.S. plans actual asset allocations at April 26, 2024 and April 28, 2023 by asset category, are as follows:

<i>U.S. Plans</i>	Target Allocation	Actual Allocation	
	April 26, 2024	April 26, 2024	April 28, 2023
<b>Asset Category:</b>			
Equity securities	34 %	39 %	36 %
Debt securities	51	40	46
Other	15	21	19
Total	100 %	100 %	100 %

Strong performance on equity securities during the fiscal year resulted in asset allocations different than targets. Management expects to move the allocations closer to target over the intermediate term.

**Retirement Benefit Plan Asset Fair Values** The following is a description of the valuation methodologies used for retirement benefit plan assets measured at fair value:

*Short-term investments:* Short-term investments include money market funds. These investments are valued at the closing price reported in the active markets in which the individual security is traded.

*Mutual funds:* Comprised of investments in equity and fixed income securities held in pooled investment vehicles. The valuations of mutual funds are based on the respective net asset values which are determined by the fund daily at market close. The net asset values are calculated based on the valuation of the underlying assets which are determined using observable inputs. The net asset values are publicly reported.

*Equity commingled trusts:* Comprised of investments in equity securities held in pooled investment vehicles. The valuations of equity commingled trusts are based on the respective net asset values which are determined by the fund daily at market close. The net asset values are calculated based on the valuation of the underlying assets which are determined using observable inputs. The net asset values are not publicly reported, and funds are valued at the net asset value practical expedient.

*Fixed income commingled trusts:* Comprised of investments in fixed income securities held in pooled investment vehicles. The valuations of fixed income commingled trusts are based on the respective net asset values which are determined by the fund, either daily or monthly depending on the investment, at market close. The net asset values are reported by the investment manager based on the valuation of the underlying assets held by the fund, less its liabilities. The net asset values are not publicly reported, and funds are valued at the net asset value practical expedient.

*Partnership units:* Partnership units include investment partnerships that provide exposure to long/short equity, absolute return strategies, private equity investments, and real estate investments. The net asset values are reported by the investment manager based on the valuation of the underlying assets held by the partnerships, less its liabilities. The net asset values are not publicly reported, and funds are valued at the net asset value practical expedient.

*Registered investment companies:* Valued at net asset values which are not publicly reported. The net asset values are calculated based on the valuation of the underlying assets. The underlying assets are valued at the quoted market prices of shares held by the plan at year-end in the active market on which the individual securities are traded.

*Insurance contracts:* Comprised of investments in collective (group) insurance contracts, consisting of individual insurance policies. The policyholder is the employer, and each member is the owner/beneficiary of their individual insurance policy. These policies are a part of the insurance company's general portfolio and participate in the insurer's profit-sharing policy on an excess yield basis.

Measurement using net asset value as a practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported net asset value.

The methods described above may produce fair values that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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**Notes to Consolidated Financial Statements (Continued)**

The following tables provide information by level for the retirement benefit plan assets that are measured at fair value, as defined by U.S. GAAP. Certain investments for which the fair value is measured using the net asset value per share (or its equivalent) practical expedient are not presented within the fair value hierarchy. The fair value amounts presented for these investments are intended to permit reconciliation to the total fair value of plan assets at April 26, 2024 and April 28, 2023.

***U.S. Pension Benefits***

(in millions)	Fair Value at April 26, 2024	Fair Value Measurements Using Inputs Considered as			Investments Measured at Net Asset Value
		Level 1	Level 2	Level 3	
Short-term investments	\$ 80	\$ 80	\$ —	\$ —	\$ —
Mutual funds	106	106	—	—	—
Equity commingled trusts	942	—	—	—	942
Fixed income commingled trusts	1,273	—	—	—	1,273
Partnership units	1,151	—	—	—	1,151
	<u>\$ 3,551</u>	<u>\$ 186</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,366</u>

(in millions)	Fair Value at April 28, 2023	Fair Value Measurements Using Inputs Considered as			Investments Measured at Net Asset Value
		Level 1	Level 2	Level 3	
Short-term investments	\$ 114	\$ 114	\$ —	\$ —	\$ —
Mutual funds	114	114	—	—	—
Equity commingled trusts	1,211	—	—	—	1,211
Fixed income commingled trusts	968	—	—	—	968
Partnership units	992	—	—	992	—
	<u>\$ 3,398</u>	<u>\$ 227</u>	<u>\$ —</u>	<u>\$ 992</u>	<u>\$ 2,179</u>

The following tables provide a reconciliation of the beginning and ending balances of U.S. pension benefit assets measured at fair value that used significant unobservable inputs (Level 3):

(in millions)	Partnership Units
April 29, 2022	\$ 1,011
Total realized gains, net	67
Total unrealized gains, net	151
Purchases and sales, net	(238)
April 28, 2023	<u>\$ 992</u>

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**Notes to Consolidated Financial Statements (Continued)**

**Non-U.S. Pension Benefits**

(in millions)	Fair Value at April 26, 2024	Fair Value Measurements Using Inputs Considered as			Investments Measured at Net Asset Value
		Level 1	Level 2	Level 3	
Registered investment companies	\$ 1,617	\$ —	\$ —	\$ —	\$ 1,617
Insurance contracts	42	—	—	42	—
	<u>\$ 1,659</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 42</u>	<u>\$ 1,617</u>

(in millions)	Fair Value at April 28, 2023	Fair Value Measurements Using Inputs Considered as			Investments Measured at Net Asset Value
		Level 1	Level 2	Level 3	
Registered investment companies	\$ 1,571	\$ —	\$ —	\$ —	\$ 1,571
Insurance contracts	44	—	—	44	—
	<u>\$ 1,614</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 44</u>	<u>\$ 1,571</u>

Non-U.S. pension benefit assets that are valued using significant unobservable inputs (Level 3) was \$42 million and \$44 million as of April 26, 2024 and April 28, 2023, respectively.

The Company reviews the fair value hierarchy classification on an annual basis. During the year, the Company reclassified certain investments in the U.S. pension plan from Level 3 to investments measured using net asset value as a practical expedient. Outside of the reclassification, there were no transfers into or out of Level 3 for both the U.S. and non-U.S. pension plans during the fiscal years ended April 26, 2024 and April 28, 2023.

**Retirement Benefit Plan Funding** It is the Company's policy to fund retirement costs within the limits of allowable tax deductions. During fiscal year 2024, the Company made discretionary contributions of approximately \$32 million to the U.S. pension plan. Internationally, the Company contributed approximately \$40 million for pension benefits during fiscal year 2024. The Company anticipates that it will make contributions of \$30 million and \$45 million to its U.S. pension benefit plans and non-U.S. pension benefit plans, respectively, in fiscal year 2025. Based on the guidelines under the U.S. Employee Retirement Income Security Act of 1974 and the various guidelines which govern the plans outside the U.S., the majority of anticipated fiscal year 2025 contributions will be discretionary. The Company believes that pension assets, returns on invested pension assets, and Company contributions will be able to meet its pension and other post-retirement obligations in the future.

Retiree benefit payments, which reflect expected future service, are anticipated to be paid as follows:

(in millions)	Gross Payments	
	U.S. Pension Benefits	Non-U.S. Pension Benefits
Fiscal Year		
2025	\$ 184	\$ 71
2026	193	61
2027	201	66
2028	211	68
2029	218	74
2030 – 2034	1,165	417

**Post-retirement Benefit Plans** The net periodic benefit cost associated with the Company's post-retirement benefit plans was income of \$16 million, \$11 million, and \$20 million in fiscal years 2024, 2023, and 2022, respectively. The Company's projected benefit obligation for all post-retirement benefit plans was \$235 million and \$261 million at April 26, 2024 and April 28, 2023, respectively. The Company's fair value of plan assets for all post-retirement benefit plans was \$308 million and \$302 million at April 26, 2024 and April 28, 2023, respectively. The post-retirement benefit plan assets at both April 26, 2024 and April 28, 2023 primarily comprised of equity and fixed commingled trusts, consistent with the U.S. retirement benefit plan assets outlined in the fair value leveling tables above.

**Defined Contribution Savings Plans** The Company has defined contribution savings plans that cover substantially all U.S. employees and certain non-U.S. employees. The general purpose of these plans is to provide additional financial security during retirement by providing employees with an incentive to make regular savings. Company contributions to the plans are based on employee contributions

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**Notes to Consolidated Financial Statements (Continued)**

and Company performance. Expense recognized under these plans was \$471 million, \$390 million, and \$403 million in fiscal years 2024, 2023, and 2022, respectively.

**16. Leases**

The Company leases office, manufacturing, and research facilities and warehouses, as well as transportation, data processing, and other equipment. The Company determines whether a contract is a lease or contains a lease at inception date. Upon commencement, the Company recognizes a right-of-use asset and lease liability. Right-of-use assets represent the Company's right to use the underlying asset for the lease term. Lease liabilities are the Company's obligation to make the lease payments arising from a lease. As the Company's leases typically do not provide an implicit rate, the Company's lease liabilities are measured on a discounted basis using the Company's incremental borrowing rate. Lease terms used in the recognition of right-of-use assets and lease liabilities include only options to extend the lease that are reasonably certain to be exercised. Additionally, lease terms underlying the right-of-use assets and lease liabilities consider terminations that are reasonably certain to be executed.

The Company's lease agreements include leases that have both lease and associated nonlease components. The Company has elected to account for lease components and the associated nonlease components as a single lease component. The consolidated balance sheets do not include recognized assets or liabilities for leases that, at the commencement date, have a term of twelve months or less and do not include an option to purchase the underlying asset that is reasonably certain to be exercised. The Company recognizes such leases in the consolidated statements of income on a straight-line basis over the lease term. Additionally, the Company recognizes variable lease payments not included in its lease liabilities in the period in which the obligation for those payments is incurred. Variable lease payments for fiscal year 2024, 2023, and 2022 were not material.

The Company's lease agreements include leases accounted for as operating leases and those accounted for as finance leases. The right-of-use assets, lease liabilities, lease costs, cash flows, and lease maturities associated with the Company's finance leases were not material to the consolidated financial statements at April 26, 2024 or April 28, 2023 or for fiscal year 2024, 2023 and 2022. Finance lease right-of-use assets are included in *property, plant, and equipment, net*, and finance lease liabilities are included in *current debt obligations* and *long-term debt* on the consolidated balance sheets.

The following table summarizes the balance sheet classification of the Company's operating leases and amounts of the right-of-use assets and lease liabilities at April 26, 2024 and April 28, 2023:

(in millions)	Balance Sheet Classification	April 26, 2024	April 28, 2023
Right-of-use assets	Other assets	\$ 1,012	\$ 1,041
Current liability	Other accrued expenses	183	180
Non-current liability	Other liabilities	840	869

The following table summarizes the weighted-average remaining lease term and weighted-average discount rate for the Company's operating leases at April 26, 2024 and April 28, 2023:

	April 26, 2024	April 28, 2023
Weighted-average remaining lease term	8.8 Years	9.1 Years
Weighted-average discount rate	3.4%	2.4%

The following table summarizes the components of total operating lease cost for fiscal year 2024, 2023, and 2022:

(in millions)	Fiscal Year		
	2024	2023	2022
Operating lease cost	\$ 232	\$ 211	\$ 195
Short-term lease cost	41	62	65
<b>Total operating lease cost</b>	<b>\$ 273</b>	<b>\$ 273</b>	<b>\$ 260</b>

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**Notes to Consolidated Financial Statements (Continued)**

The following table summarizes the cash paid for amounts included in the measurement of operating lease liabilities and right-of-use assets obtained in exchange for operating lease liabilities for fiscal year 2024, 2023, and 2022:

(in millions)	Fiscal Year		
	2024	2023	2022
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 232	\$ 210	\$ 174
Right-of-use assets obtained in exchange for operating lease liabilities	220	417	78

The following table summarizes the maturities of the Company's operating leases at April 26, 2024:

(in millions) Fiscal Year	Operating Leases
2025	\$ 203
2026	178
2027	151
2028	113
2029	88
Thereafter	444
<b>Total expected lease payments</b>	<b>1,177</b>
Less: Imputed interest	(154)
<b>Total lease liability</b>	<b>\$ 1,024</b>

The Company makes certain products available to customers under lease arrangements, including arrangements whereby equipment is placed with customers who then purchase consumable products to accompany the use of the equipment. Income arising from arrangements where the Company is the lessor is recognized within *net sales* in the consolidated statements of income and the Company's net investments in sales-type leases are included in *other current assets* and *other assets* in the consolidated balance sheets. Lessor income and the related assets and lease maturities were not material to the consolidated financial statements at or for the fiscal year ended April 26, 2024 and April 28, 2023.



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**17. Accumulated Other Comprehensive Loss**

The following table provides changes in accumulated other comprehensive loss (AOCI), net of tax, and by component:

(in millions)	Unrealized (Loss) Gain on Investment Securities	Cumulative Translation Adjustments	Net Investment Hedges	Net Change in Retirement Obligations	Unrealized Gain (Loss) on Cash Flow Hedges	Total Accumulated Other Comprehensive (Loss) Income
<b>April 30, 2021</b>	\$ 92	\$ (519)	\$ (1,458)	\$ (1,347)	\$ (253)	\$ (3,485)
Other comprehensive income (loss) before reclassifications	(304)	(2,080)	2,299	514	781	1,210
Reclassifications	3	—	—	60	(54)	9
Other comprehensive income (loss)	(301)	(2,080)	2,299	574	727	1,219
<b>April 29, 2022</b>	\$ (209)	\$ (2,599)	\$ 841	\$ (773)	\$ 474	\$ (2,265)
Other comprehensive income (loss) before reclassifications	(78)	(240)	(596)	26	184	(704)
Reclassifications	29	—	—	6	(565)	(530)
Other comprehensive income (loss)	(49)	(240)	(596)	32	(381)	(1,234)
<b>April 28, 2023</b>	\$ (258)	\$ (2,839)	\$ 245	\$ (741)	\$ 93	\$ (3,499)
Other comprehensive income (loss) before reclassifications	29	(846)	633	205	438	457
Reclassifications	17	—	—	7	(302)	(278)
Other comprehensive income (loss)	46	(846)	633	212	136	180
<b>April 26, 2024</b>	\$ (212)	\$ (3,686)	\$ 878	\$ (529)	\$ 229	\$ (3,318)

The income tax on gains and losses on investment securities in other comprehensive income before reclassifications during fiscal years 2024, 2023, and 2022 was an expense of \$4 million, a benefit of \$21 million, and a benefit of \$51 million, respectively. During fiscal years 2024, 2023, and 2022, realized gains and losses on investment securities reclassified from AOCI were reduced by income taxes of \$5 million, \$9 million and \$1 million, respectively. When realized, gains and losses on investment securities reclassified from AOCI are recognized within *other non-operating income, net*. Refer to Note 5 for additional information.

During fiscal years 2024, 2023, and 2022, the income tax on cumulative translation adjustment was an expense of \$3 million, a benefit of \$5 million, and a benefit of \$8 million, respectively.

During fiscal years 2024, 2023, and 2022, there were no tax impacts on net investment hedges. Refer to Note 7 for additional information.

The net change in retirement obligations in other comprehensive income includes amortization of net actuarial losses included in net periodic benefit cost. The income tax on the net change in retirement obligations in other comprehensive income before reclassifications during fiscal years 2024, 2023, and 2022 resulted in an expense of \$79 million, \$6 million, and \$134 million, respectively. During fiscal years 2024, 2023, and 2022, the gains and losses on defined benefit and pension items reclassified from AOCI were reduced by income taxes of \$2 million, \$9 million, and \$20 million, respectively. When realized, net gains and losses on defined benefit and pension items reclassified from AOCI are recognized within *other non-operating income, net*. Refer to Note 15 for additional information.

The income tax on unrealized gains and losses on cash flow hedges in other comprehensive income before reclassifications during fiscal years 2024, 2023, and 2022 was an expense of \$103 million, \$56 million, and \$152 million, respectively. Amounts reclassified from AOCI related to cash flow hedges included income taxes of \$66 million, \$133 million, and \$26 million for fiscal years 2024, 2023, and 2022, respectively. When realized, gains and losses on currency exchange rate contracts reclassified from AOCI are recognized within *other operating expense (income), net* or *cost of products sold*. Refer to Note 7 for additional information.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

## **18. Commitments and Contingencies**

### **Legal Matters**

The Company and its affiliates are involved in a number of legal actions from time to time involving product liability, employment, intellectual property and commercial disputes, shareholder related matters, environmental proceedings, tax disputes, and governmental proceedings and investigations, including those described below. With respect to governmental proceedings and investigations, like other companies in our industry, the Company is subject to extensive regulation by national, state, and local governmental agencies in the United States and in other jurisdictions in which the Company and its affiliates operate. As a result, interaction with governmental agencies is ongoing. The Company's standard practice is to cooperate with regulators and investigators in responding to inquiries. The outcomes of legal actions are not within the Company's complete control and may not be known for prolonged periods of time. In some actions, the enforcement agencies or private claimants seek damages, as well as other civil or criminal remedies (including injunctions barring the sale of products that are the subject of the proceeding), that could require significant expenditures, result in lost revenues, or limit the Company's ability to conduct business in the applicable jurisdictions.

The Company records a liability in the consolidated financial statements on an undiscounted basis for loss contingencies related to legal actions when a loss is known or considered probable and the amount may be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and may be reasonably estimated, the estimated loss or range of loss is disclosed. When determining the estimated loss or range of loss, significant judgment is required. Estimates of probable losses resulting from litigation and governmental proceedings involving the Company are inherently difficult to predict, particularly when the matters are in early procedural stages with incomplete scientific facts or legal discovery, involve unsubstantiated or indeterminate claims for damages, potentially involve penalties, fines or punitive damages, or could result in a change in business practice. The Company classifies certain specified litigation charges and gains related to significant legal matters as *certain litigation charges* in the consolidated statements of income. During fiscal years 2024, 2023, and 2022, the Company recognized \$149 million of certain litigation charges, \$30 million of certain litigation income, and \$95 million of certain litigation charges, respectively. At April 26, 2024 and April 28, 2023, accrued litigation was approximately \$0.2 billion and \$0.3 billion, respectively. The ultimate cost to the Company with respect to accrued litigation could be materially different than the amount of the current estimates and accruals and could have a material adverse impact on the Company's consolidated earnings, financial position, and/or cash flows. The Company includes accrued litigation in *other accrued expenses* and *other liabilities* on the consolidated balance sheets. While it is not possible to predict the outcome for most of the legal matters discussed below, the Company believes it is possible that the costs associated with these matters could have a material adverse impact on the Company's consolidated earnings, financial position, and/or cash flows.

#### *Intellectual Property Matters*

At any given time, the Company is involved in litigation relating to patents, trademarks, copyrights, trade secrets, and other intellectual property (IP) rights, and licenses, acquisitions or other agreements relating to such rights. This litigation includes, but is not limited to, alleged infringement or misappropriation of IP rights, or breach of obligations related to IP rights, or other claims asserted by competitors, individuals, or, consistent with a growing trend across technology-intensive industries, other entities created specifically to fund IP litigation. While the outcome of these litigation matters is inherently uncertain, it is possible that the results of such litigation could require the Company to pay significant monetary damages and/or royalty payments, and negatively impact the Company's ability to sell current or future products, which could have a material adverse impact on the Company's business, results of operations, financial condition, and cash flows.

#### Colibri

The Company is a defendant in patent litigation brought by Colibri Heart Valve LLC (Colibri) in the U.S. District Court for the Central District of California. Colibri alleges infringement of one patent by the Company's Evolut family of transcatheter aortic valve replacement devices. The patent asserted by Colibri has expired. On February 8, 2023, a jury returned a verdict against the Company for approximately \$106 million. In July 2023, the Company filed its appeal with the U.S. Court of Appeals for the Federal Circuit. The Company has not recognized an expense in connection with this matter because it does not currently believe a loss is probable.

#### *Product Liability Matters*

#### Hernia Mesh Litigation

Starting in fiscal year 2020, plaintiffs began filing lawsuits against certain subsidiaries of the Company in U.S. state and federal courts that allege personal injury from hernia mesh products sold by those subsidiaries. As of May 15, 2024, the Company and certain of its subsidiaries have been named as defendants in lawsuits filed on behalf of approximately 8,350 individual plaintiffs, and certain plaintiffs'

**Medtronic plc****Notes to Consolidated Financial Statements (Continued)**

law firms have advised the Company that they may file additional cases in the future. Approximately 6,700 plaintiffs have pending lawsuits in a coordinated proceeding in Massachusetts state court, where they have been consolidated before a single judge. Approximately 500 plaintiffs have pending lawsuits in a coordinated action in Minnesota state court, and there are approximately 1,150 actions coordinated in a federal Multidistrict Litigation in the U.S. District Court for the District of Massachusetts plus six one-off cases filed in other courts. The pending lawsuits relate almost entirely to hernia mesh products that have not been subject to recalls, withdrawals, or other adverse regulatory action. The Company has not recorded an expense related to damages in connection with these matters because any potential loss is not currently probable and reasonably estimable. Additionally, the Company is unable to reasonably estimate the range of loss, if any, that may result from these matters.

**Diabetes Pump Retainer Ring Litigation**

Starting in fiscal year 2021, plaintiffs began filing lawsuits against the Diabetes operating unit in U.S. state and federal courts alleging personal injury from Series 600 insulin pumps with allegedly defective clear retainer rings that were subject to field corrective actions in 2019 and 2021. As of May 14, 2024, 27 lawsuits have been filed on behalf of a total of 107 individual plaintiffs, and certain plaintiffs' law firms have notified the Company that they may file additional lawsuits in the future on behalf of thousands of additional claimants. Most of the filed suits are coordinated in California state court. The Company has not recorded an expense related to damages in connection with these matters because any potential loss is not currently probable and reasonably estimable. Additionally, the Company is unable to reasonably estimate the range of loss, if any, that may result from these matters.

***Environmental Proceedings***

The Company is a successor to several investigation and cleanup actions at various stages related to environmental remediation matters at a number of sites, including in Orrington, Maine. These projects relate to a variety of activities, including removal of solvents, metals and other hazardous substances from soil and groundwater. The ultimate cost of site cleanup and timing of future cash flows is difficult to predict given uncertainties regarding the extent of the required cleanup, the interpretation of applicable laws and regulations, and alternative cleanup methods.

The Company is also a successor to a party named in a lawsuit filed in the U.S. District Court for the District of Maine in the early 2000's by the Natural Resources Defense Council and the Maine People's Alliance relating to mercury contamination of the Penobscot River and Bay and options for remediating such contamination. In March 2021, the parties notified the court that they had agreed on a settlement in principle of all issues in this matter, and in September 2022 the parties filed a joint motion for final approval by the court. In October 2022, the court issued a final order approving the settlement and the parties are working with consultants on implementation of remedial activities. The final court order did not result in a change to the Company's previous accrual for this matter.

The Company's accrued expenses for these various environmental proceedings are included within accrued litigation as discussed above.

***Anti-Corruption Matters***

The Company has regular and ongoing interactions with governmental agencies, and its practice is to cooperate with such inquiries. In addition, from time to time, the Company self-discloses potential concerns to governmental regulators. Like many in the medical device industry or with international operations, the Company engages in periodic discussions with the U.S. Securities and Exchange Commission, U.S. Department of Justice, and various authorities in China regarding certain activities, including in China. The Company is committed to regularly evaluating and, as appropriate, strengthening its anti-corruption compliance programs and practices. Any possible future determination that certain of our operations and activities, and/or those of our third-party distributors, are not in compliance with existing laws could result in the imposition of fines, penalties, and equitable remedies in the United States or in other jurisdictions. The Company has not recorded an expense in connection with these matters because any potential loss is not currently probable and reasonably estimable. Additionally, the Company is unable to reasonably estimate the range of loss, if any, that may result from these matters.

**Income Taxes**

In March 2009, the IRS issued its audit report on Medtronic, Inc. for fiscal years 2005 and 2006. Medtronic, Inc. reached agreement with the IRS on some, but not all matters related to these fiscal years. The remaining unresolved issue for fiscal years 2005 and 2006 relates to the allocation of income between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico, which is one of the Company's key manufacturing sites. The U.S. Tax Court (Tax Court) reviewed this dispute, and in June 2016, issued an opinion with respect to the allocation of income between the parties for fiscal years 2005 and 2006 whereby it generally rejected the IRS's position, but also made certain modifications to the Medtronic, Inc. tax returns as filed. In April 2017, the IRS filed a Notice of Appeal to the U.S. Court of Appeals for the Eighth Circuit regarding the Tax Court opinion. The U.S. Court of Appeals issued its opinion in August 2018 and remanded the case back to the Tax Court for additional factual findings. The Tax Court issued its second opinion in August 2022, the IRS filed a Notice of

**Medtronic plc****Notes to Consolidated Financial Statements (Continued)**

Appeal to the U.S. Court of Appeals for the Eighth Circuit in September 2023, and Medtronic subsequently filed a cross-appeal in October 2023.

The IRS has issued its audit reports on Medtronic, Inc. for fiscal years 2007 through 2016. Medtronic, Inc. and the IRS have reached agreement on all significant issues except for the allocation of income between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico for the businesses that are the subject of the U.S. Tax Court matter for fiscal years 2005 and 2006.

Medtronic, Inc.'s fiscal years 2017, 2018, and 2019 U.S. federal income tax returns are currently being audited by the IRS.

Covidien LP (a wholly owned subsidiary of Medtronic plc) has either reached agreement with the IRS or the statute of limitations has lapsed on its U.S. federal income tax returns through fiscal year 2020.

Although it is not possible to predict the outcome for most of the income tax matters discussed above, the Company believes it is possible that charges associated with these matters could have a material adverse impact on the Company's consolidated earnings, financial position, and/or cash flows.

Refer to Note 13 for additional discussion of income taxes.

**Guarantees**

In the normal course of business, the Company and/or its affiliates periodically enter into agreements that require one or more of the Company and/or its affiliates to indemnify customers or suppliers for specific risks, such as claims for injury or property damage arising as a result of the Company or its affiliates' products, the negligence of the Company's personnel, or claims alleging that the Company's products infringe on third-party patents or other intellectual property. The Company also offers warranties on various products. The Company's maximum exposure under these guarantees is unable to be estimated. Historically, the Company has not experienced significant losses on these types of guarantees.

The Company believes the ultimate resolution of the above guarantees is not expected to have a material effect on the Company's consolidated earnings, financial position, and/or cash flows.

**19. Segment and Geographic Information**

There were no changes to the reportable segments during the fiscal year ended April 26, 2024. We continue to have four reportable segments: Cardiovascular Portfolio, Neuroscience Portfolio, Medical Surgical Portfolio, and Diabetes Operating Unit. However, there were changes to the operating segments during fiscal year 2024 as a result of how the Chief Operating Decision Maker (CODM) assesses business performance. During the first quarter of fiscal year 2024, the Medical Surgical Portfolio was separated into two operating segments as a result of the previously contemplated separation of the PMRI businesses, which were previously aggregated based upon similar economic and operating characteristics. In addition, during the first quarter of fiscal year 2024, there were certain Medical Surgical businesses that were moved to the Other line, which primarily related to wind-down activity of the Company's Renal Care Solutions business that was contributed to Mozarc Medical in April 2023. Subsequently, as a result of the February 2024 decision to exit the Company's ventilator product line and retain and combine the remaining PMRI businesses into one business unit as further discussed in Note 3, the two operating segments within the Medical Surgical Portfolio were combined into one operating segment, and the Company's ventilator product line, which was in the Medical Surgical Portfolio, was moved to the Other line during the fourth quarter of fiscal year 2024. Prior period amounts have been recast to reflect the new reporting structure.

The Company's management has chosen to organize the entity based upon therapy solutions provided by each segment. The four principal segments are strategic businesses that are managed separately, as each one develops and manufactures products and provides services oriented toward targeted therapy solutions.

The primary products and services from which the Cardiovascular Portfolio segment derives its revenues include products for the diagnosis, treatment, and management of cardiac rhythm disorders and cardiovascular disease, as well as services to diagnose, treat, and manage heart and vascular-related disorders and diseases.

The primary products and services from which the Neuroscience Portfolio segment derives its revenues include those focused on neurostimulation therapies and drug delivery systems for the treatment of chronic pain, as well as various areas of the spine and brain, along with pelvic health and conditions of the ear, nose, and throat.

The primary products and services from which the Medical Surgical Portfolio segment derives its revenues include those focused on diseases of the respiratory system, gastrointestinal tract, lungs, pelvic region, obesity, and other preventable complications.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

The primary products from which the Diabetes Operating Unit segment derives its revenues include those focused on diabetes management, including insulin pumps, continuous glucose monitoring systems and sensors, and smart insulin pens.

Segment disclosures are on a performance basis, consistent with internal management reporting. Net sales of the Company's segments include end-customer revenues from the sale of products the segment develops, manufactures, and distributes. Refer to Note 2 for discussion on net sales by segment. There are certain corporate and centralized expenses that are not allocated to the segments. The Company's management evaluates the performance of the segments and allocates resources based on net sales and segment operating profit. Segment operating profit represents income before income taxes, excluding interest income or expense, amortization of intangible assets, centralized distribution costs, currency impact of remeasurement and hedging, non-operating income or expense items, certain corporate charges, stock-based compensation, and other items not allocated to the segments. Prior period amounts have been recast to reallocate certain expenses from segment operating profit to centralized distribution costs to conform to classifications used in the current year as a result in a change to the segment operating profit metric used by the CODM to assess business performance and allocate resources.

The accounting policies of the segments are the same as those described in Note 1. Certain depreciable assets may be recorded by one segment, while the depreciation expense is allocated to another segment. The allocation of depreciation expense is based on the proportion of the assets used by each segment.

**Segment Operating Profit**

(in millions)	Fiscal Year		
	2024	2023	2022
Cardiovascular	\$ 4,474	\$ 4,522	\$ 4,596
Neuroscience	3,940	3,712	3,858
Medical Surgical	3,170	3,048	3,698
Diabetes	394	383	588
Reportable segment operating profit	11,979	11,664	12,740
Other operating segment <sup>(1)</sup>	10	(89)	(31)
Corporate	(1,784)	(1,763)	(1,724)
Interest expense	(719)	(636)	(553)
Other non-operating income, net	412	515	318
Amortization of intangible assets	(1,693)	(1,698)	(1,733)
Stock-based compensation	(393)	(355)	(358)
Centralized distribution costs	(1,609)	(1,558)	(1,741)
Currency <sup>(2)</sup>	68	465	70
Restructuring and associated costs	(389)	(647)	(335)
Acquisition and divestiture-related items	(777)	(345)	(838)
Certain litigation charges, net	(149)	30	(95)
IPR&D charges	—	—	(101)
Medical device regulations	(119)	(150)	(102)
Commitments to the Medtronic Foundation and Medtronic LABS	—	(70)	—
Income before income taxes	\$ 4,837	\$ 5,364	\$ 5,517

(1) Includes the historical operations and ongoing transition agreements from businesses the Company has exited or divested, which primarily includes the Company's ventilator product line and the Renal Care Solutions business.

(2) Includes the net impact of remeasurement and the Company's hedging programs recorded in other operating expense (income), net.

**Medtronic plc**  
**Notes to Consolidated Financial Statements (Continued)**

**Total Assets and Depreciation Expense**

(in millions)	Total Assets		Depreciation Expense		
	April 26, 2024	April 28, 2023	2024	2023	2022
Cardiovascular	\$ 16,128	\$ 16,036	\$ 199	\$ 209	\$ 210
Neuroscience	18,270	18,346	252	267	265
Medical Surgical	33,586	34,926	194	203	186
Diabetes	3,996	3,930	94	80	67
Total reportable segments	71,980	73,238	739	759	728
Other operating segment <sup>(1)</sup>	547	1,337	—	2	18
Corporate	17,455	16,373	215	238	228
Total	\$ 89,981	\$ 90,948	\$ 954	\$ 999	\$ 974

(1) Includes the historical operations and ongoing transition agreements from businesses the Company has exited or divested, which primarily includes the Company's ventilator product line and the Renal Care Solutions business.

**Geographic Information**

Net sales are attributed to the country based on the location of the customer taking possession of the products or in which the services are rendered. Geographic property, plant, and equipment are attributed to the country based on the physical location of the assets.

The following table presents net sales for fiscal years 2024, 2023, and 2022, and property, plant, and equipment, net at April 26, 2024 and April 28, 2023 for the Company's country of domicile, countries with significant concentrations, and all other countries:

(in millions)	Net sales			Property, plant, and equipment, net	
	2024	2023	2022	April 26, 2024	April 28, 2023
Ireland	\$ 113	\$ 98	\$ 101	\$ 252	\$ 184
United States	16,562	16,373	16,135	4,593	4,083
Rest of world	15,689	14,756	15,450	1,286	1,302
Total other countries, excluding Ireland	32,251	31,129	31,585	5,879	5,385
Total	\$ 32,364	\$ 31,227	\$ 31,686	\$ 6,131	\$ 5,569

No single customer represented over 10 percent of the Company's consolidated net sales in fiscal years 2024, 2023, or 2022.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

Not applicable.

**Item 9A. Controls and Procedures****Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) and changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) are effective.

**Management's Annual Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company (as defined in Exchange Act Rule 13a-15(f)). Management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of April 26, 2024. The effectiveness of the Company's internal control over financial reporting as of April 26, 2024 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included in "Item 8. Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

**Changes in Internal Control Over Financial Reporting**

During the quarter ended April 26, 2024, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**Item 9B. Other Information****Rule 10b5-1 Director and Officer Trading Arrangements**

During the quarter ended April 26, 2024, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

**Exchange Act Section 3(r) Disclosure**

As reported in our Quarterly Report on Form 10-Q for the first quarter of fiscal year 2024, Medtronic has engaged in certain activities that it is required to disclose pursuant to Section 13(r)(1)(D)(ii) of the Securities Exchange Act of 1934, as amended. In particular, during the first quarter of fiscal year 2024, Medtronic engaged in certain regulatory activities involving Russia's Federal Security Service ("FSB") related to its medical devices that were expressly authorized by the U.S. Government under applicable economic sanctions regulations.

During the first quarter of fiscal year 2024, in the normal course of business and consistent with the OFAC authorizations as in effect at the time, Medtronic Russia filed a total of one notification with the FSB, as required under local Russian law for the import of medical devices that make use of encryption functionality. These activities did not directly result in any revenues or profits for Medtronic. Medtronic did not engage in these activities during the second, third, and fourth quarters of fiscal year 2024. To the extent that notifications with the FSB remain permissible under U.S. law, Medtronic may decide to continue engaging in such activities for the limited purposes of complying with local law requirements in Russia.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not Applicable.



## PART III

Part III of this Annual Report on Form 10-K incorporates information by reference from the Company's 2024 definitive proxy statement, which will be filed no later than 120 days after April 26, 2024.

### Item 10. Directors, Executive Officers, and Corporate Governance

The sections entitled “Proposal 1 — Election of Directors — Directors and Nominees” and “Corporate Governance — Committees of the Board and Meetings” in the Company's Proxy Statement for our 2024 Annual General Meeting of Shareholders, which will be filed no later than 120 days after April 26, 2024, are incorporated herein by reference.

The Company has adopted an insider trading policy which governs the purchase, sale, and/or any other dispositions of our securities by directors, officers and employees and other covered persons and is designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of our insider trading policy is filed with this Annual Report on Form 10-K as Exhibit 19.

Set forth below are the names and ages of our Executive Officers of Medtronic, as well as information regarding their positions with Medtronic, their periods of service in these capacities, and their business experiences. There are no family relationships among any of the officers named, nor is there any arrangement or understanding pursuant to which any person was selected as an officer.

The following table shows the name, age, and position as of April 26, 2024 of each of our Executive Officers:

Name	Age	Position with the Company
Geoffrey S. Martha	54	Chairman and Chief Executive Officer
Ivan K. Fong	62	Executive Vice President, General Counsel and Corporate Secretary of the Company
Robert ten Hoedt	63	Executive Vice President and President, Global Regions
Michael Marinaro	53	Executive Vice President and President, Medical Surgical Portfolio and Surgical Operating Unit
Karen L. Parkhill	58	Executive Vice President and Chief Financial Officer
Sean Salmon	59	Executive Vice President and President, Cardiovascular Portfolio
Gregory L. Smith	60	Executive Vice President, Global Operations and Supply Chain
Brett Wall	59	Executive Vice President and President, Neuroscience Portfolio

**Geoffrey S. Martha**, age 54, is Chairman of the Board of Directors and Chief Executive Officer of Medtronic. Mr. Martha assumed the role of CEO on April 27, 2020 and became Chairman of the Board on December 11, 2020. Prior to his role as Chairman and CEO, he served as President of Medtronic from November 2019 through April 2020 and joined the Board of Directors in November 2019. Previously, Mr. Martha served as Executive Vice President and President, Restorative Therapies Group, a role he held since August 2015. Mr. Martha previously served as Senior Vice President of Strategy and Business Development of the Company beginning in January 2015 and of Medtronic, Inc. beginning in August 2011. Prior to that, he served as Managing Director of Business Development at GE Healthcare from April 2007 to July 2011; General Manager for GE Capital Technology Finance Services from November 2003 to March 2007; Senior Vice President, Business Development for GE Capital Vendor Financial Services from February 2002 to October 2003; General Manager for GE Capital Colonial Pacific Leasing from February 2001 to January 2002; and Vice President, Business Development for Potomac Federal, the GE Capital federal financing investment bank from May 1998 to January 2001.

**Ivan K. Fong**, age 62, has been Executive Vice President, General Counsel and Corporate Secretary of the Company since February 2022. Prior to that, he held several leadership positions at 3M Company from 2012 to 2022, including Executive Vice President, Chief Legal and Policy Officer and Secretary. Prior to joining 3M Company, Mr. Fong served as General Counsel of the U.S. Department of Homeland Security from 2009 to 2012. Prior to his role with the U.S. Government, he was Chief Legal Officer and Secretary for Cardinal Health, Inc from 2005 to 2009.

**Robert ten Hoedt**, age 63, is Executive Vice President and President of the Global Regions. He previously served as Executive Vice President and President, EMEA Region of the Company since January 2015 and of Medtronic, Inc. since May 2014, as well as President, APAC Region since March 2022. Prior to that, he was Senior Vice President and President, EMEA and Canada from 2009 to 2014; Vice President CardioVascular Europe and Central Asia from 2006 to 2009; Vice President and General Manager, Vitatron from 1999 to 2006; Gastro-Uro leader from 1994 to 1999; and Marketing Manager, Neurological from 1991 to 1994.

**Michael Marinaro**, age 53, has served as Executive Vice President and President, Surgical Operating Unit since February 2023. Mr. Marinaro previously served as President of Surgical Robotics and, prior thereto, was President of the Cardiac Rhythm Management Operating Unit. Mr. Marinaro joined Medtronic in 2000 and has led numerous businesses across the company during that time.

**Karen L. Parkhill**, age 58, joined the Company as Executive Vice President and Chief Financial Officer in June 2016. From 2011 to 2016, Ms. Parkhill served as Vice Chairman and Chief Financial Officer of Comerica Incorporated. Ms. Parkhill was a member of Comerica’s Management Executive Committee and the Comerica Bank Board of Directors. Prior to joining Comerica, Ms. Parkhill worked for J.P. Morgan Chase & Co. in various capacities from 1992 to 2011, including serving as Chief Financial Officer of the Commercial Banking business from 2007 to 2011.

**Sean Salmon**, age 59, has been Executive Vice President and President of Medtronic's Cardiovascular Portfolio since January 2021. Mr. Salmon previously served as Executive Vice President and President of the Diabetes Operating Unit (previously known as Diabetes Group) from October 2019 to May 2022. Prior to that, he served as Senior Vice President and President of Coronary and Structural Heart Business within the Cardiac and Vascular Group of the Company beginning in July 2014. Mr. Salmon is a seasoned leader who has been with Medtronic since 2004 and spent the past 16 years in increasingly senior levels of management. Prior to joining Medtronic, Mr. Salmon worked at CR Bard and Johnson & Johnson.

**Gregory Smith**, age 60, is Executive Vice President, Global Operations and Supply Chain, a position he has held since April 2021. Prior to joining Medtronic, he was Executive Vice President of U.S. Supply Chain at Walmart. In addition, Mr. Smith served as Senior Vice President, Global Operations at The Goodyear Tire & Rubber Company, and held leadership roles at ConAgra Foods, United Signature Foods, VDK Frozen Foods and Quaker Oats.

**Brett Wall**, age 59, is Executive Vice President and President of Medtronic’s Neuroscience Portfolio. Mr. Wall previously served as Senior Vice President and President of the Brain Therapies division of Medtronic within the Restorative Therapies Group from March 2016 to November 2019. Prior to that, Mr. Wall served as SVP and President of Medtronic’s Neurovascular business. Prior to joining Medtronic, he served as Covidien’s SVP and President of Neurovascular as well as Senior Vice President and President of the International Vascular Therapies business for Covidien. Mr. Wall also served as Senior Vice President and President, International at ev3, Inc. From 2000 to 2008, Brett held various marketing and sales positions with ev3, Inc. and Micro Therapeutics, Inc. Mr. Wall has also worked at Boston Scientific as Director of Marketing, Cardiovascular, Asia Pacifica and Marketing Manager, Japan, from September 1995 to September 2000.

#### **Item 11. Executive Compensation**

The information required by Item 11 will be included in our Proxy Statement for the 2024 Annual General Meeting of Shareholders under the headings “Corporate Governance — Director Compensation,” “Corporate Governance — Committees of the Board and Meetings,” “Compensation Discussion and Analysis,” “Executive Compensation,” and “Compensation Committee Report,” and is incorporated herein by reference. The Proxy Statement will be filed no later than 120 days after April 26, 2024.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters**

The information required by Item 12 will be included in our Proxy Statement for the 2024 Annual General Meeting of Shareholders under the headings “Share Ownership Information — Significant Shareholders,” “Share Ownership Information — Beneficial Ownership of Management,” and “Executive Compensation — Equity Compensation Plan Information,” and is incorporated herein by reference. The Proxy Statement will be filed no later than 120 days after April 26, 2024.

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by Item 13 will be included in our Proxy Statement for the 2024 Annual General Meeting of Shareholders under the headings “Corporate Governance — Director Independence” and “Corporate Governance — Related Party Transactions and Other Matters,” and is incorporated herein by reference. The Proxy Statement will be filed no later than 120 days after April 26, 2024.

#### **Item 14. Principal Accounting Fees and Services**

The information required by Item 14 will be included in our Proxy Statement for the 2024 Annual General Meeting of Shareholders under the headings “Corporate Governance — Committees of the Board and Meetings” and “Audit and Non-Audit Fees,” and is incorporated herein by reference. The Proxy Statement will be filed no later than 120 days after April 26, 2024.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules

#### (a) 1. Financial Statement Schedule

Schedule II. Valuation and Qualifying Accounts — fiscal years ended April 26, 2024, April 28, 2023, and April 29, 2022.

#### MEDTRONIC PLC AND SUBSIDIARIES SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS (in millions)

	Balance at Beginning of Fiscal Year	Additions		Deductions		Balance at End of Fiscal Year
		Charges to Income	Charges to Other Accounts	Other Changes (Debit) Credit		
<b>Allowance for doubtful accounts and credit losses:</b>						
Fiscal year ended April 26, 2024	\$ 176	\$ 90	\$ —	\$ (93) (a)		\$ 173
Fiscal year ended April 28, 2023	230	73	—	(127) (a)		176
Fiscal year ended April 29, 2022	241	58	—	(69) (a)		230
<b>Deferred tax valuation allowance:</b>						
Fiscal year ended April 26, 2024	\$ 11,311	\$ 1,522	\$ 3 (b)	\$ (108) (c)		\$ 13,271
		545 (e)	(2) (d)			
Fiscal year ended April 28, 2023	6,583	4,779	39 (b)	(63) (c)		11,311
			1 (d)	(27) (e)		
Fiscal year ended April 29, 2022	5,822	884	(19) (d)	(103) (c)		6,583

(a) Primarily consists of uncollectible accounts written off, less recoveries.

(b) Reflects the impact from acquisitions.

(c) Primarily reflects carryover attribute utilization and expiration.

(d) Primarily reflects the effects of currency fluctuations.

(e) Primarily reflects the impacts from tax rate changes.

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

#### 2. Exhibits

Exhibit No.	Description
3.1	<a href="#">Certificate of Incorporation of Medtronic plc (incorporated by reference to Exhibit 3.1 to Medtronic plc's Current Report on Form 8-K, filed on January 27, 2015, File No. 001-36820).</a>
3.2	<a href="#">Amended and Restated Memorandum and Articles of Association of Medtronic plc (incorporated by reference to Exhibit 3.2 to Medtronic plc's Registration Statement on Form S-3, filed on February 6, 2017, File No. 333-215895).</a>
4.1	<a href="#">Form of Indenture between Medtronic, Inc. and Wells Fargo Bank, National Association regarding 2009 offering (incorporated by reference to Exhibit 4.1 to Medtronic, Inc.'s Registration Statement on Form S-3, filed on March 9, 2009, File No. 333-157777).</a>
4.2	<a href="#">First Supplemental Indenture, dated March 12, 2009, between Medtronic, Inc. and Wells Fargo Bank, National Association (including the Forms of Notes thereof) (incorporated by reference to Exhibit 4.1 to Medtronic, Inc.'s Current Report on Form 8-K, filed on March 12, 2009, File No. 001-07707).</a>
4.3	<a href="#">Second Supplemental Indenture, dated March 16, 2010, between Medtronic, Inc. and Wells Fargo Bank, National Association (including the Forms of Notes thereof) (incorporated by reference to Exhibit 4.1 to Medtronic, Inc.'s Current Report on Form 8-K, filed on March 16, 2010, File No. 001-07707).</a>

- 4.4 [Third Supplemental Indenture, dated March 15, 2011, between Medtronic, Inc. and Wells Fargo Bank, National Association \(including the Forms of Notes thereof\) \(incorporated by reference to Exhibit 4.1 to Medtronic, Inc.'s Current report on Form 8-K, filed on March 16, 2011, File No. 001-07707\).](#)
- 4.5 [Fourth Supplemental Indenture, dated March 19, 2012, between Medtronic, Inc. and Wells Fargo Bank, National Association \(including the Forms of Notes thereof\) \(incorporated by reference to Exhibit 4.2 to Medtronic, Inc.'s Current Report on Form 8-K, filed on March 20, 2012, File No. 001-07707\).](#)
- 4.6 [Fifth Supplemental Indenture, dated March 26, 2013, between Medtronic, Inc. and Wells Fargo Bank, National Association \(including the Forms of Notes thereof\) \(incorporated by reference to Exhibit 4.1 to Medtronic, Inc.'s Current Report on Form 8-K, filed on March 26, 2013, File No. 001-07707\).](#)
- 4.7 [Sixth Supplemental Indenture, dated February 27, 2014, between Medtronic, Inc. and Wells Fargo Bank, National Association \(including the Form of Global Note thereof\) \(incorporated by reference to Exhibit 4.2 to Medtronic, Inc.'s Current Report on Form 8-K, filed on February 27, 2014, File No. 001-07707\).](#)
- 4.8 [Seventh Supplemental Indenture, dated as of January 26, 2015, by and among Medtronic plc, Medtronic, Inc., Medtronic Global Holdings S.C.A. and Wells Fargo Bank, National Association \(incorporated by reference to Exhibit 4.2 to Medtronic plc's Current Report on Form 8-K12B, filed on January 27, 2015, File No. 001-36820\).](#)
- 4.9 [Indenture, dated December 10, 2014, between Medtronic, Inc. and Wells Fargo Bank, National Association \(incorporated by reference to Exhibit 4.1 to Medtronic, Inc.'s Current Report on Form 8-K filed with the Commission on December 10, 2014, File No. 001-07707\).](#)
- 4.10 [First Supplemental Indenture, dated December 10, 2014, between Medtronic, Inc. and Wells Fargo Bank, National Association \(including Form of Floating Rate Senior Notes due 2020, Form of 1.500% Senior Notes due 2018, Form of 2.500% Senior Notes due 2020, Form of 3.150% Senior Notes due 2022, Form of 3.500% Senior Notes due 2025, Form of 4.375% Senior Notes due 2035 and Form of 4.625% Senior Notes due 2045\) \(incorporated by reference to Exhibit 4.2 of Medtronic, Inc.'s Current Report on Form 8-K filed with the Commission on December 10, 2014, File No. 001-07707\).](#)
- 4.11 [Second Supplemental Indenture, dated as of January 26, 2015, by and among Medtronic plc and Wells Fargo Bank, National Association \(incorporated by reference to Exhibit 4.3 to Medtronic plc's Current Report on Form 8-K12B, filed on January 27, 2015, File No. 001-36820\).](#)
- 4.12 [Third Supplemental Indenture, dated as of January 26, 2015, by and among Medtronic Global Holdings S.C.A. and Wells Fargo Bank, National Association \(incorporated by reference to Exhibit 4.4 to Medtronic plc's Current Report on Form 8-K12B, filed on January 27, 2015, File No. 001-36820\).](#)
- 4.13 [Fourth Supplemental Indenture to Medtronic, Inc. Senior Indenture, dated as of February 22, 2023, among Medtronic Global Holdings, S.C.A., Medtronic, Inc. and Medtronic plc and Computershare Trust Company, N.A. \(as successor to Wells Fargo Bank, N.A.\), as trustee \(incorporated by reference to Exhibit 4.9 to Medtronic plc's Registration Statement on Form S-3, filed on March 3, 2023\).](#)
- 4.14 [Fifth Supplemental Indenture to Medtronic, Inc. Senior Indenture, dated as of June 3, 2024, among Medtronic, Inc., Medtronic plc, Medtronic Global Holdings S.C.A., Computershare Trust Company, N.A., as trustee, and Elavon Financial Services DAC, UK Branch \(incorporated by reference to Exhibit 4.1 to Medtronic plc's Form 8-K, filed on June 3, 2024\).](#)
- 4.15 [Indenture, dated as of October 22, 2007, by and among Covidien International Finance S.A., Covidien Ltd. and Deutsche Bank Trust Company Americas \(incorporated by reference to Exhibit 4.1\(a\) to Covidien plc's Current Report on Form 8-K filed on October 22, 2007, File No. 001-33259\).](#)
- 4.16 [Fourth Supplemental Indenture, dated as of October 22, 2007, by and among Covidien International Finance S.A., Covidien Ltd. and Deutsche Bank Trust Company Americas \(incorporated by reference to Exhibit 4.1\(e\) to Covidien plc's Current Report on Form 8-K filed on October 22, 2007, File No. 001-33259\).](#)
- 4.17 [Fifth Supplemental Indenture, dated as of June 4, 2009, by and among Covidien International Finance S.A., Covidien Ltd., Covidien plc and Deutsche Bank Trust Company Americas \(incorporated by reference to Exhibit 4.1 to Covidien plc's Current Report on Form 8-K12G3 filed on June 5, 2009, File No. 001-33259\).](#)
- 4.18 [Sixth Supplemental Indenture, dated as of June 28, 2010, among Covidien International Finance S.A., Covidien Ltd., Covidien plc and Deutsche Bank Trust Company Americas \(incorporated by reference to Exhibit 4.1 to Covidien plc's Current Report on Form 8-K filed on June 28, 2010, File No. 001-33259\).](#)
- 4.19 [Seventh Supplemental Indenture, dated as of May 30, 2012, among Covidien International Finance S.A., Covidien Ltd., Covidien plc and Deutsche Bank Trust Company Americas \(incorporated by reference to Exhibit 4.1 to Covidien plc's Current Report on Form 8-K filed on May 30, 2012, File No. 001-33259\).](#)
- 4.20 [Eighth Supplemental Indenture, dated as of May 16, 2013, among Covidien International Finance S.A., Covidien Ltd., Covidien plc and Deutsche Bank Trust Company Americas \(incorporated by reference to Exhibit 4.1 to Covidien plc's Current Report on Form 8-K filed on May 16, 2013, File No. 001-33259\).](#)

4.21	<a href="#"><u>Ninth Supplemental Indenture, dated as of January 26, 2015, by and among Medtronic plc, Medtronic Global Holdings S.C.A., Covidien public limited company, Covidien International Finance S.A., Covidien Ltd. and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.5 to Medtronic plc's Current Report on Form 8-K12B, filed on January 27, 2015, File No. 001-36820).</u></a>
4.22	<a href="#"><u>Senior Indenture, dated as of March 28, 2017, by and among Medtronic plc, Medtronic Global Holdings S.C.A., Medtronic, Inc., and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 4.1 to Medtronic plc's Current Report on Form 8-K, filed on March 28, 2017, File No. 001-36820).</u></a>
4.23	<a href="#"><u>First Supplemental Indenture, dated as of March 28, 2017, by and among Medtronic plc, Medtronic Global Holdings S.C.A., Medtronic, Inc., and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 4.2 to Medtronic plc's Current Report on Form 8-K, filed on March 28, 2017, File No. 001-36820).</u></a>
4.24	<a href="#"><u>Second Supplemental Indenture, dated as of March 7, 2019, by and among Medtronic plc, Medtronic Global Holdings S.C.A., Medtronic, Inc., Wells Fargo Bank, N.A., and Elavon Financial Services DAC, UK Branch (incorporated by reference to Exhibit 4.1 to Medtronic plc's Current Report on Form 8-K, filed on March 7, 2019, File No. 001-36820).</u></a>
4.25	<a href="#"><u>Third Supplemental Indenture, dated as of July 2, 2019, among Medtronic Global Holdings S.C.A., Medtronic, Inc. and Medtronic plc, Wells Fargo Bank, N.A., as trustee, and Elavon Financial Services DAC (incorporated by reference to Exhibit 4.1 to Medtronic plc's Current Report on Form 8-K, filed July 2, 2019, File No. 001-36820).</u></a>
4.26	<a href="#"><u>Fourth Supplemental Indenture, dated as of September 29, 2020, among Medtronic Global Holdings S.C.A., Medtronic, Inc. and Medtronic plc, Wells Fargo Bank, N.A., as trustee, and Elavon Financial Services DAC, as paying agent (including the forms of the 2023 Notes, the 2025 Notes, the 2032 Notes, the 2040 Notes and the 2050 Notes) (incorporated by reference to Exhibit 4.1 to Medtronic plc's Current Report on Form 8-K, filed September 29, 2020, File No. 001-36820).</u></a>
4.27	<a href="#"><u>Fifth Supplemental Indenture, dated as of September 21, 2022, among Medtronic Global Holdings S.C.A., Medtronic, Inc. and Medtronic plc, Computershare Trust Company, N.A., as successor to Wells Fargo Bank, N.A., as trustee, and Elavon Financial Services DAC, as paying agent (including the forms of the 2025 Notes, the 2028 Notes, the 2031 Notes and the 2034 Notes) (incorporated by reference to Exhibit 4.1 to Medtronic plc's Current Report on Form 8-K filed on September 21, 2022, File No. 001-36820).</u></a>
4.28	<a href="#"><u>Sixth Supplemental Indenture, dated as of February 22, 2023, among Medtronic Global Holdings S.C.A., Medtronic, Inc. and Medtronic plc, and Computershare Trust Company, N.A., as successor to Wells Fargo Bank, N.A., as trustee (incorporated by reference to Exhibit 4.2 to Medtronic plc's Registration Statement on Form S-3, filed on March 3, 2023, File No. 333-270272).</u></a>
4.29	<a href="#"><u>Seventh Supplemental Indenture, dated as of March 30, 2023, among Medtronic Global Holdings S.C.A., Medtronic, Inc. and Medtronic plc, and Computershare Trust Company, N.A., as successor to Wells Fargo Bank, N.A., as trustee (including the forms of the 2028 Notes and the 2033 Notes) (incorporated by reference to Exhibit 4.2 to Medtronic plc's Current Report on Form 8-K filed on March 30, 2023, File No. 001-36820).</u></a>
#4.30	<a href="#"><u>Description of Registrant's Securities.</u></a>
10.1	<a href="#"><u>Amended and Restated Credit Agreement, dated as of December 12, 2018, by and among Medtronic Global Holdings, SCA, certain subsidiaries named therein, Medtronic, Inc., Medtronic PLC, the lenders from time to time party thereto, and Bank of America, N.A. as Administration Agent (incorporated by reference to Exhibit 10.1 to Medtronic plc's Current Report on Form 8-K, filed on December 13, 2018, File No. 001-36820).</u></a>
10.2	<a href="#"><u>Amendment No. 1 and Extension Agreement to the Amended and Restated Credit Agreement, dated as of December 12, 2019, among Medtronic Global Holdings S.C.A., Medtronic, Inc., Medtronic PLC, the Lenders party thereto and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Medtronic plc's Current Report on Form 10-Q, filed on February 28, 2020, File No. 001-36820).</u></a>
10.3	<a href="#"><u>Term Loan Agreement, dated as of May 12, 2020, among Medtronic Global Holdings S.C.A., Medtronic, Inc., Medtronic PLC, the Lenders party thereto and Mizuho Bank, LTD., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Medtronic plc's Current Report on Form 8-K, filed on May 12, 2020, File No. 001-36820).</u></a>
10.4	<a href="#"><u>Term Loan Agreement, dated as of May 2, 2022, by and among Medtronic Global Holdings S.C.A., Medtronic, Inc., Medtronic plc, and Mizuho Bank, Ltd., as administrative agent and as lender (incorporated by reference to Exhibit 10.1 to Medtronic plc's Current Report on Form 8-K, filed on May 2, 2022, File No. 001-36820).</u></a>
10.5	<a href="#"><u>Form of Deed of Indemnification (incorporated by reference to Exhibit 10.1 to Medtronic plc's Current Report on Form 8-K12B, filed on January 27, 2015, File No. 001-36820).</u></a>

10.6	<a href="#">Form of Indemnification Agreement (incorporated by reference to Exhibit 10.2 to Medtronic plc's Current Report on Form 8-K12B, filed on January 27, 2015, File No. 001-36820).</a>
*10.7	<a href="#">Change of Control Severance Plan - Section 16B Officers (as amended and restated as of January 26, 2015) (incorporated by reference to Exhibit 10.14 to Medtronic plc's Current Report on Form 8-K, filed on January 27, 2015, File No. 001-36820).</a>
*10.8	<a href="#">Letter Agreement by and between Medtronic, Inc. and Karen Parkhill dated May 2, 2016 (incorporated by reference to Exhibit 10.1 to Medtronic, plc's Current Report on Form 8-K, filed on May 4, 2016, File No. 001-36820).</a>
*10.9	<a href="#">Letter Agreement by and between Medtronic, Inc. and Ivan K. Fong dated November 19, 2021 (incorporated by reference to Exhibit 10.1 to Medtronic, plc's Quarterly Report on Form 10-Q, filed on September 1, 2022).</a>
*10.10	<a href="#">Office of Chairman and Chief Executive Officer Letter Agreement (incorporated by reference to Exhibit 10.1 to Medtronic plc's Quarterly Report on Form 10-Q, filed on December 3, 2019, File No. 001-36820).</a>
*10.11	<a href="#">Form of Offer Letter Amendment (incorporated by reference to Exhibit 10.25 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 23, 2015, filed on February 27, 2015, File No. 001-36820).</a>
*10.12	<a href="#">1998 Outside Director Stock Compensation Plan (as amended and restated effective as of January 1, 2008) (incorporated by reference to Exhibit 10.3 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended January 25, 2008, filed on, filed on March 4, 2008, File No. 001-07707).</a>
*10.13	<a href="#">Amendment to the 1998 Outside Director Stock Compensation Plan (incorporated by reference to Exhibit 10.2 to Medtronic plc's Current Report on Form 8-K, filed on January 27, 2015, File No. 001-36820).</a>
*10.14	<a href="#">2003 Long-Term Incentive Plan (as amended and restated effective January 1, 2008) (incorporated by reference to Exhibit 10.4 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended January 28, 2008, filed on March 4, 2008, File No. 001-07707).</a>
*10.15	<a href="#">Amendment to the 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to Medtronic plc's Current Report on Form 8-K, filed on January 27, 2015, File No. 001-36820).</a>
*10.16	<a href="#">Form of Restricted Stock Award Agreement under 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended January 28, 2005, filed on March 7, 2005, File No. 001-07707).</a>
*10.17	<a href="#">Form of Non-Qualified Stock Option Agreement under 2003 Long-Term Incentive Plan (four year vesting) (incorporated by reference to Exhibit 10.1 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended January 28, 2005, filed on March 7, 2005, File No. 001-07707).</a>
*10.18	<a href="#">Form of Non-Qualified Stock Option Agreement under 2003 Long-Term Incentive Plan (immediate vesting) (incorporated by reference to Exhibit 10.2 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended January 28, 2005, filed on March 7, 2005, File No. 001-07707).</a>
*10.19	<a href="#">Form of Restricted Stock Units Award Agreement under 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.20 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 29, 2005, filed on June 29, 2005, File No. 001-07707).</a>
*10.20	<a href="#">Form of Performance Share Award Agreement under 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.21 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 29, 2005, filed on June 29, 2005, File No. 001-07707).</a>
*10.21	<a href="#">Form of Non-Qualified Stock Option Agreement under 2003 Long-Term Incentive Plan effective June 22, 2006 (incorporated by reference to Exhibit 10.23 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 28, 2006, filed on June 28, 2006, File No. 001-07707).</a>
*10.22	<a href="#">Form of Restricted Stock Award Agreement under 2003 Long-Term Incentive Plan effective June 22, 2006 (incorporated by reference to Exhibit 10.24 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 28, 2006, filed on June 28, 2006, File No. 001-07707).</a>
*10.23	<a href="#">Form of Restricted Stock Unit Award Agreement under 2003 Long-Term Incentive Plan effective June 22, 2006 (incorporated by reference to Exhibit 10.25 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 28, 2006, filed on June 28, 2006, File No. 001-07707).</a>
*10.24	<a href="#">Form of Performance Award Agreement under 2003 Long-Term Incentive Plan effective June 22, 2006 (incorporated by reference to Exhibit 10.26 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 28, 2006, filed on June 28, 2006, File No. 001-07707).</a>



*10.25	<a href="#">Form of Restricted Stock Award Agreement under 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 26, 2007, filed on December 4, 2007, File No. 001-07707).</a>
*10.26	<a href="#">Form of Restricted Stock Unit Award Agreement under 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.4 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 26, 2007, filed on December 4, 2007, File No. 001-07707).</a>
*10.27	<a href="#">Form of Non-Qualified Stock Option Agreement under 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.39 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 25, 2008, filed on June 24, 2008, File No. 001-07707).</a>
*10.28	<a href="#">Form of Restricted Stock Unit Award Agreement under 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.40 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 25, 2008, filed on June 24, 2008, File No. 001-07707).</a>
*10.29	<a href="#">Form of Restricted Stock Unit Award Agreement under 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.41 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 25, 2008, filed on June 24, 2008, File No. 001-07707).</a>
*10.30	<a href="#">Israeli Amendment to the 2003 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended January 25, 2008, filed on March 4, 2008, File No. 001-07707).</a>
*10.31	<a href="#">2008 Stock Award and Incentive Plan (as amended and restated effective August 27, 2009) (incorporated by reference to Exhibit 10.2 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 30, 2009, filed on December 9, 2009, File No. 001-07707).</a>
*10.32	<a href="#">Amendment to the 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.4 to Medtronic plc's Current Report on Form 8-K, filed on January 27, 2015, File No. 001-36820).</a>
*10.33	<a href="#">Form of Restricted Stock Unit Award Agreement under 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.2 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 25, 2008, filed on September 3, 2008, File No. 001-07707).</a>
*10.34	<a href="#">Form of Restricted Stock Award Agreement under 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.3 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 25, 2008, filed on September 3, 2008, File No. 001-07707).</a>
*10.35	<a href="#">Form of Restricted Stock Award Agreement under 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.4 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 25, 2008, filed on September 3, 2008, File No. 001-07707).</a>
*10.36	<a href="#">Form of Restricted Stock Unit Award Agreement under 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.5 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 25, 2008, filed on September 3, 2008, File No. 001-07707).</a>
*10.37	<a href="#">Form of Non-Qualified Stock Option Agreement under 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.6 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended July 25, 2008, filed on September 3, 2008, File No. 001-07707).</a>
*10.38	<a href="#">Terms of Non-Employee Director Compensation under 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.42 to Medtronic, Inc.'s Annual Report on Form 10-K for the year ended April 27, 2012, filed on June 26, 2012, File No. 001-07707).</a>
*10.39	<a href="#">Form of Non-Employee Director Initial Option Agreement under 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.1 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 24, 2008, filed on December 3, 2008, File No. 001-07707).</a>
*10.40	<a href="#">Form of Non-Employee Director Annual Option Agreement under 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.2 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 24, 2008, filed on December 3, 2008, File No. 001-07707).</a>
*10.41	<a href="#">Form of Non-Employee Director Deferred Unit Award Agreement under 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.3 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 24, 2008, filed on December 3, 2008, File No. 001-07707).</a>
*10.42	<a href="#">Form of Non-Employee Restricted Stock Unit Award Agreement under Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.65 to Medtronic plc's Annual Report on Form 10-K for the year ended April 24, 2015, filed on June 23, 2015, File No. 001-36820).</a>



*10.43	<a href="#">Israeli Amendment to the Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.10 to Medtronic plc's Current Report on Form 8-K, filed on January 27, 2015, File No. 001-36820).</a>
*10.44	<a href="#">Form of Restricted Stock Award Agreement under Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.1 to Medtronic plc's Quarterly Report on Form 10-K for the quarter ended July 28, 2017, filed on September 1, 2017, File No. 001-36820).</a>
*10.45	<a href="#">Medtronic plc Amended and Restated 2013 Stock Award and Incentive Plan (as amended and restated generally effective December 8, 2017) (incorporated by reference to Exhibit 10.1 to Medtronic plc's Current Report on Form 8-K, filed on December 12, 2017, File No. 001-36820).</a>
*10.46	<a href="#">Form of Non-qualified Stock Option Agreement Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.50 to Medtronic plc's Annual Report on Form 10-K, filed June 22, 2018, File No. 001-36820).</a>
*10.47	<a href="#">Form of Restricted Stock Unit Award Agreement Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.51 to Medtronic plc's Annual Report on Form 10-K, filed June 22, 2018, File No. 001-36820).</a>
*10.48	<a href="#">Form of Restricted Stock Award Agreement Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.52 to Medtronic plc's Annual Report on Form 10-K, filed June 22, 2018, File No. 001-36820).</a>
*10.49	<a href="#">Form of Long Term Performance Award Agreement under Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.53 to Medtronic plc's Annual Report on Form 10-K, filed June 22, 2018, File No. 001-36820).</a>
*10.50	<a href="#">Form of Non-Qualified Stock Option Agreement under Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.31 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 23, 2015, filed on February 27, 2015, File No. 001-36820).</a>
*10.51	<a href="#">Form of Performance Share Unit Award Agreement under Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.1 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended October 30, 2020, filed on December 3, 2020, File No. 001-36820).</a>
*10.52	<a href="#">Form of Non-Employee Director Deferred Unit Award Agreement under the 2008 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.3 to Medtronic, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 24, 2008, filed on December 3, 2008, File No. 001-07707).</a>
*10.53	<a href="#">Form of Non-Qualified Stock Option Agreement under 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.2 to Medtronic, Inc.'s Current Report on Form 8-K, filed on August 27, 2013, File No. 001-07707).</a>
*10.54	<a href="#">Form of Restricted Stock Unit Award Agreement (U.S. Employees) under 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.3 to Medtronic, Inc.'s Current Report on Form 8-K, filed on August 27, 2013, File No. 001-07707).</a>
*10.55	<a href="#">Form of Restricted Stock Unit Award Agreement (Non-U.S. Employees) under 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.4 to Medtronic, Inc.'s Current Report on Form 8-K, filed on August 27, 2013, File No. 001-07707).</a>
*10.56	<a href="#">Form of Restricted Stock Unit Award Agreement (Time-Based) under 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.5 to Medtronic, Inc.'s Current Report on Form 8-K, filed on August 27, 2013, File No. 001-07707).</a>
*10.57	<a href="#">Form of Restricted Stock Unit Award Agreement (Israeli-Employees) under 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.8 to Medtronic, Inc.'s Current Report on Form 8-K, filed on August 27, 2013, File No. 001-07707).</a>
*10.58	<a href="#">Form of Non-Qualified Stock Option Agreement under Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.48 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 23, 2015, filed on February 27, 2015, File No. 001-36820).</a>
*10.59	<a href="#">Form of Restricted Stock Unit Award Agreement under Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.49 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 23, 2015, filed on February 27, 2015, File No. 001-36820).</a>
*10.60	<a href="#">Form of Restricted Stock Unit Award Agreement under Amended and Restated 2013 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10.50 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 23, 2015, filed on February 27, 2015, File No. 001-36820).</a>

- \*10.61 [Form of Restricted Stock Unit Award Agreement under Amended and Restated 2013 Stock Award and Incentive Plan \(incorporated by reference to Exhibit 10.51 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 23, 2015, filed on February 27, 2015, File No. 001-36820\).](#)
- \*10.62 [Form of Stock Option Agreement under Amended and Restated 2013 Stock Award and Incentive Plan \(incorporated by reference to Exhibit 10.53 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 23, 2015, filed on February 27, 2015, File No. 001-36820\).](#)
- \*10.63 [Form of Restricted Stock Unit Award Agreement under Amended and Restated 2013 Stock Award and Incentive Plan \(incorporated by reference to Exhibit 10.54 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 23, 2015, filed on February 27, 2015, File No. 001-36820\).](#)
- \*10.64 [Form of Restricted Stock Award Agreement under Amended and Restated 2013 Stock Award and Incentive Plan \(incorporated by reference to Exhibit 10.69 to Medtronic plc's Annual Report on Form 10-K for the year ended April 24, 2020, filed on June 19, 2020, File No. 001-36820\).](#)
- \*10.65 [Form of Non-Qualified Stock Option Agreement under Amended and Restated 2013 Stock Award and Incentive Plan \(incorporated by reference to Exhibit 10.70 to Medtronic plc's Annual Report on Form 10-K for the year ended April 24, 2020, filed on June 19, 2020, File No. 001-36820\).](#)
- \*10.66 [Medtronic plc Incentive Plan \(as amended and restated effective January 26, 2015\) \(incorporated by reference to Exhibit 10.11 to Medtronic plc's Current Report on Form 8-K, filed on January 27, 2015, File No. 001-36820\).](#)
- \*10.67 [Medtronic plc Supplemental Executive Retirement Plan \(as restated generally effective January 26, 2015\) \(incorporated by reference to Exhibit 10.15 to Medtronic plc's Current Report on Form 8-K, filed on January 27, 2015, File No. 001-36820\).](#)
- \*10.68 [Medtronic Non-Qualified Retirement Plan Supplemental \(restated November 6, 2020, and formerly known as the Supplemental Executive Retirement Plan\) \(incorporated by reference to Exhibit 10.3 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended October 30, 2020, filed on December 3, 2020, File No. 001-36820\).](#)
- \*10.69 [Medtronic plc Savings and Investment Plan \(as amended and restated generally effective January 26, 2015\) \(incorporated by reference to Exhibit 4.22 to Medtronic plc's Registration Statement on Form S-8 filed on January 28, 2015, File No. 333-201737\).](#)
- \*10.70 [Medtronic plc Puerto Rico Employees' Savings and Investment Plan \(as amended and restated generally effective January 26, 2015\) \(incorporated by reference to Exhibit 4.23 to Medtronic plc's Registration Statement on Form S-8 filed on January 28, 2015, File No. 333-201737\).](#)
- \*10.71 [Medtronic plc Capital Accumulation Plan Deferral Program \(as amended and restated generally effective January 26, 2015\) \(incorporated by reference to Exhibit 10.13 to Medtronic plc's Current Report on Form 8-K, filed on January 27, 2015, File No. 001-36820\).](#)
- \*10.72 [Capital Accumulation Plan Deferral Program \(as amended and restated generally effective January 1, 2017\) \(incorporated by reference to Exhibit 10.1 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended October 28, 2016, filed on December 5, 2016, File No. 001-36820\).](#)
- \*10.73 [Amended and Restated Covidien Supplemental Savings and Retirement Plan \(restated November 6, 2020\) \(incorporated by reference to Exhibit 10.2 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended October 30, 2020, filed on December 3, 2020, File No. 001-36820\).](#)
- \*10.74 [Medtronic Capital Accumulation Plan Deferral Program \(restated November 6, 2020\) \(incorporated by reference to Exhibit 10.4 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended October 30, 2020, filed on December 3, 2020, File No. 001-36820\).](#)
- 10.75 [Amendment No. 3 and Extension Agreement to the Amended and Restated Credit Agreement, dated as of December 13, 2021, by and among Medtronic Global Holdings S.C.A., certain subsidiaries of Medtronic plc from time to time party thereto, Medtronic, Inc., Medtronic plc, the lenders from time to time party thereto and Bank of America N.A., as administrative agent. \(incorporated by reference to Exhibit 10.01 to Medtronic plc's Current Report on Form 8-K, filed on December 14, 2021, File No. 001-36820\).](#)
- \*10.76 [Medtronic Capital Accumulation Plan Deferral Program \(as restated generally effective January 1, 2017\) \(Conformed through the Amendment generally effective as of January 1, 2022\) \(incorporated by reference to Exhibit 10.1 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 28, 2022, filed on March 3, 2022, File No. 001-36820\).](#)
- \*10.77 [2021 Medtronic plc Long Term Incentive Plan \(incorporated by reference to Exhibit 10.2 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 28, 2022, filed on March 3, 2022, File No. 001-36820\).](#)

*10.78	<a href="#">Performance Share Unit Agreement 2021 Medtronic plc Long Term Incentive Plan (incorporated by reference to Exhibit 10.3 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 28, 2022, filed on March 3, 2022, File No. 001-36820).</a>
*10.79	<a href="#">Non-Qualified Stock Option Agreement 2021 Medtronic plc Long Term Incentive Plan (incorporated by reference to Exhibit 10.4 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 28, 2022, filed on March 3, 2022, File No. 001-36820).</a>
*10.80	<a href="#">Restricted Stock Unit Award Agreement for awards vesting 100% on the third anniversary of the grant date - 2021 Medtronic plc Long Term Incentive Plan (incorporated by reference to Exhibit 10.5 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 28, 2022, filed on March 3, 2022, File No. 001-36820).</a>
*10.81	<a href="#">Restricted Stock Unit Award Agreement for awards vesting ratably on the first, second, third, and fourth anniversary of the grant date - 2021 Medtronic plc Long Term Incentive Plan (incorporated by reference to Exhibit 10.6 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 28, 2022, filed on March 3, 2022, File No. 001-36820).</a>
10.82	<a href="#">Amendment No. 4 and Extension Agreement to the Amended and Restated Credit Agreement dated as of December 12, 2022 (incorporated by reference to Exhibit 10.1 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 27, 2023, filed on March 1, 2023, File No. 001-36820).</a>
10.83	<a href="#">Annex I to Amendment No. 4 and Extension Agreement to the Amended and Restated Credit Agreement dated as of December 12, 2022 (incorporated by reference to Exhibit 10.1 to Medtronic plc's Quarterly Report on Form 10-Q for the quarter ended January 27, 2023, filed on March 1, 2023, File No. 001-36820).</a>
10.84	<a href="#">Amendment No. 2 and Extension Agreement to the Amended and Restated Credit Agreement dated as of December 12, 2020 (incorporated by reference to Exhibit 10.85 to Medtronic plc's Annual Report on Form 10-K for the year ended April 28, 2023, filed on June 22, 2023, File No. 001-36820).</a>
10.85	<a href="#">Medtronic Nonqualified Retirement Plan Supplement dated as of April 28, 2023 (incorporated by reference to Exhibit 10.86 to Medtronic plc's Annual Report on Form 10-K for the year ended April 28, 2023, filed on June 22, 2023, File No. 001-36820).</a>
*10.86	<a href="#">Performance Share Unit Award Agreement 2021 Medtronic plc Long Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Medtronic plc's Quarterly Report on Form 10-Q filed on August 31, 2023, File No. 001-36820).</a>
*10.87	<a href="#">Restricted Stock Unit Award Agreement 2021 Medtronic plc Long Term Incentive Plan (incorporated by reference to Exhibit 10.2 to Medtronic plc's Quarterly Report on Form 10-Q filed on August 31, 2023, File No. 001-36820).</a>
*10.88	<a href="#">Restricted Stock Unit Award Agreement 2021 Medtronic plc Long Term Incentive Plan (incorporated by reference to Exhibit 10.3 to Medtronic plc's Quarterly Report on Form 10-Q filed on August 31, 2023, File No. 001-36820).</a>
*10.89	<a href="#">Non-Qualified Stock Option Agreement 2021 Medtronic plc Long Term Incentive Plan (incorporated by reference to Exhibit 10.4 to Medtronic plc's Quarterly Report on Form 10-Q filed on August 31, 2023, File No. 001-36820).</a>
*10.90	<a href="#">Medtronic plc 2024 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.1 to Medtronic plc's Current Report on Form 8-K filed on October 23, 2023, File No. 001-36820).</a>
#19	<a href="#">Medtronic plc Global Insider Trading Policy</a>
#21	<a href="#">List of Subsidiaries of Medtronic plc.</a>
#22	<a href="#">List of Senior Notes, Issuers and Guarantors.</a>
#23	<a href="#">Consent of Independent Registered Public Accounting Firm.</a>
#24	<a href="#">Power of Attorney.</a>
#31.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
#31.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
#32.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
#32.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
#97	<a href="#">Medtronic plc Policy For The Recovery of Erroneously Awarded Compensation</a>
#101.SCH	XBRL Taxonomy Extension Schema Document

#101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
#101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
#101.LAB	XBRL Taxonomy Extension Label Linkbase Document
#101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
#104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\*Exhibits that are management contracts or compensatory plans or arrangements.

#Filed herewith

#### **Item 16. Form 10-K Summary**

Registrants may voluntarily include a summary of information required by Form 10-K under this Item 16. The Company has not elected to include such summary information.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Medtronic plc

Dated: June 20, 2024

By: /s/ Geoffrey S. Martha  
Geoffrey S. Martha  
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, the report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Medtronic plc

Dated: June 20, 2024

By: /s/ Geoffrey S. Martha  
Geoffrey S. Martha  
Chairman and Chief Executive Officer  
(Principal Executive Officer)

Dated: June 20, 2024

By: /s/ Karen L. Parkhill  
Karen L. Parkhill  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

Dated: June 20, 2024

By: /s/ Jennifer M. Kirk  
Jennifer M. Kirk  
Senior Vice President, Global Controller and Chief Accounting Officer  
(Principal Accounting Officer)

Directors

- Craig Arnold\*
- Scott C. Donnelly\*
- Lidia Fonseca\*
- Andrea J. Goldsmith, Ph.D.\*
- Randall J. Hogan\*
- Gregory P. Lewis\*
- Kevin E. Lofton\*
- Geoffrey S. Martha
- Elizabeth G. Nabel, M.D.\*
- Denise M. O’Leary\*
- Kendall J. Powell\*

\*Ivan K. Fong, by signing his name hereto, does hereby sign this document on behalf of each of the above named directors of the registrant pursuant to powers of attorney duly executed by such persons.

Dated: June 20, 2024

By: /s/ Ivan K. Fong  
Ivan K. Fong

The following is a brief description of (i) the ordinary shares, par value \$0.0001 per share (the “Ordinary Shares”), of Medtronic plc, a company incorporated under the laws of Ireland (“Medtronic” or “Medtronic plc”), (ii) the 0.250% Senior Notes due 2025, 0.000% Senior Notes due 2025, 2.625% Senior Notes due 2025, 1.125% Senior Notes due 2027, 0.375% Senior Notes due 2028, 3.000% Senior Notes due 2028, 1.625% Senior Notes due 2031, 1.00% Senior Notes due 2031, 3.125% Senior Notes due 2031, 0.750% Senior Notes due 2032, 3.375% Senior Notes due 2034, 2.250% Senior Notes due 2039, 1.500% Senior Notes due 2039, 1.375% Senior Notes due 2040, 1.750% Senior Notes due 2049, and 1.625% Senior Notes due 2050, issued by Medtronic Global Holdings S.C.A., an entity incorporated and existing under the laws of Luxembourg (“Medtronic Luxco”), and (iii) the 3.650% Senior Notes due 2029, 3.875% Senior Notes due 2036, 4.150% Senior Notes due 2043, and 4.150% Senior Notes due 2053, issued by Medtronic Inc., a Minnesota corporation, which are all of the securities of Medtronic and its subsidiaries registered pursuant to Section 12 of the Securities Exchange Act of 1934 (the “Exchange Act”).

### **DESCRIPTION OF MEDTRONIC ORDINARY SHARES**

The following description of Medtronic’s share capital is a summary. This summary does not purport to be complete and is qualified in its entirety by reference to the Irish Companies Act 2014 (as amended) (the “Irish Companies Act”) and the complete text of Medtronic’s memorandum and articles of association, as they may be amended from time to time (the “Articles of Association”). Copies of the Articles of Association have been filed with the Securities and Exchange Commission (the “SEC”) as exhibit 3.1 to Medtronic’s Annual Report on Form 10-K.

#### **Capital Structure**

##### ***Authorized Share Capital***

Medtronic plc is authorized to issue 2.6 billion ordinary shares, \$0.0001 par value; 40 thousand euro deferred shares, €1.00 par value; 127.5 million preferred shares, \$0.20 par value; and 500 thousand A preferred shares, \$1.00 par value.

Medtronic may issue shares subject to the maximum authorized share capital contained in the Articles of Association. The authorized share capital may be increased or reduced by a resolution approved by a simple majority of the votes of Medtronic’s shareholders cast at a general meeting (referred to under Irish law as an “ordinary resolution”). The shares comprising the authorized share capital of Medtronic may be divided into shares of such nominal value as the resolution shall prescribe. As a matter of Irish company law, the directors of a company may issue new ordinary or preferred shares without shareholder approval once authorized to do so by the Articles of Association or by an ordinary resolution adopted by the shareholders at a general meeting. The authorization may be granted for a maximum period of five years, at which point it must be renewed by the shareholders by an ordinary resolution. Medtronic’s shareholders adopted an ordinary resolution at the 2023 annual general meeting of Medtronic on October 19, 2023 authorizing the board of directors to issue up to an aggregate nominal amount of \$26,623.12 (being equivalent to approximately 20% of the aggregate nominal value of the issued share capital of Medtronic as of August 7, 2023) for a period of 18 months from October 19, 2023.

The rights and restrictions to which the ordinary shares, euro deferred shares and A preferred shares are subject are prescribed in the Articles of Association. The Articles of Association entitle the Medtronic board of directors, without shareholder approval, to determine the terms of the preferred shares issued by Medtronic. Preferred shares may be preferred as to dividends, rights upon liquidation or voting in such manner as the directors of Medtronic may resolve. The preferred shares may also be redeemable at the option of the holder of the preferred shares or at the option of Medtronic, and may be convertible into or exchangeable for shares of any other class or classes of Medtronic, depending on the terms of such preferred shares.

The holders of the A preferred shares are entitled in priority to any payments of dividends on any other class of shares in Medtronic to be paid a dividend in the amount per A preferred share equal to twice the dividend to be paid per ordinary share and in addition on a return of assets, whether on liquidation or otherwise, the A preferred shares entitle the holders to repayment of the capital paid up on those shares (including any share premium) in priority to any repayment of capital to the holders of any other shares. The holders of the A preferred shares are not entitled to

any further participation in the assets or profits of Medtronic, nor are the holders of the A preferred shares, which are non-voting shares, entitled to receive notice of, attend, speak or vote at any general meeting of Medtronic.

The holders of euro deferred shares are not entitled to receive any dividend or distribution and are not entitled to receive notice of, attend, speak or vote at any general meeting of Medtronic. On a return of assets, the euro deferred shares will entitle the holder only to the repayment of amounts paid up on such shares after repayment of the capital paid up on the ordinary shares plus the payment of \$5,000,000 on each ordinary share. There are no euro deferred shares in issue.

Irish law does not recognize fractional shares held of record. Accordingly, the Articles of Association do not provide for the issuance of fractional shares of Medtronic, and the official Irish register of Medtronic does not reflect any fractional shares.

Whenever an alteration or reorganization of the share capital of Medtronic would result in any Medtronic shareholder becoming entitled to fractions of a share, the Medtronic board of directors may, on behalf of those shareholders that would become entitled to fractions of a share, arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion among the shareholders who would have been entitled to the fractions.

### **Preemption Rights, Share Warrants and Share Options**

Under Irish law certain statutory preemption rights apply automatically in favor of shareholders where shares are to be issued for cash. Medtronic initially opted out of these preemption rights in the Articles of Association as permitted under Irish company law. Because Irish law requires this opt-out to be renewed every five years by a resolution approved by not less than 75% of the votes of the shareholders of Medtronic cast at a general meeting (referred to under Irish law as a “special resolution”), the Articles of Association provide that this opt-out must be so renewed. If the opt-out is not renewed, shares issued for cash must be offered to existing shareholders of Medtronic on a pro rata basis to their existing shareholding before the shares can be issued to any new shareholders. The statutory preemption rights do not apply where shares are issued for non-cash consideration (such as in a stock-for-stock acquisition) and do not apply to the issue of non-equity shares (that is, shares that have the right to participate only up to a specified amount in any income or capital distribution) or where shares are issued pursuant to an employee stock option or similar equity plan. Medtronic's shareholders passed a special resolution at the 2023 annual general meeting of Medtronic on October 19, 2023 authorizing the Medtronic board of directors to opt out of preemption rights with respect to the issuance of equity securities up to an aggregate nominal value of \$26,623.12 (being equivalent to approximately 20% of the aggregate nominal value of the issued ordinary share capital of Medtronic as of August 7, 2023) for a period of 18 months from October 19, 2023.

The Articles of Association of Medtronic provide that, subject to any shareholder approval requirement under any laws, regulations or the rules of any stock exchange to which Medtronic is subject, the board is authorized, from time to time, in its discretion, to grant such persons, for such periods and upon such terms as the board deems advisable, options to purchase such number of shares of any class or classes or of any series of any class as the board may deem advisable, and to cause warrants or other appropriate instruments evidencing such options to be issued. The Irish Companies Act provides that directors may issue share warrants or options without shareholder approval once authorized to do so by the Articles of Association or an ordinary resolution of shareholders. Medtronic is subject to the rules of the NYSE and the U.S. Internal Revenue Code of 1986, as amended, which require shareholder approval of certain equity plan and share issuances. Medtronic's board of directors may issue shares upon exercise of warrants or options without shareholder approval or authorization (up to the relevant authorized share capital limit).

### **Dividends**

Under Irish law, dividends and distributions may be made only from distributable reserves. Distributable reserves generally means accumulated realized profits less accumulated realized losses and includes reserves created by way of capital reduction. In addition, no distribution or dividend may be made unless the net assets of Medtronic are equal to, or in excess of, the aggregate of Medtronic's called up share capital plus undistributable reserves and the distribution does not reduce Medtronic's net assets below such aggregate. Undistributable reserves include the share



premium account, the par value of Medtronic shares acquired by Medtronic and the amount by which Medtronic's accumulated unrealized profits, so far as not previously utilized by any capitalization, exceed Medtronic's accumulated unrealized losses, so far as not previously written off in a reduction or reorganization of capital.

The determination as to whether or not Medtronic has sufficient distributable reserves to fund a dividend must be made by reference to "relevant financial statements" of Medtronic. The "relevant financial statements" will be either the last set of unconsolidated annual audited financial statements or other financial statements properly prepared in accordance with the Irish Companies Act, which give a "true and fair view" of Medtronic's unconsolidated financial position and accord with accepted accounting practice. The "relevant financial statements" must be filed in the Companies Registration Office (the official public registry for companies in Ireland).

The Articles of Association authorize the directors to declare dividends out of funds lawfully available for the purpose without shareholder approval. The board of directors may also recommend a dividend to be approved and declared by the Medtronic shareholders at a general meeting. The board of directors may direct that the payment be made by distribution of assets, shares or cash and no dividend issued may exceed the amount recommended by the directors. Dividends may be declared and paid in the form of cash or non-cash assets and may be paid in U.S. dollars or any other currency.

The directors of Medtronic may deduct from any dividend payable to any shareholder any amounts payable by such shareholder to Medtronic in relation to the shares of Medtronic.

The directors may also authorize Medtronic to issue shares with preferred rights to participate in dividends declared by Medtronic. The holders of preferred shares may, depending on their terms, rank senior to the Medtronic ordinary shares in terms of dividend rights and/or be entitled to claim arrears of a declared dividend out of subsequently declared dividends in priority to ordinary shareholders.

Please see "*Description of Medtronic Ordinary Shares—Capital Structure—Authorized Share Capital*" for additional information on dividend rights.

## **Share Repurchases, Redemptions and Conversions**

### ***Overview***

The Articles of Association provide that any ordinary share which Medtronic has agreed to acquire will be deemed to be a redeemable share, unless the board resolves otherwise. Accordingly, for Irish company law purposes, the repurchase of ordinary shares by Medtronic may technically be effected as a redemption of those shares as described below under "*Description of Medtronic Ordinary Shares—Share Repurchases, Redemptions and Conversions—Repurchases and Redemptions by Medtronic.*" If the Articles of Association did not contain such provision, all repurchases by Medtronic would be subject to many of the same rules that apply to purchases of Medtronic ordinary shares by subsidiaries described below under "*—Purchases by Subsidiaries of Medtronic,*" including the shareholder approval requirements described below and the requirement that any on-market purchases be effected on a "recognized stock exchange." Except where otherwise noted, references to repurchasing or buying back ordinary shares of Medtronic refer to the redemption of ordinary shares by Medtronic or the purchase of ordinary shares of Medtronic by a subsidiary of Medtronic, in each case in accordance with the Articles of Association and Irish company law as described below.

### ***Repurchases and Redemptions by Medtronic***

Under Irish law, a company may issue redeemable shares and redeem them out of distributable reserves or the proceeds of a new issue of shares for that purpose. Medtronic may only issue redeemable shares if the nominal value of the issued share capital that is not redeemable is not less than 10% of the nominal value of the total issued share capital of Medtronic. All redeemable shares must also be fully-paid. Based on the provision of the Articles of Association described above, shareholder approval will not be required to redeem Medtronic shares. Medtronic may also be given an additional general authority by its shareholders to purchase its own shares on-market, which would take effect on the same terms and be subject to the same conditions as applicable to purchases by Medtronic's subsidiaries as described below.

The board of directors of Medtronic may also issue preferred shares which may be redeemed at the option of either Medtronic or the shareholder, depending on the terms of such preferred shares. Please see “*Description of Medtronic Ordinary Shares—Capital Structure—Authorized Share Capital*” for additional information on preferred shares.

Repurchased and redeemed shares may be cancelled or held as treasury shares. The nominal value of treasury shares held by Medtronic at any time must not exceed 10% of the aggregate of the par value and share premium received in respect of the allotment of Medtronic shares together with the par value of any shares acquired by Medtronic. Medtronic may not exercise any voting rights in respect of any shares held as treasury shares. Treasury shares may be cancelled by Medtronic or re-issued subject to certain conditions.

The Articles of Association provide that Medtronic may not, directly or indirectly, purchase or agree to purchase any shares entitled to vote from a person who beneficially owns more than five percent of the voting power of Medtronic for more than the market value thereof if the shares have been beneficially owned by the person for less than two years, unless the purchase or agreement to purchase is approved at a meeting of shareholders by the affirmative vote of the holders of not less than a majority of the issued and outstanding shares of Medtronic entitled to vote or Medtronic makes an offer, of at least equal value per share, to all holders of shares of the class or series and to all holders of any class or series into which the securities may be converted.

### ***Purchases by Subsidiaries of Medtronic***

Under Irish law, an Irish or non-Irish subsidiary may purchase shares of Medtronic either on-market or off-market. For a subsidiary of Medtronic to make on-market purchases of Medtronic ordinary shares, the shareholders of Medtronic must provide general authorization for such purchase by way of ordinary resolution. However, as long as this general authority has been granted, no specific shareholder authority for a particular on-market purchase by a subsidiary of Medtronic ordinary shares is required. For an off-market purchase by a subsidiary of Medtronic, the proposed purchase contract must be authorized by special resolution of the shareholders before the contract is entered into. The person whose shares are to be bought back cannot vote in favor of the special resolution and, from the date of the notice of the meeting at which the resolution approving the contract is to be proposed, the purchase contract must be on display or must be available for inspection by shareholders at the registered office of Medtronic.

In order for a subsidiary of Medtronic to make an on-market purchase of Medtronic’s shares, such shares must be purchased on a “recognized stock exchange.” The NYSE, on which the shares of Medtronic are listed, is specified as a recognized stock exchange for this purpose by Irish company law.

The number of shares held by the subsidiaries of Medtronic at any time will count as treasury shares and will be included in any calculation of the permitted treasury share threshold of 10% of the aggregate of the par value and share premium in respect of the allotment of Medtronic shares together with the par value of any shares acquired by Medtronic. While a subsidiary holds shares of Medtronic, it cannot exercise any voting rights in respect of those shares. The acquisition of the shares of Medtronic by a subsidiary must be funded out of distributable reserves of the subsidiary.

### **Lien on Shares, Calls on Shares and Forfeiture of Shares**

The Articles of Association provide that Medtronic has a first and paramount lien on every share for all debts and liabilities of any shareholder to the company, whether presently due or not, payable in respect of such share. Subject to the terms of their allotment, directors may call for any unpaid amounts in respect of any shares to be paid, and if payment is not made, the shares may be forfeited. These provisions are standard inclusions in the articles of association of an Irish company limited by shares such as Medtronic and will only be applicable to shares of Medtronic that have not been fully paid up. See also “—*Transfer and Registration of Shares*” below.

### **Consolidation and Division; Subdivision**

Under the Articles of Association, Medtronic may, by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares or subdivide its shares into smaller amounts than is fixed by its memorandum of association.

### **Reduction of Share Capital**

Medtronic may, by ordinary resolution, reduce its authorized but unissued share capital in any way. Medtronic also may, by special resolution and subject to confirmation by the Irish High Court, reduce or cancel its issued share capital in any manner permitted by the Irish Companies Act.

### **Annual Meetings of Shareholders**

Medtronic is required to hold an annual general meeting at intervals of no more than 15 months, provided that an annual general meeting is held in each calendar year no more than nine months after Medtronic's fiscal year-end. Any annual general meeting may be held outside of Ireland, provided that technological means are provided to enable shareholders to participate in the meeting without leaving Ireland.

Notice of an annual general meeting must be given to all Medtronic shareholders and to the auditors of Medtronic. The Articles of Association provide for a minimum notice period of 21 days, which is the minimum permitted under Irish law.

The only matters which must, as a matter of Irish company law, be transacted at an annual general meeting are (i) the consideration of the statutory financial statements and reports of the directors and auditors, (ii) the review by the members of the company's affairs and (iii) the appointment or re-appointment of the auditors and the fixing of the auditor's remuneration (or delegation of same). If no resolution is made in respect of the reappointment of an existing auditor at an annual general meeting, the existing auditor will be deemed to have continued in office.

### **Extraordinary General Meetings of Shareholders**

Extraordinary general meetings of Medtronic may be convened by (i) the board of directors, (ii) any two directors, (iii) the chief executive officer, (iv) the chief financial officer, (v) on requisition of the shareholders holding not less than 10% of the paid up share capital of Medtronic carrying voting rights or (vi) on requisition of Medtronic's auditors. Extraordinary general meetings are generally held for the purposes of approving shareholder resolutions as may be required from time to time. At any extraordinary general meeting, only such business will be conducted as is set forth in the notice thereof or is proposed pursuant to and in accordance with the procedures and requirements set out in the Articles of Association.

Notice of an extraordinary general meeting must be given to all Medtronic shareholders and to the auditors of Medtronic. Under Irish law and the Articles of Association, the minimum notice periods are 21 days' notice in writing for an extraordinary general meeting to approve a special resolution and 14 days' notice in writing for any other extraordinary general meeting.

In the case of an extraordinary general meeting convened by shareholders of Medtronic, the proposed purpose of the meeting must be set out in the requisition notice. Upon receipt of any such valid requisition notice, the Medtronic board of directors has 21 days to convene a meeting of Medtronic shareholders to vote on the matters set out in the requisition notice. This meeting must be held within two months of the receipt of the requisition notice. If the board of directors does not convene the meeting within such 21-day period, the requisitioning shareholders, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, which meeting must be held within three months of Medtronic's receipt of the requisition notice.

If the board of directors becomes aware that the net assets of Medtronic are not greater than half of the amount of Medtronic's called-up share capital, the directors of Medtronic must convene an extraordinary general meeting of Medtronic shareholders not later than 28 days from the date that they learn of this fact to consider how to address the situation.

## **Quorum for General Meetings**

The Articles of Association provide that no business may be transacted at any general meeting unless a quorum is present. One or more shareholders present in person or by proxy at any meeting of shareholders holding not less than a majority of the issued and outstanding shares entitled to vote at the meeting in question will constitute a quorum for such meeting.

## **Voting**

The Articles of Association provide that all votes will be decided on a poll and that the board or the chairman may determine the manner in which the poll is to be taken and the manner in which the votes are to be counted.

Every shareholder is entitled to one vote for each ordinary share that he or she holds as of the record date for the meeting. Voting rights may be exercised by shareholders registered in Medtronic's share register as of the record date for the meeting or by a duly appointed proxy, which proxy need not be a shareholder. Where interests in shares are held by a nominee trust company, this company may exercise the rights of the beneficial holders on their behalf as their proxy. All proxies must be appointed in the manner prescribed by the Articles of Association, which provide that the Medtronic board may permit shareholders to notify Medtronic of their proxy appointments electronically.

Irish company law requires special resolutions of the shareholders at a general meeting to approve certain matters. Examples of matters requiring special resolutions include:

- (a) amending the objects or memorandum of association of Medtronic;
- (b) amending the Articles of Association;
- (c) approving a change of name of Medtronic;

## **Variation of Rights Attaching to a Class or Series of Shares**

Under the Articles of Association and the Irish Companies Act, any variation of class rights attaching to the issued shares of Medtronic must be approved by an ordinary resolution of the shareholders of the affected class or with the consent in writing of the holders of the majority of the issued shares of that class of shares.

The provisions of the Articles of Association relating to general meetings apply to general meetings of the holders of any class of shares except that the necessary quorum is determined in reference to the shares of the holders of the class. Accordingly, for general meetings of holders of a particular class of shares, a quorum consists of one or more shareholders present in person or by proxy holding not less than a majority of the issued and outstanding shares of the class entitled to vote at the meeting in question.

## Acquisitions

An Irish public limited company may be acquired in a number of ways, including:

- (a) a court-approved scheme of arrangement under the Irish Companies Act. A scheme of arrangement with shareholders requires a court order from the Irish High Court and the approval of a majority in number representing 75% in value of each class of shareholder present and voting in person or by proxy at a meeting called to approve the scheme;
- (b) through a tender or takeover offer by a third party for all of the shares of Medtronic. Where the holders of 80% or more of Medtronic's shares have accepted an offer for their shares in Medtronic, the remaining shareholders may also be statutorily required to transfer their shares. If the bidder does not exercise its "squeeze out" right, then the non-accepting shareholders also have a statutory right to require the bidder to acquire their shares on the same terms. If shares of Medtronic were to be listed on the Irish Stock Exchange or another regulated stock exchange in the European Union, the "squeeze out" threshold would be increased to 90%; and
- (c) by way of a merger with a company incorporated in the European Economic Area ("EEA") under the EU Cross-Border Mergers Directive (EU) 2017/1132 (as amended) or with another Irish company under the Irish Companies Act. Such a merger must be approved by a special resolution. Shareholders also may be entitled to have their shares acquired for cash. See the section entitled "Description of Share Capital—Appraisal Rights"

## Appraisal Rights

Generally, under Irish law, shareholders of an Irish company do not have statutory appraisal rights. If Medtronic is being merged as the transferor company with another EEA company under the EU Cross-Border Mergers Directive (EU) 2017/1132 (as amended) as implemented in Ireland by the European Union (Cross-Border Conversions, Mergers and Divisions) Regulations 2023 or if Medtronic is being merged with another Irish company under the Irish Companies Act, (i) any of Medtronic's shareholders who voted against the special resolution approving the merger or (ii) if 90% of Medtronic's shares are held by the successor company, any other of Medtronic's shareholders, may be entitled to require that the successor company acquire its shares for cash.

## Disclosure of Interests in Shares

Under the Irish Companies Act, Medtronic shareholders must notify Medtronic if, as a result of a transaction, the shareholder will become interested in 3% or more of the shares of Medtronic or if, as a result of a transaction a shareholder who was interested in more than 3% of the shares of Medtronic ceases to be so interested. Where a shareholder is interested in more than 3% of the shares of Medtronic, the shareholder must notify Medtronic of any alteration of his or her interest that brings his or her total holding through the nearest whole percentage number, whether an increase or a reduction. The relevant percentage figure is calculated by reference to the aggregate nominal value of the shares in which the shareholder is interested as a proportion of the entire nominal value of the issued share capital of Medtronic (or any such class of share capital in issue). Where the percentage level of the shareholder's interest does not amount to a whole percentage, this figure may be rounded down to the next whole number. Medtronic must be notified within five business days of the transaction or alteration of the shareholder's interests that gave rise to the notification requirement. If a shareholder fails to comply with these notification requirements, the shareholder's rights in respect of any Medtronic shares it holds will not be enforceable, either directly or indirectly. However, such person may apply to the court to have the rights attaching to such shares reinstated.

In addition to these disclosure requirements, Medtronic, under the Irish Companies Act, may, by notice in writing, require a person whom Medtronic knows or has reasonable cause to believe to be, or at any time during the three years immediately preceding the date on which such notice is issued to have been, interested in shares comprised in Medtronic's relevant share capital to: (i) indicate whether or not it is the case and (ii) where such person holds or has

during that time held an interest in the shares of Medtronic, to provide additional information, including the person's own past or present interests in shares of Medtronic. If the recipient of the notice fails to respond within the reasonable time period specified in the notice, Medtronic may apply to court for an order directing that the affected shares be subject to certain restrictions, as prescribed by the Irish Companies Act.

In the event Medtronic is in an offer period pursuant to the Irish Takeover Rules, accelerated disclosure provisions apply for persons holding an interest in Medtronic securities of 1% or more.

In addition, the beneficial ownership disclosures of the U.S. federal securities laws will apply with respect to beneficial ownership of Medtronic shares.

## **Anti-Takeover Provisions**

### ***Business Combinations with Interested Shareholders***

Medtronic's Articles of Association provide that, subject to certain exceptions, Medtronic may not engage in certain business combinations with any person that acquires beneficial ownership of 10% or more of Medtronic's outstanding voting shares for a period of four years following the date on which the person became a 10% shareholder unless prior to the person becoming a 10% shareholder, a committee of Medtronic's disinterested directors approve the business combination or the acquisition of shares.

### ***Control Share Acquisition***

Subject to certain exceptions, Medtronic's Articles of Association restrict the ability of persons who acquire between twenty percent and thirty percent of the voting rights of Medtronic to exercise the voting rights of the acquired shares in excess of twenty percent absent approval by an ordinary resolution of the disinterested shareholders.

### ***Irish Takeover Rules and Substantial Acquisition Rules***

A transaction in which a third party seeks to acquire 30% or more of the voting rights of Medtronic will be governed by the Irish Takeover Panel Act 1997 and the Irish Takeover Rules made thereunder and will be regulated by the Irish Takeover Panel. The "General Principles" of the Irish Takeover Rules and certain important aspects of the Irish Takeover Rules are described below.

### ***General Principles***

The Irish Takeover Rules are built on the following General Principles, which will apply to any transaction regulated by the Irish Takeover Panel:

- (a) in the event of an offer, all holders of securities of the target company should be afforded equivalent treatment and, if a person acquires control of a company, the other holders of securities must be protected;
- (b) the holders of the securities of the target company must have sufficient time and information to enable them to reach a properly informed decision on the offer; where it advises the holders of securities, the board of the target company must give its views on the effects of implementation of the offer on employment, conditions of employment and the locations of the target company's places of business;
- (c) the board of the target company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the offer;
- (d) false markets must not be created in the securities of the target company, the bidder or of any other company concerned by the offer in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted;

- (e) a bidder must announce an offer only after ensuring that he or she can fulfill in full, any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration;
- (f) a target company must not be hindered in the conduct of its affairs for longer than is reasonable by an offer for its securities; and
- (g) a substantial acquisition of securities (whether such acquisition is to be effected by one transaction or a series of transactions) shall take place only at an acceptable speed and shall be subject to adequate and timely disclosure.

### ***Mandatory Bid***

Under certain circumstances, a person who acquires shares or other voting rights in Medtronic may be required under the Irish Takeover Rules to make a mandatory cash offer for the remaining outstanding shares in Medtronic at a price not less than the highest price paid for the shares by the acquirer (or any parties acting in concert with the acquirer) during the previous 12 months. This mandatory bid requirement is triggered if an acquisition of shares would increase the aggregate holding of an acquirer (including the holdings of any parties acting in concert with the acquirer) to shares representing 30% or more of the voting rights in Medtronic, unless the Irish Takeover Panel otherwise consents. An acquisition of shares by a person holding (together with its concert parties) shares representing between 30% and 50% of the voting rights in Medtronic would also trigger the mandatory bid requirement if, after giving effect to the acquisition, the percentage of the voting rights held by that person (together with its concert parties) would increase by 0.05% within a 12-month period. Any person (excluding any parties acting in concert with the holder) holding shares representing more than 50% of the voting rights of a company is not subject to these mandatory offer requirements in purchasing additional securities.

### ***Voluntary Bid; Requirements to Make a Cash Offer and Minimum Price Requirements***

If a person makes a voluntary offer to acquire outstanding ordinary shares of Medtronic, the offer price must be no less than the highest price paid for Medtronic ordinary shares by the bidder or its concert parties during the three-month period prior to the commencement of the offer period. The Irish Takeover Panel has the power to extend the “look back” period to 12 months if the Irish Takeover Panel, taking into account the General Principles, believes it is appropriate to do so.

If the bidder or any person acting in concert with it has acquired ordinary shares of Medtronic (i) during the period of 12 months prior to the commencement of the offer period which represent more than 10% of the total ordinary shares of Medtronic or (ii) at any time after the commencement of the offer period, the offer must be in cash (or accompanied by a full cash alternative) and the price per Medtronic ordinary share must not be less than the highest price paid by the bidder or any person acting in concert with it during, in the case of (i), the 12-month period prior to the commencement of the offer period or, in the case of (ii), the offer period. The Irish Takeover Panel may apply this rule to a bidder who, together with any person acting in concert with it, has acquired less than 10% of the total ordinary shares of Medtronic in the 12-month period prior to the commencement of the offer period if the Irish Takeover Panel, taking into account the General Principles, considers it just and proper to do so.

An offer period will generally commence from the date of the first announcement of the offer or proposed offer.

In addition, the Articles of Association provide that an offeror who has completed a tender offer for Medtronic may not, within two years after the last purchase in the tender offer, acquire additional shares, whether by purchase, merger, exchange or otherwise, unless the shareholders in those additional acquisitions are given terms that are substantially equivalent to those provided in the earlier tender offer or unless the proposed additional acquisitions are approved by an independent committee of Medtronic’s board of directors prior to the tender *offer*.

### ***Takeover Timeline***

Under the Irish Takeover Rules, in certain circumstances a strict 42-day deadline will be imposed within which a person with whom we are in talks, or from whom we have received an approach, regarding a possible offer is



required to make a firm offer for Medtronic, or announce they will not be making an offer. The Irish Takeover Panel may agree to extend this deadline at our request.

### ***Substantial Acquisition Rules***

The Irish Takeover Rules also contain rules governing substantial acquisitions of shares and other voting securities which restrict the speed at which a person may increase his or her holding of shares and rights over shares to an aggregate of between 15% and 30% of the voting rights of Medtronic. Except in certain circumstances, an acquisition or series of acquisitions of shares or rights over shares representing 10% or more of the voting rights of Medtronic is prohibited, if such acquisition(s), when aggregated with shares or rights already held, would result in the acquirer holding 15% or more but less than 30% of the voting rights of Medtronic and such acquisitions are made within a period of seven days. These rules also require accelerated disclosure of acquisitions of shares or rights over shares relating to such holdings.

### ***Shareholder Rights Plan***

The Articles of Association expressly authorize Medtronic's board of directors to adopt a shareholder rights plan, subject to applicable law.

Irish law does not expressly authorize or prohibit companies from issuing share purchase rights or adopting a shareholder rights plan as an anti-takeover measure and there is no directly relevant case law on this issue.

### ***Frustrating Action***

Under the Irish Takeover Rules, the Medtronic board of directors is not permitted to take any action which might frustrate an offer for the shares of Medtronic once the Medtronic board of directors has received an approach which may lead to an offer or has reason to believe an offer is or may be imminent, subject to certain exceptions. Potentially frustrating actions such as (i) the issue of shares, options or convertible securities, (ii) material acquisitions or disposals, (iii) entering into contracts other than in the ordinary course of business or (iv) any action, other than seeking alternative offers, which may result in frustration of an offer, are prohibited during the course of an offer or at any time during which the board has reason to believe an offer is or may be imminent. Exceptions to this prohibition are available where:

- (a) the action is approved by Medtronic's shareholders at a general meeting; or
- (b) the Irish Takeover Panel has given its consent, where:
  - (i) it is satisfied the action would not constitute frustrating action;
  - (ii) Medtronic shareholders that hold 50% of the voting rights state in writing that they approve the proposed action and would vote in favor of it at a general meeting;
  - (iii) the action is taken in accordance with a contract entered into prior to the announcement of the offer; or
  - (iv) the decision to take such action was made before the announcement of the offer and either has been at least partially implemented or is in the ordinary course of business.

### ***Corporate Governance***

The Articles of Association of Medtronic allocate authority over the day-to-day management of Medtronic to the Medtronic board of directors. The Medtronic board of directors may then, by resolution approved by the affirmative vote of a majority of the board, delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of one or more directors, or delegate to any director, officer or member of management of Medtronic or any of its subsidiaries such of its powers as it considers desirable to be exercised by him or her, but

regardless, the directors will remain responsible, as a matter of Irish law, for the proper management of the affairs of Medtronic. Committees may meet and adjourn as they determine proper. Unless otherwise determined by the board of directors, the quorum necessary for the transaction of business at any committee meeting shall be a majority of the members of the committee.

Medtronic has a standing Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, Quality Committee, Finance and Financial Risk Committee and Technology and Value Creation Committee.

### **Appointment of Directors**

The Irish Companies Act provides for a minimum of two directors. Medtronic's Articles of Association provide for a minimum of three directors and a maximum of fifteen. The board of directors has sole authority to determine its size within these parameters. Directors of Medtronic will be elected by way of an ordinary resolution at a general meeting. This majority voting standard could result in the number of directors falling below the prescribed minimum number of directors due to the failure of nominees to be elected. If the number of the directors is reduced below the fixed minimum number, the remaining director or directors must appoint, as soon as practicable, an additional director or additional directors to make up such minimum or must convene a general meeting of Medtronic for the purpose of making such appointment. In the event of a “contested election” of directors, directors shall be elected by the vote of a plurality of the votes cast at any meeting for the election of directors at which a quorum is present. Each director of Medtronic must retire from office at each annual shareholder meeting and shall be re-eligible for re-election.

No person may be appointed director unless nominated in accordance with the Articles of Association. The Articles of Association provide that, with respect to an annual or extraordinary general meeting of shareholders, nominations of persons for election to the Medtronic board of directors may be made by (i) the affirmative vote of the Medtronic board of directors or a committee thereof, (ii) any shareholder who is entitled to vote at the meeting and who has complied with the advance notice procedures provided for in the Articles of Association, (iii) with respect to election at an extraordinary general meeting requisitioned in accordance with section 178(3) of the Irish Companies Act, by a shareholder who holds ordinary shares or other shares carrying the general right to vote at general meetings of the company and who makes such nomination in the written requisition of the extraordinary general meeting in accordance with the Articles of Association and the Irish Companies Act relating to nominations of directors and the proper bringing of business before an extraordinary general meeting, or (iv) any shareholder who is entitled to vote at the meeting and who has complied with the "proxy access" provisions contained in the Articles of Association. Medtronic's Articles of Association contain “proxy access” provisions which give an eligible shareholder (or group of up to 20 such shareholders) that has owned 3% or more of the voting power continuously for at least three years, the right to nominate up to 20% of the directors and to have those nominees included in Medtronic's proxy materials, subject to the other terms and conditions of Medtronic's articles of association.

### **Removal of Directors**

Under the Irish Companies Act, the shareholders may, by an ordinary resolution, remove a director from office before the expiration of his or her term at a meeting held on no less than 28 days' notice and at which the director is entitled to be heard. The power of removal is without prejudice to any claim for damages for breach of contract (e.g., employment contract) that the director may have against Medtronic in respect of his or her removal.

The board of directors may fill any vacancy occurring on the board of directors. If the Medtronic board of directors fills a vacancy, the director shall hold office until the next election of directors and until his or her successor shall be elected. A vacancy on the board of directors created by the removal of a director may be filled by the Medtronic board of directors.

### **Duration; Dissolution; Rights upon Liquidation**

Medtronic's duration is unlimited. Medtronic may be dissolved and wound up at any time by way of a shareholders' voluntary winding up or a creditors' winding up. In the case of a shareholders' voluntary winding-up, a special resolution of shareholders is required. Medtronic may also be dissolved by way of court order on the application of a

creditor, or by the Companies Registration Office as an enforcement measure where Medtronic has failed to file certain returns.

The rights of the shareholders to a return of Medtronic's assets on dissolution or winding up, following the settlement of all claims of creditors, may be prescribed in the Articles of Association or the terms of any preferred shares issued by the directors of Medtronic from time to time. The holders of preferred shares in particular may have the right to priority in a dissolution or winding up of Medtronic. If the Articles of Association contain no specific provisions in respect of a dissolution or winding up then, subject to the priorities of any creditors, the assets will be distributed to shareholders in proportion to the paid-up nominal value of the shares held. The Articles of Association provide that the ordinary shareholders of Medtronic are entitled to participate pro rata in a winding up, but their right to do so may be subject to the rights of any preferred shareholders to participate under the terms of any series or class of preferred shares. Please see "*Description of Medtronic Ordinary Shares—Capital Structure—Authorized Share Capital*" for additional information on rights upon a liquidation.

### **Uncertificated Shares**

Pursuant to the Irish Companies Act, a shareholder is entitled to be issued a share certificate on request and subject to payment of a nominal fee.

### **Stock Exchange Listing**

The Medtronic ordinary shares are listed on the New York Stock Exchange under the ticker symbol "MDT."

### **No Sinking Fund**

The Medtronic ordinary shares have no sinking fund provisions.

### **Transfer and Registration of Shares**

The transfer agent for Medtronic maintains the share register, registration in which is determinative of membership in Medtronic. A shareholder of Medtronic who holds shares beneficially is not holder of record of such shares. Instead, the depository or other nominee is the holder of record of those shares. Accordingly, a transfer of shares from a person who holds such shares beneficially to a person who also holds such shares beneficially through a depository or other nominee will not be registered in Medtronic's official share register, as the depository or other nominee will remain the record holder of any such shares.

A written instrument of transfer is required under Irish law in order to register on Medtronic's official share register any transfer of shares (i) from a person who holds such shares directly to any other person, (ii) from a person who holds such shares beneficially to a person who holds such shares directly or (iii) from a person who holds such shares beneficially to another person who holds such shares beneficially where the transfer involves a change in the depository or other nominee that is the record owner of the transferred shares. An instrument of transfer is also required for a shareholder who directly holds shares to transfer those shares into his or her own broker account (or vice versa). Such instruments of transfer may give rise to Irish stamp duty, which must be paid prior to registration of the transfer on Medtronic's official Irish share register. However, a shareholder who directly holds shares may transfer those shares into his or her own broker account (or vice versa) without giving rise to Irish stamp duty provided there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and the transfer is not made in contemplation of a sale of the shares.

Any transfer of Medtronic ordinary shares that is subject to Irish stamp duty will not be registered in the name of the buyer unless an instrument of transfer is duly stamped and provided to the transfer agent. The Articles of Association allow Medtronic, in its absolute discretion, to create an instrument of transfer and pay (or procure the payment of) any stamp duty, which is the legal obligation of a buyer. In the event of any such payment, Medtronic is (on behalf of itself or its affiliates) entitled to (i) seek reimbursement from the buyer or seller (at its discretion), (ii) set-off the amount of the stamp duty against future dividends payable to the buyer or seller (at its discretion) and (iii) claim a lien against the Medtronic ordinary shares on which it has paid stamp duty. Parties to a share transfer may

assume that any stamp duty arising in respect of a transaction in Medtronic ordinary shares has been paid unless one or both of such parties is otherwise notified by Medtronic.

The Articles of Association delegate to Medtronic's secretary (or such other person as may be nominated by the secretary for this purpose) the authority to execute an instrument of transfer on behalf of a transferring party.

In order to help ensure that the official share register is regularly updated to reflect trading of Medtronic ordinary shares occurring through normal electronic systems, Medtronic intends to regularly produce any required instruments of transfer in connection with any transactions for which it pays stamp duty (subject to the reimbursement and set-off rights described above). In the event that Medtronic notifies one or both of the parties to a share transfer that it believes stamp duty is required to be paid in connection with the transfer and that it will not pay the stamp duty, the parties may either themselves arrange for the execution of the required instrument of transfer (and may request a form of instrument of transfer from Medtronic for this purpose) or request that Medtronic execute an instrument of transfer on behalf of the transferring party in a form determined by Medtronic. In either event, if the parties to the share transfer have the instrument of transfer duly stamped (to the extent required) and then provide it to Medtronic's transfer agent, the buyer will be registered as the legal owner of the relevant shares on Medtronic's official Irish share register (subject to the matters described below).

The directors may suspend registration of transfers from time to time, not exceeding 30 days in aggregate each year.

## DESCRIPTION OF DEBT SECURITIES

The following description of Medtronic's registered debt securities is a summary. This summary does not purport to be complete and is qualified in its entirety by reference to the Medtronic Luxco, and Medtronic Inc., Base Indenture and Supplemental Indentures (each as hereinafter defined). Copies of the Medtronic Luxco Base Indenture and Medtronic Luxco Supplemental Indentures and the Medtronic Inc. Base Indenture and Medtronic Inc. Supplemental Indentures have been filed with the Securities and Exchange Commission (the "SEC") as exhibits respectively, to our Annual Report on Form 10-K for the fiscal year ended April 26, 2024. Copies of have been filed with the Securities and Exchange Commission (the "SEC") as exhibits 4.10, 4.11, 4.12, 4.13, 4.14, 4.22, 4.23, 4.24, 4.25, 4.26, 4.27, 4.28, and 4.29, respectively, to our Annual Report on Form 10-K for the fiscal year ended April 26, 2024.

### General

The Medtronic Luxco series of notes was issued as a separate series of senior debt securities, under a Senior Indenture, dated March 28, 2017 (the "Medtronic Luxco Base Indenture") among Medtronic Luxco, as issuer, Medtronic and Medtronic, Inc. as guarantors, and Computershare Trust Company National Association (as successor to Wells Fargo Bank, National Association) as trustee, as supplemented by the Second Supplemental Indenture, dated as of March 7, 2019 (the "Second Supplemental Indenture"), the Third Supplemental Indenture, dated as of July 2, 2019 (the "Third Supplemental Indenture"), the Fourth Supplemental Indenture, dated as of September 29, 2020 (the "Fourth Supplemental Indenture"), the Fifth Supplemental Indenture, dated as of September 21, 2022 (the "Fifth Supplemental Indenture"), the Sixth Supplemental Indenture, dated as of February 22, 2023 (the "Sixth Supplemental Indenture"), and the Seventh Supplemental Indenture, dated as of March 30, 2023 (the "Seventh Supplemental Indenture" and together with the Second, Third, Fourth, Fifth, Sixth, and Seventh Supplemental Indentures, (the "Medtronic Luxco Supplemental Indentures"). The Medtronic Luxco Base Indenture, together with the Medtronic Luxco Supplemental Indentures, shall be referred to throughout this description of debt securities as the "Medtronic Luxco Indenture." Each series of notes is a general unsecured senior obligation of Medtronic Luxco and is fully and unconditionally guaranteed by Medtronic and Medtronic, Inc., on a joint and several basis.

The Medtronic, Inc. series of notes was issued as a separate series of senior debt securities, under a Senior Indenture, dated December 10, 2014 (the "Medtronic Inc. Base Indenture") among Medtronic Inc., as issuer, Medtronic and Medtronic Luxco as guarantors, and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association) as trustee, as supplemented by the Second Supplemental Indenture, dated as of January 26, 2015 (the "Medtronic Inc. Second Supplemental Indenture"), the Third Supplemental Indenture, dated as of January 26, 2015 (the "Medtronic Inc. Third Supplemental Indenture"), the Fourth Supplemental Indenture, dated as of February 22, 2023 (the "Medtronic Inc. Fourth Supplemental Indenture"), the Fifth Supplemental Indenture, dated as

of June 3, 2024 (the “Medtronic Inc. Fifth Supplemental Indenture”) and together with the Second, Third, Fourth, and Fifth Supplemental Indentures, the “Medtronic Inc. Supplemental Indentures”). The Medtronic Inc. Base Indenture, together with the Medtronic Inc. Supplemental Indentures, shall be referred to throughout this description of debt securities as the “Medtronic Inc. Indenture.” Each series of notes is a general unsecured senior obligation of Medtronic Inc. and is fully and unconditionally guaranteed by Medtronic and Medtronic Luxco, on a joint and several basis. The Medtronic Luxco Indenture, together with the Medtronic, Inc. Indenture, shall be referred to throughout this description of debt securities as the “Indentures.”

The notes of each series are Issued only in registered form, without coupons, in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The notes of each series are issued in the form of one or more global securities that are deposited initially with, or on behalf of, a common depository, and registered in the name of the nominee of the common depository, for, and in respect of interests held through, Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”). U.S. Bank National Association acts as registrar for the notes. The notes may be presented for registration of transfer and exchange at the offices of the registrar. Medtronic Luxco entered into agency agreements with Elavon Financial Services DAC, UK Branch (“Elavon”) as paying agent and/or calculation agent with respect to each series of notes. Medtronic Luxco may change any paying agent, calculation agent and registrar without notice to holders of the notes and may act as a paying agent, calculation agent or registrar.

Maturity

Each series of notes will mature and bear interest as provided in the following table:

<i>Issuer</i>	<i>Series</i>	<i>Maturity</i>	<i>Interest Rate</i>	<i>Interest Payment Dates</i>	<i>Record Dates</i>
Medtronic Luxco	<b>0.250% 2025 notes</b>	July 2, 2025	0.250%	July 2	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>0.000% 2025 notes</b>	October 15, 2025	0.000%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>2.625% 2025 notes</b>	October 15, 2025	2.625%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>1.125% 2027 notes</b>	March 7, 2027	1.125%	March 7	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>0.375% 2028 notes</b>	October 15, 2028	0.375%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>3.000% 2028 notes</b>	October 15, 2028	3.000%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Inc.	<b>3.650% 2029 notes</b>	October 15, 2029	3.650%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>1.625% 2031 notes</b>	March 7, 2031	1.625%	March 7	Close of business on the business day immediately preceding the interest payment date.

Medtronic Luxco	<b>1.000% 2031 notes</b>	July 2, 2031	1.000%	July 2	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>3.125% 2031 notes</b>	October 15, 2031	3.125%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>0.750% 2032 notes</b>	October 15, 2032	0.750%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>3.375% 2034 notes</b>	October 15, 2031	3.375%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Inc.	<b>3.875% 2036 notes</b>	October 15, 2036	3.875%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>2.250% 2039 notes</b>	March 7, 2039	2.250%	March 7	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>1.500% 2039 notes</b>	July 2, 2039	1.500%	July 2	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>1.375% 2040 notes</b>	October 15, 2040	1.375%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Inc.	<b>4.150% 2043 notes</b>	October 15, 2043	4.150%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>1.750% 2049 notes</b>	July 2, 2049	1.750%	July 2	Close of business on the business day immediately preceding the interest payment date.
Medtronic Luxco	<b>1.625% 2050 notes</b>	October 15, 2050	1.625%	October 15	Close of business on the business day immediately preceding the interest payment date.
Medtronic Inc.	<b>4.150% 2053 notes</b>	October 15, 2053	4.150%	October 15	Close of business on the business day immediately preceding the interest payment date.

The notes are not subject to any sinking fund.

## Interest

### *Fixed Rate Notes*

The 1.125% 2027 notes, the 1.625% 2031 notes, and the 2.250% 2039 notes bear interest from the date of issuance, payable annually in arrears on March 7 of each year. The 0.250% 2025 notes, the 1.000% 2031 notes, the 1.500% 2039 notes, and the 1.750% 2049 notes bear interest from the date of issuance, payable annually in arrears on July 2 of each year. The 0.000% 2025 notes, the 2.625% 2025 notes, the 0.375% 2028 notes, the 3.000% 2028 notes, the 3.650% 2029 notes, the 3.125% 2031 notes, the 0.750% 2032 notes, the 3.375% 2034 notes, the 3.875% 2036 notes, the 1.375% 2040 notes, the 4.150% 2043 notes, the 1.625% 2050 notes, and the 4.150% 2053 notes bear interest from the date of issuance, payable annually in arrears on October 15 of each year. The Interest is payable to the persons in whose names such notes are registered at the close of business on the business day (for this purpose, a day on which Clearstream and Euroclear are open for business) immediately preceding the relevant interest payment. Interest on the fixed rate notes will be computed on the basis of the actual number of days in the period for which

interest is being calculated and the actual number of days from and including the last date on which interest was paid on the notes, to, but excluding, the next scheduled interest payment date. This payment convention is referred to as Actual/Actual (ICMA) as defined in the rulebook of the International Capital Market Association.

If any interest payment date would otherwise be a day that is not a business day, such interest payment date will be postponed to the next date that is a business day and no interest will accrue on the amounts payable from and after such interest payment date to the next business day. If the maturity date of any series of fixed rate notes falls on a day that is not a business day, the related payment of principal, premium, if any, and interest will be made on the next business day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next business day.

## **Guarantees**

Each of Medtronic and Medtronic, Inc. (each, a “Luxco Guarantor” and together, the “Luxco Guarantors”) fully and unconditionally guarantee, on a joint and several basis, the due and punctual payment of all obligations of Medtronic Luxco under the Medtronic Luxco notes, whether for the payment of principal of, premium, if any, or interest or certain additional amounts on the notes, when and as the same shall become due and payable, whether at maturity, declaration of acceleration, upon redemption, repurchase or otherwise. Each of Medtronic and Medtronic Luxco (each, a “Medtronic, Inc. Guarantor” and together, the “Medtronic, Inc. Guarantors”) fully and unconditionally guarantee, on a joint and several basis, the due and punctual payment of all obligations of Medtronic, Inc. under the Medtronic, Inc. notes, whether for the payment of principal of, premium, if any, or interest or certain additional amounts on the notes, when and as the same shall become due and payable, whether at maturity, declaration of acceleration, upon redemption, repurchase or otherwise.

Notwithstanding the foregoing, each Guarantor will be automatically and unconditionally released from all obligations under its guarantee, and such guarantees shall terminate and be discharged and be of no further force and effect upon the occurrence of certain circumstances.

The guarantees of the notes may be subject to review under United States federal or state fraudulent transfer law or similar laws in other applicable jurisdictions, which could limit their enforceability. The guarantees will provide that the obligations of each Guarantor will be limited as necessary to prevent that guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law.

## **Ranking**

The Medtronic Luxco notes are unsecured senior obligations of Medtronic Luxco and rank equally in right of payment with each other and with all of Medtronic Luxco’s other existing and future unsecured senior obligations, including its outstanding guarantees of senior notes of other indebtedness of Medtronic, Inc. and other subsidiaries of Medtronic, including Covidien International Finance S.A., a wholly-owned indirect subsidiary of Medtronic Luxco. Additionally, the notes are effectively subordinated to any existing and future secured indebtedness of Medtronic Luxco, to the extent of the assets securing such indebtedness. The notes rank senior in right of payment to any existing and future subordinated indebtedness of Medtronic Luxco. The notes are also structurally subordinated to all existing and any future obligations of Medtronic Luxco’s subsidiaries (other than Medtronic, Inc. because of its guarantee of the notes).

The guarantees are unsecured senior obligations of each of Medtronic and Medtronic, Inc., and rank equally with all other unsecured senior obligations of Medtronic and Medtronic, Inc. as applicable. The guarantees of the notes rank equally in right of payment with all other existing and future unsecured senior obligations of Medtronic and Medtronic, Inc.; be effectively subordinated to any existing and future secured indebtedness of Medtronic plc and Medtronic, Inc. to the extent of the assets securing such indebtedness; and be structurally subordinated to all existing and future debt and other obligations of Medtronic’s and Medtronic, Inc.’s subsidiaries, respectively, including, with respect to Medtronic, Covidien International Finance S.A., a wholly-owned indirect subsidiary of Medtronic Luxco.

The Medtronic, Inc. notes are unsecured senior obligations of Medtronic, Inc. and rank equally in right of payment with each other and with all of Medtronic Inc.’s other existing and future unsecured senior obligations, including its



outstanding guarantees of senior notes of other indebtedness of Medtronic Luxco. The notes rank senior in right of payment to any existing and future subordinated indebtedness of Medtronic, Inc. The notes are also structurally subordinated to all existing and any future obligations of Medtronic, Inc.'s subsidiaries.

The guarantees are unsecured senior obligations of each of Medtronic and Medtronic Luxco, and rank equally with all other unsecured senior obligations of Medtronic and Medtronic Luxco as applicable. The guarantees of the notes rank equally in right of payment with all other existing and future unsecured senior obligations of Medtronic and Medtronic Luxco; be effectively subordinated to any existing and future secured indebtedness of Medtronic and Medtronic Luxco to the extent of the assets securing such indebtedness; and be structurally subordinated to all existing and future debt and other obligations of Medtronic plc's and Medtronic, Inc.'s subsidiaries, respectively, including, with respect to Medtronic, Covidien International Finance S.A., a wholly-owned indirect subsidiary of Medtronic Luxco.

### Optional Redemption

Medtronic Luxco and Medtronic, Inc. may redeem any series of the fixed rate notes, in whole or in part, in the case of the 0.250% 2025 notes, the 0.000% 2025 notes, the 2.625% 2025 notes, the 1.125% 2027 notes, the 0.375% 2028 notes, the 3.000% 2028 notes, the 3.650% 2029 notes, the 1.625% 2031 notes, the 1.000% 2031 notes, the 3.125% 2031 notes, the 0.750% 2032 notes, the 3.375% 2034 notes, the 3.875% 2036 notes, the 2.250% 2039 notes, the 1.500% 2039 notes, the 1.375% 2040 notes, the 4.150% 2043 notes, the 1.750% 2049 notes, the 1.625% 2050 notes, and the 4.150% 2053 notes at any time prior to the applicable Par Call Date at a redemption price equal to the greater of:

- 100% of the principal amount of the fixed rate notes of the applicable series being redeemed; and
- the sum, as determined by a Quotation Agent (defined below), of the present values of the Remaining Scheduled Payments (as defined below) of principal and interest on the notes of such series to be redeemed (excluding any portion of such payments of interest accrued as of the date of redemption and assuming, in the case of the 0.250% 2025 notes, the 0.000% 2025 notes, the 2.625% 2025 notes, the 1.125% 2027 notes, the 0.375% 2028 notes, the 3.000% 2028 notes, the 3.650% 2029 notes, the 1.625% 2031 notes, the 1.000% 2031 notes, the 3.125% 2031 notes, the 0.750% 2032 notes, the 3.375% 2034 notes, the 3.875% 2036 notes, the 2.250% 2039 notes, the 1.500% 2039 notes, the 1.375% 2040 notes, the 4.150% 2043 notes, the 1.750% 2049 notes, the 1.625% 2050 notes, and the 4.150% 2053 notes, that such notes matured on the applicable Par Call Date), discounted to the redemption date on an annual basis (ACTUAL/ACTUAL(ICMA)) at the Comparable Bond Rate (defined below), plus 15 basis points, in the case of the 0.250% 2025 notes, the 0.000% 2025 notes, and the 3.650% 2029 notes, 20 basis points, in the case of the 2.625% 2025 notes, the 1.125% 2027 notes, the 0.375% 2028 notes, the 1.000% 2031 notes, the 0.750% 2032 notes, the 3.875% 2036 notes, and the 4.150% 2043 notes, 25 basis points, in the case of the 3.000% 2028 notes, the 1.625% 2031 notes, the 3.125% 2031 notes, the 3.375% 2034 notes, the 1.500% 2039 notes the 1.750 % 2049 notes, and the 4.150% 2053 notes, and 30 basis points, in the case of the 2.250% 2039 notes the 1.375% 2040 notes, and the 1.625% 2050 notes;

plus, in each case, accrued and unpaid interest to, but not including, the date of redemption. These notes may be redeemed in part in the minimum authorized denomination or in any integral multiple of such amount. Unless Medtronic Luxco or Medtronic, Inc. defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the fixed rate notes or portions thereof called for redemption.

In addition, at any time on and after the applicable Par Call Date, the 0.250% 2025 notes, the 0.000% 2025 notes, the 2.625% 2025 notes, the 1.125% 2027 notes, the 0.375% 2028 notes, the 3.000% 2028 notes, the 3.650% 2029 notes, the 1.625% 2031 notes, the 1.000% 2031 notes, the 3.125% 2031 notes, the 0.750% 2032 notes, the 3.375% 2034 notes, the 3.875% 2036 notes, the 2.250% 2039 notes, the 1.500% 2039 notes, the 1.375% 2040 notes, the 4.150% 2043 notes, the 1.750% 2049 notes, the 1.625% 2050 notes, and the 4.150% 2053 notes, will be redeemable at Medtronic Luxco's or Medtronic, Inc.'s option, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

Medtronic Luxco, or Medtronic, Inc., will provide notice of any optional redemption to each holder of notes of the series to be redeemed at least 15 days, but not more than 60 days, before the redemption date. A notice of redemption may, at the discretion of Medtronic Luxco, or Medtronic, Inc., be subject to one or more conditions precedent, including, but not limited to, completion of an equity offering, a financing, or other corporate transaction. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in Medtronic Luxco's, or Medtronic, Inc.'s, discretion, the redemption date may be postponed until up to 60 days following the notice of redemption, and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date (including as it may be postponed). Medtronic Luxco, or Medtronic, Inc., will give notice of such redemption to the trustee at least 10 days prior to the date Medtronic Luxco, or Medtronic, Inc., mails the notice of redemption to each holder (or such shorter time as may be acceptable to the trustee). Unless Medtronic Luxco, or Medtronic, Inc., defaults in payment of the redemption price on the redemption date, on and after the redemption date, interest will cease to accrue on the fixed rate notes or portions thereof called for redemption.

If Medtronic Luxco, or Medtronic, Inc., does not redeem all of the fixed rate notes of a particular series, the trustee shall select the fixed rate notes of that series to be redeemed in any manner that it deems fair and appropriate consistent with the applicable procedures of the depository.

Any notice to holders of fixed rate notes of a redemption hereunder shall include the appropriate calculation of the redemption price, but does not need to include the redemption price itself. The actual redemption price, calculated as described above, will be set forth in an officers' certificate delivered to the trustee no later than two business days prior to the redemption date.

"Comparable Bond Rate" means, for any redemption date, the rate per annum equal to the annual equivalent yield to maturity or interpolated yield to maturity (on a day count basis), computed as the third business day immediately preceding that redemption date, of the Comparable Government Issue (as defined below), assuming a price for the Comparable Government Issue (expressed as a percentage of its principal amount) equal to the Comparable Price (as defined below) for that redemption date.

"Comparable Government Issue" means the euro-denominated security issued by the German federal government selected by a Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the fixed rate notes to be redeemed (assuming that the notes to be redeemed matured on the applicable Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes to be redeemed.

"Comparable Price" means, with respect to any redemption date, (1) the average of the Reference Dealer Quotations (as defined below) for such redemption date, after excluding the highest and lowest of the Reference Dealer Quotations, (2) if Medtronic Luxco, or Medtronic, Inc., obtains fewer than four Reference Dealer Quotations, the arithmetic average of those quotations or (3) if Medtronic Luxco, or Medtronic, Inc., obtains only one Reference Dealer Quotation, such Reference Dealer Quotation.

"Par Call Date" means: in the case of the 0.250% 2025 notes, April 2, 2025; in the case of the 0.000% 2025 notes, September 15, 2025; in the case of the 2.625% 2025 notes, September 15, 2025; in the case of the 1.125% 2027 notes, December 7, 2026; in the case of the 0.375% 2028 notes, July 15, 2028; in the case of the 3.000% 2028 notes, July 15, 2028; in the case of the 3.650% 2029 notes, September 15, 2029; in the case of the 1.625% 2031 notes, December 7, 2030; in the case of the 1.000% 2031 notes, April 2, 2031; in the case of the 3.125% 2031 notes, July 15, 2031; in the case of the 2032 notes, July 15, 2032; in the case of the 3.375% 2034 notes, July 15, 2034; in the case of the 3.875% 2036 notes, July 15, 2036; in the case of the 2.250% 2039 notes, December 7, 2038; in the case of the 1.500% 2039 notes, April 2, 2039; in the case of the 1.375% 2040 notes, April 15, 2040; in the case of the 4.150% 2043 notes, April 15, 2043; in the case of the 1.750% 2049 notes, January 2, 2049; in the case of the 1.625% 2050 notes, April 15, 2050; and in the case of the 4.150% 2053 notes, April 15, 2053;

"Quotation Agent" means the Reference Dealer appointed by Medtronic Luxco, or Medtronic, Inc.

“Reference Dealer” means (1) each of Barclays Bank PLC and Merrill Lynch International and their respective successors in the case of the 1.125% 2027 notes, the 1.625% 2031 notes, and the 2.250% 2039 notes, and each of Barclays Bank PLC, Goldman Sachs & Co LLC and Merrill Lynch International, in the case of the 0.250% 2025 notes, the 1.000% 2031 notes, the 1.500% 2039 notes, and the 1.750% 2049 notes, each of Barclays Bank PLC, BofA Securities Europe SA, Mizuho Securities Europe GmbH and Deutsche Bank Aktiengesellschaft in the case of the 0.000% 2025 notes, the 0.375% 2028 notes, the 0.750% 2032 notes, the 1.375% 2040 notes and the 1.625% 2050 notes, each of Barclays Bank PLC, BofA Securities Europe SA, Citigroup Global Markets Limited and HSBC Continental Europe in the case of the 2.625% 2025 notes, the 3.000% 2028 notes, the 3.125% 2031 notes, and the 3.375% 2034 notes, and each of Citigroup Global Markets Limited, J.P. Morgan Securities plc, Merrill Lynch International and Mizuho International plc in the case of the 3.650% 2029 notes, the 3.875% 2036 notes, the 4.150% 2043 notes, and the 4.150% 2053 notes; provided, however, that if any of the foregoing shall cease to be a broker or dealer of, and/or a market maker in, German government bonds (a “Primary Bond Dealer”), Medtronic Luxco, or Medtronic, Inc., shall substitute another Primary Bond Dealer and (2) any other Primary Bond Dealers selected by Medtronic Luxco, or Medtronic, Inc.

“Reference Dealer Quotations” means, with respect to each Reference Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Government Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by that Reference Dealer at 11:00 a.m., London time, on the third business day preceding that redemption date.

“Remaining Scheduled Payments” means, with respect to each fixed rate note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related redemption date but for such redemption (assuming that the fixed rate notes to be redeemed matured on the applicable Par Call Date); provided, however, that, if such redemption date is not an interest payment date with respect to such note, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

### **Redemption Upon Changes in Withholding Taxes**

Medtronic Luxco, or Medtronic, Inc., may redeem all, but not less than all, of the notes of any series in the event of certain changes in the tax laws, regulations, rulings or treaties of Luxembourg, Ireland, the United States or any other jurisdiction in which Medtronic Luxco, Medtronic, Inc., or any Guarantor is then organized (or any taxing authority thereof or therein) (a “Taxing Jurisdiction”) if, in the written opinion of independent counsel chosen by Medtronic Luxco, Medtronic plc or Medtronic, Inc., there is a material probability that Medtronic Luxco, Medtronic plc or Medtronic, Inc. will become obligated to pay certain additional amounts with respect to the notes. This redemption would be at a redemption price equal to 100% of the principal amount of the notes of such series being redeemed, together with accrued and unpaid interest, if any, to, but not including, the redemption date.

### **Payment of Additional Amounts**

Subject to certain exceptions and limitations, all payments made by Medtronic Luxco, Medtronic, Inc., or any Guarantor under or with respect to the notes and guarantees will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, levies, imposts, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Taxing Jurisdiction, unless Medtronic Luxco, Medtronic, Inc. or any Guarantor, as the case may be, is required to withhold or deduct taxes by law or by the interpretation or administration thereof. In the event that Medtronic Luxco, Medtronic, Inc., or any Guarantor is required to so withhold or deduct any amount for or on account of any taxes from any payment made under or with respect to the notes or the guarantees, as the case may be, subject to certain exceptions and limitations Medtronic Luxco, Medtronic, Inc., or the applicable Guarantor, as the case may be, will pay such additional amounts (“Additional Amounts”) as may be necessary so that the net amount received by each holder of notes (including Additional Amounts) after such withholding or deduction will equal the amount that such holder would have received if such taxes had not been required to be withheld or deducted.

### **Events of Default**

Any of the following events will constitute an event of default for each series of notes under the Indentures:

- failure to pay any interest on the notes of that series when due and payable and such failure continues for 30 days;
- failure to pay principal of or any premium on the notes of that series at its maturity, acceleration, redemption or otherwise;
- failure to perform or the breach of any other covenant or warranty in the Indenture applicable to such series and such failure continues for 60 days after written notice as provided in such Indenture;
- failure to pay principal when due at maturity or a default that results in the acceleration of maturity of Medtronic plc's or any Restricted Subsidiary's (defined below) indebtedness for borrowed money in an aggregate amount of \$150 million or more;
- Medtronic plc's, Medtronic, Inc.'s, or Medtronic Luxco's guarantee ceases to be in full force and effect or is declared to be null and void and unenforceable or such guarantee is found to be invalid or Medtronic plc, Medtronic, Inc., or Medtronic Luxco denies its liability under its guarantee (other than by reason of release of a Guarantor in accordance with the terms of the Indenture);
- certain events in bankruptcy, insolvency, examinership or reorganization, voluntary or involuntary, relating to Medtronic Luxco, Medtronic or Medtronic, Inc.; and
- any other event of default provided with respect to notes of such series.

If an event of default, other than an event of default specified in the sixth bullet point above, occurs with respect to notes of any series and is continuing, either the applicable trustee or the holders of at least 25% in principal amount of the outstanding notes of that series may declare the principal amount of all notes of that series to be due and payable immediately; *provided, however*, that under certain circumstances the holders of a majority in aggregate principal amount of outstanding notes of that series may rescind and annul such declaration and its consequences. If an event of default specified in the sixth bullet point above occurs and is continuing, the entire principal amount of, and accrued interest, if any, on each series of notes then outstanding shall become immediately due and payable.

The applicable trustee, after the occurrence of a default with respect to any series of notes, shall give to the holders of notes of that series notice of all uncured defaults known to it (the term default to mean the events specified above without grace periods); *provided*, that, except in the case of default in the payment of principal of (or premium, if any) or interest, if any, on any note, the trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the holders of the notes of such series.

The holders of a majority in principal amount of the outstanding notes of any series affected will have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the notes of such series, and to waive certain defaults.

In case an event of default shall occur and be continuing, each trustee shall exercise such of its rights and powers under the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Subject to such provisions, the trustees will be under no obligation to exercise any of their rights or powers under the Indenture at the request or direction of any of the holders of notes unless such holders shall have offered to the applicable trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Indenture requires us to deliver to the trustees annual statements as to the performance of our obligations under the Indenture and as to any events of default thereunder.

A default in the payment of any of our notes or under any related guarantee, or a default with respect to our notes or any related guarantee that causes such notes to be accelerated, may give rise to a cross-default under our other indebtedness.

“Restricted Subsidiary” means (i) each of Medtronic Luxco and Medtronic, Inc. and (ii) any other subsidiary of Medtronic which owns or leases a Principal Property, except any subsidiary substantially all of the assets of which are located, or substantially all of the business of which is carried on, outside the United States and its territories and possessions.

“Principal Property” means any plant, office facility, warehouse, distribution center or equipment located within the United States (other than its territories or possessions) and owned by Medtronic or any subsidiary, the gross book value (without deduction of any depreciation reserves) of which on the date as of which the determination is being made exceeds 2% of the Consolidated Net Tangible Assets of Medtronic, except any such property which Medtronic’s board of directors, in its good faith opinion, determines is not of material importance to the business conducted by Medtronic and its subsidiaries, taken as a whole, as evidenced by a certified copy of a board resolution.

#### **Modification of the Indentures**

Modifications and amendments of the Indentures may be made by us and the applicable trustee with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding notes of each series affected by the modification or waiver; *provided, however*, that no such modification or amendment may without the consent of the holder of each noteholder affected thereby, extend the stated maturity of the principal of, or any installment of principal of or interest on, any note, reduce the principal amount of, or premium or interest on, any note, change the place of payment where coin or currency in which the principal of, or any premium or interest on, any note is payable, impair the right to institute suit for the enforcement of any payment on or with respect to any note, reduce the percentage in principal amount of outstanding notes, the consent of the holders of which is required for modification or amendment of the Indentures or for waiver of compliance with certain provisions of the Indentures or for waiver of certain defaults or modify any of the above provisions.

The holders of not less than a majority in aggregate principal amount of the outstanding notes of each series may, on behalf of the holders of all notes of that series, waive compliance by us with certain restrictive provisions of the Indentures that may be amended by such majority. The holders of not less than a majority in aggregate principal amount of the outstanding notes of each series may, on behalf of the holders of all notes of such series, waive any past default under the Indenture, except a default (1) in the payment of principal of, or any premium or interest on, any note or (2) in respect of a covenant or provision of the Indentures which cannot be modified or amended without the consent of the holder of each note of the affected series.

Modifications and amendments of the Indentures may be made by us and the trustee without the consent of any holders of any series of notes for any of the following purposes:

- to evidence the succession of another person to us or any guarantor and the assumption by any such successor of our or such Guarantor's covenants under the Indentures and in the notes;
- to add to our covenants or the covenants applicable to any guarantor for the benefit of the holders or to surrender any right or power in the Indentures conferred upon us or any Guarantor;
- to add any additional events of default for the benefit of the holders;
- to secure the notes or any related guarantee;
- to evidence and provide for the acceptance of appointment hereunder by a successor trustee;
- to cure any ambiguity, to correct or supplement any provision in the Indentures or in any supplemental indentures which may be inconsistent with any other provision of such indenture or supplemental indenture, or to make any other provisions with respect to matters or questions arising under the Indentures; provided such action shall not adversely affect the interests of the holders in any material respect;
- to conform the Indentures or any supplemental indentures to the description of the notes set forth in any prospectus or prospectus supplement related to such series of notes;
- to comply with the requirements of the SEC in order to effect or maintain the qualifications of the indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");
- to add to or change any of the provisions of the Indentures to such extent as shall be necessary to permit or facilitate the issuance of notes in bearer form or to facilitate the issuance of notes in uncertificated form;
- to provide for the issuance and establish the forms or terms and conditions of notes of any series as permitted by the Indentures;
- to add or release a Guarantor as permitted by the Indentures; or
- to comply with the rules of any applicable securities depository.

Notes will not be considered outstanding, and therefore will not be eligible to vote on any matter, if we have deposited or set aside in trust money for their payment or redemption. Notes will also not be eligible to vote if they have been fully defeased.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding notes that are entitled to vote or take other action under the Indenture. In certain limited circumstances, the trustee will be entitled to set a record date for action by holders. If we or the trustee set a record date for a vote or other action to be taken, that vote or action may be taken only by persons who are holders of outstanding notes on the record date and must be taken within 180 days following the record date or a shorter period that we may specify (or as the trustee may specify, if it set the record date). We may shorten or lengthen (but not beyond 180 days) this period from time to time.

#### **Other Provisions of the Notes**

The Indentures contain provisions that restrict our ability, and the ability of certain of our subsidiaries, to incur secured debt and to engage in sale and leaseback transactions. The Indentures do not restrict our ability to convey or transfer our properties and assets other than as an entirety or substantially as an entirety to any other person. The Indentures contain no other restrictive covenants, including those that would afford holders of the notes protection in the event of a highly-leveraged transaction involving Medtronic Luxco, Medtronic, Inc., or any affiliates or other events that may adversely affect our creditworthiness or the value of the notes. The Indentures also do not contain

any covenants relating to total unsecured indebtedness, interest coverage, stock repurchases, recapitalizations, dividends and distributions to shareholders, current ratios or acquisitions and divestitures.

### **Regarding the Trustees**

The Indenture trustee's current address is Wells Fargo Bank, National Association, 600 South 4th Street, 6th Floor, Minneapolis, Minnesota 55415.

The Indenture provides that, except during the continuance of an event of default, the trustee will perform only such duties as are specifically set forth in the Indenture. During the existence of an event of default, the trustee will exercise such rights and powers vested in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The Indenture and certain provisions of the Trust Indenture Act contain limitations on the rights of the trustees, should a trustee become a creditor of us, Medtronic plc or Medtronic, Inc. to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claim as security or otherwise. A trustee is permitted to engage in other transactions with us or any affiliate of ours. If there arises any conflicting interest (as defined in the Indenture or in the Trust Indenture Act), it must eliminate such conflict or resign.

We maintain ordinary banking relationships and credit facilities with Wells Fargo Bank, National Association. In addition, Wells Fargo Bank, National Association is the trustee for certain of our affiliates' other debt securities, is the transfer agent for Medtronic plc's ordinary shares, and from time to time provides services relating to our investment management, stock repurchase and foreign currency hedging programs.

### **Listing**

The notes are listed on the New York Stock Exchange. Medtronic Luxco and Medtronic, Inc. will use commercially reasonable efforts to maintain such listing and satisfy the requirements for such continued listing as long as the notes are outstanding. The New York Stock Exchange is not a regulated market for the purposes of MiFID II.

### **Governing Law**

The Indentures and the notes are governed by and construed in accordance with the laws of the State of New York. For the avoidance of doubt, the applicability of Articles 84 to 94-8 of the Luxembourg law dated August 10, 1915 on commercial companies, as amended, shall be excluded.

No holder of notes may initiate proceedings against Medtronic Luxco or Medtronic, Inc. based on Article 98 of the Luxembourg law dated August 10, 1915 on commercial companies, as amended.

### **Book-Entry System; Delivery and Form**

#### *Global Clearance and Settlement*

The notes of each series are issued in the form of one or more global notes in fully registered form, without coupons, and deposited with, or on behalf of, a common depository, and registered in the name of the nominee of the common depository, for, and in respect of interests held through, Euroclear and Clearstream. Except as described herein, certificates will not be issued in exchange for beneficial interests in the global notes.

Except as set forth below, the global notes may be transferred, in whole and not in part, only to Euroclear or Clearstream or their respective nominees.

Beneficial interests in the global notes are to be represented, and transfers of such beneficial interests will be effected, through accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in Euroclear or Clearstream. Those beneficial interests are in denominations of €100,000 and integral multiples of €1,000 in excess thereof. Investors may hold notes directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems.

We have been advised by Clearstream and Euroclear, respectively, as follows:

#### *Clearstream*

Clearstream has advised that it is incorporated under the laws of Luxembourg and licensed as a bank and professional depository. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream has established an electronic bridge with the Euroclear Operator (as defined below) to facilitate the settlement of trades between the nominees of Clearstream and Euroclear. As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. Clearstream customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through, or maintain a custodial relationship with, a Clearstream participant, either directly or indirectly.

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures.

#### *Euroclear*

Euroclear has advised that it was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related operating procedures of Euroclear, and applicable Belgian law (collectively, the “Terms and Conditions”). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no records of or relationship with persons holding through Euroclear participants.

Distributions with respect to the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions.

#### *Euroclear and Clearstream Arrangements*

So long as Euroclear or Clearstream or their nominee or their common depository is the registered holder of the global notes, Euroclear, Clearstream or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global notes for all purposes under the Indenture and the notes. Payments of principal, interest and additional amounts, if any, in respect of the global notes will be made to Euroclear, Clearstream, such nominee or such common depository, as the case may be, as registered holder thereof. None of us, the trustee, any underwriter and any affiliate of any of the above or any person by whom any of the above is controlled (as such term is defined in the Securities Act) will have any responsibility or liability for any records



relating to or payments made on account of beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Distributions of principal, premium, if any, and interest with respect to the global notes will be credited in euro to the extent received by Euroclear or Clearstream from the paying agent to the cash accounts of Euroclear or Clearstream customers in accordance with the relevant system's rules and procedures.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the global notes to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

#### *Initial Settlement*

We understand that investors that hold their notes through Clearstream or Euroclear accounts will follow the settlement procedures that are applicable to conventional eurobonds in registered form. Subject to applicable procedures of Clearstream and Euroclear, notes will be credited to the securities custody accounts of Clearstream and Euroclear participants on the business day following the settlement date, for value on the settlement date.

#### *Secondary Market Trading*

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

We understand that secondary market trading between Clearstream and/or Euroclear participants will occur in the ordinary way following the applicable rules and operating procedures of Clearstream and Euroclear. Secondary market trading will be settled using procedures applicable to conventional eurobonds in global registered form.

Investors will only be able to make and receive deliveries, payments and other communications involving the notes through Clearstream and Euroclear on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream and Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the notes, or to make or receive a payment or delivery of the notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Clearstream or Euroclear is used.

Clearstream or Euroclear will credit payments to the cash accounts of Clearstream customers or Euroclear participants, as applicable, in accordance with the relevant system's rules and procedures, to the extent received by its depository. Clearstream or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the Indenture on behalf of a Clearstream customer or Euroclear participant only in accordance with its relevant rules and procedures.

Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the notes among participants of Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

#### *Exchange of Global Notes for Certificated Notes*

Subject to certain conditions, the notes represented by the global notes are exchangeable for certificated notes in definitive form of like tenor in minimum denominations of €100,000 principal amount and multiples of €1,000 in excess thereof if:

- (1) the common depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary for the global notes and we fail to appoint a successor depositary within 90 calendar days;
- (2) Medtronic Luxco or Medtronic, Inc., at its option, notifies the trustee in writing that it elects to cause the issuance of certificated notes; or
- (3) there has occurred and is continuing an Event of Default with respect to the notes.

In all cases, certificated notes delivered in exchange for any global note or beneficial interest therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the common depositary (in accordance with its customary procedures).

#### *Payments*

Payments (including principal, premium and interest) and transfers with respect to notes in certificated form may be executed at the office or agency maintained for such purpose in London (initially the corporate trust office of the paying agent) or, at Medtronic Luxco's or Medtronic, Inc.'s option, by check mailed to the holders thereof at the respective addresses set forth in the register of holders of the notes (maintained by the registrar), provided that all payments (including principal, premium and interest) on notes in certificated form, for which the holders thereof have given wire transfer instructions, will be required to be made by wire transfer of immediately available funds to the accounts specified by the holders thereof. No service charge will be made for any registration of transfer, but payment of a sum sufficient to cover any tax or governmental charge payable in connection with that registration may be required.

# Medtronic

## Global Insider Trading Policy

### Purpose

The U.S. Securities and Exchange Commission (SEC) and other government bodies created rules to prevent unethical use of nonpublic information. This policy outlines the requirements employees must follow to comply with these rules and applicable laws.

### Scope

This policy applies to all Medtronic employees and members of the Board of Directors.

### Policy Statement (Details)

#### 1. BACKGROUND

##### Summary

The federal securities laws prohibit any employee of Medtronic plc or its subsidiaries (collectively, the “Company”) or any member of its Board of Directors from purchasing or selling securities on the basis of material nonpublic information about the Company and other companies that may have transactions or business relationships with the Company, and from tipping material nonpublic information to others. These laws impose severe sanctions, including the possibility of significant prison sentences, on individuals who violate them.

This insider trading policy is being adopted with the goal of helping:

- to prevent inadvertent violations of the insider trading laws;
- to avoid even the appearance of impropriety on the part of those employed by, or associated with, the Company;
- to protect the Company from controlling person liability; and
- to protect the reputation of the Company, its Directors and its employees.

##### What Type of Information Is “Material”?

Information about the Company is considered material if a reasonable shareholder would consider the information important in making a decision to buy, hold or sell the Company’s securities. Any information that could be expected to affect the Company’s stock price, whether it is positive or negative, should be considered material. It is not possible to define all categories of material information, but information about any of the following subjects, including where applicable that the Company has plans or is in discussions with respect to any of these subjects, are examples of the type of information which is likely to be considered material:

- the Company’s revenues or earnings;
- a significant merger or acquisition involving the Company;
- information concerning upcoming FDA actions or other significant legal or regulatory developments, including significant clinical trial results or a significant product recall;
- a change in control or a significant change in management of the Company;
- the purchase or sale by the Company of a significant amount of its securities;
- a change in the Company’s dividend or securities repurchase policies;

- a stock split;
- a default on outstanding debt of the Company or a bankruptcy filing;
- a significant product release, a significant development, invention or discovery, or significant legal or regulatory developments that affect the Company, including its intellectual property rights;
- significant licensing or collaboration discussions or agreements;
- a significant cybersecurity incident, such as a data breach, or any other significant disruption in the Company's operations, or loss, potential loss, breach or unauthorized access of its property, devices or information, whether at its facilities or through its information technology infrastructure; or
- a conclusion by the Company or a notification from its auditors that any of the Company's previously issued financial statements should no longer be relied upon; or
- a change in the Company's auditors.

The above list is illustrative only and is not intended to provide a comprehensive list of circumstances that could give rise to material information.

#### **When Is Information "Nonpublic"?**

Information concerning the Company is considered nonpublic if it has not been disseminated in a manner making it available to investors generally. Information will generally be considered nonpublic unless (1) the information has been disclosed in a press release, in a public filing made with the Securities and Exchange Commission (such as a Report on Form 10-K, Form 10-Q, or Form 8-K), on the Company's Investor Relations website, or through a news wire service or broadly accessible news outlet, and (2) a sufficient amount of time has passed so that the information has had an opportunity to be disseminated within the marketplace, which will generally be upon the completion of one full trading day after the public disclosure. For example, if information is disclosed after-market on a Thursday, it would be considered broadly disseminated by the close of regular trading on Friday.

#### **What are "Securities"?**

The policy applies to transactions in Company common stock, options to purchase common stock, or any other type of securities issued by the Company, including (but not limited to) preferred stock, convertible debentures and warrants, as well as derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company's Securities. This policy also applies to transactions in the securities of companies (1) with which the Company does business, such as the Company's distributors, vendors, customers and suppliers, and (2) that are involved in a potential transaction or business relationship with Company.

## **2. DEFINITIONS**

As used in this policy, the following terms have the meanings specified below:

**"Covered Persons"** means:

- all employees;
- all Directors;
- all family members of Directors and employees who share the same address as, or are financially dependent upon, the Director or employee and any other person who shares the same address as the Director or employee (other than (1) an employee or tenant of the Director or employee or (2) another unrelated person whom the General Counsel, Corporate Secretary, an Assistant Secretary or another individual designated by the General Counsel or Corporate Secretary (each,

a member of the Corporate Secretary's office) determines should not be covered by this policy); and

- all corporations, partnerships, trusts or other entities (other than the Company) controlled by any of the above persons, unless the entity has implemented policies or procedures designed to ensure that such person cannot influence transactions by the entity involving Company securities.

**"Designated Employees"** has the meaning given to such term in Section 4.

**"Director"** means a member of the Board of Directors of Medtronic plc.

**"Executive Committee Members"** means employees of the Company who report to the Chief Executive Officer of the Company.

**"Pre-Clearance Person"** has the meaning given to such term in Section 5.

**"Section 16 Officers"** means employees of the Company subject to Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act").

**"Trading Plan"** has the meaning given to such term in Section 6.

### **3. GENERAL PROHIBITIONS**

#### **Prohibitions While Aware of Material Nonpublic Information**

Except as explicitly provided in Section 6, no Covered Person may:

- purchase, sell or donate any securities of the Company (or recommend to another person or entity that they do so) while aware of any material nonpublic information concerning the Company;
- disclose to any other person any material nonpublic information concerning the Company if such person may misuse that information, such as by purchasing or selling Company securities or tipping that information to others;
- purchase, sell or donate any securities of another company (or recommend to another person or entity that they do so) while aware of any material nonpublic information concerning such other company which the person or entity subject to this policy learned in the course of their service as a Director or employee of the Company; or
- disclose to any other person any material nonpublic information concerning another company (which the person or entity subject to this policy learned in the course of their service as a Director or employee of the Company) if such person may misuse that information, such as by purchasing or selling that company's securities or tipping that information to others.

#### **Prohibitions on Short Sales and Derivative Transactions**

No Covered Person may:

- engage in short sales of Company securities, including short sales "against the box"; or
- engage in purchases or sales of puts, calls or other derivative securities based on the Company's securities.

#### **Pledges, and Hedges**

No Director or Section 16 Officer may (i) purchase Company securities on margin, borrow against Company securities held in a margin account, or pledge Company securities as collateral for a loan, or (ii) enter into hedging or monetization transactions or similar arrangements with respect to Company securities. The Company cautions and advises all other Covered Persons to seek their own legal counsel

in connection with purchasing Company securities on margin, borrowing against Company securities held in a margin account, or pledging Company securities as collateral for a loan, or (ii) entering into hedging or monetization transactions or similar arrangements with respect to Company securities.

#### **Reminder of Obligations After Cessation of Service**

If a person ceases to be a Director or employee of the Company at a time when he or she is aware of material nonpublic information, the applicable prohibitions shall continue to apply to such person until that information has become public or is no longer material.

### **4. TRADING PROHIBITIONS DURING RESTRICTED PERIODS**

#### **Quarterly Restricted Periods**

Except as explicitly provided in this policy, no person or entity listed below may purchase, sell or donate any securities of the Company during the period beginning the second Monday prior to the end of each fiscal quarter and ending upon the completion of one full trading day after the public announcement of earnings for such quarter (a “quarterly restricted period”).

#### **Persons Covered by Quarterly Restrictions**

The quarterly restricted period prohibitions apply to:

- all Directors;
- all Section 16 Officers, Executive Committee Members and employees who report to Executive Committee Members;
- such other employees as are designated from time to time by a member of the Corporate Secretary’s office as being subject to quarterly restricted period prohibitions (together with Section 16 Officer, Executive Committee Members and employees who report to Executive Committee Members, the “Designated Employees”);
- all family members of Directors and Designated Employees who share the same address as, or are financially dependent on, the Director or Designated Employee and any other person who shares the same address as the Director or Designated Employee (other than (1) an employee or tenant of the Director or Designated Employee or (2) another unrelated person whom a member of the Corporate Secretary’s office determines should not be covered by this policy); and
- all corporations, partnerships, trusts or other entities (other than the Company) controlled by any of the above persons, unless the entity has implemented policies or procedures designed to ensure that such person cannot influence transactions by the entity involving Company securities.

#### **Corporate News Restricted Periods**

The Company may from time to time notify Directors and other employees that an additional restricted period (a “corporate news restricted period”) is in effect in view of significant events or developments involving the Company. In such event, except as explicitly provided in this policy, no such individual may purchase, sell or donate any securities of the Company during such corporate news restricted period or inform anyone else that a corporate news restricted period is in effect. (In this policy, quarterly restricted periods and corporate news restricted periods are each referred to as a “restricted period”).

### **5. PRECLEARANCE BY DIRECTORS AND SECTION 16 OFFICERS**

#### **Notice and Pre-Clearance of Transactions**

##### **Pre-Transaction Clearance**

No Director or Section 16 Officer (a “Pre-Clearance Person”) may purchase, sell, donate or otherwise acquire or dispose of securities of the Company (other than in a transaction that is excepted from this

policy under Section 6), or adopt, modify, or terminate any Trading Plan, unless such person pre-clears the transaction or plan with a member of the Corporate Secretary's office.

A request for pre-clearance shall be made in accordance with the procedures established by the Corporate Secretary. A member of the Corporate Secretary's office shall have sole discretion to decide whether to clear any contemplated transaction or plan. (The Chief Financial Officer shall have sole discretion to decide whether to clear transactions by the General Counsel if the General Counsel is a Section 16 Officer.)

All trades and plans that are pre-cleared must be effected (or adopted, amended, or terminated) within four business days of receipt of the pre-clearance unless a specific exception has been granted by a member of the Corporate Secretary's office. A pre-cleared trade (or any portion of a pre-cleared trade) that has not been effected or a plan that has not been adopted, amended, or terminated during the four business day period must be pre-cleared again prior to execution. Notwithstanding receipt of pre-clearance, if the Pre-Clearance Person becomes aware of material non-public information or becomes subject to a restricted period before the transaction is effected, the transaction may not be completed.

#### **Post-Transaction Notice**

Each Pre-Clearance Person shall also ensure that a member of the Corporate Secretary's office receives immediate notice of the occurrence of any purchase, sale or other acquisition or disposition of securities of the Company, and of the entry into, modification, or early termination of any plan that contemplates future transaction in Company securities. Such notification must be in writing (including by e-mail) and should include the identity of the covered person, the type of transaction, the date of the transaction, the number of shares involved and the purchase or sale price.

#### **Deemed Time of a Transaction**

For purposes of these notification obligations, a purchase, sale or other acquisition or disposition shall be deemed to occur at the time the person becomes irrevocably committed to it (for example, in the case of an open market purchase or sale, when the trade is executed, not when it settles).

### **6. EXCEPTIONS**

The prohibitions in Sections 3 and 4 on purchases, sales and donations of Company securities do not apply to:

- exercises of stock options or other equity awards or the surrender of shares to the Company in payment of the exercise price or in satisfaction of any tax withholding obligations, in each case in a manner permitted by the applicable equity award agreement; provided, however, that the securities so acquired may not be sold (either outright or in connection with a "cashless" exercise transaction through a broker) while the employee or Director is aware of material nonpublic information or, in the case of someone who is subject to a restricted period prohibition, during a restricted period;
- acquisitions or dispositions of Company common stock under the Company's 401(k), employee stock purchase plan, individual account plan or dividend reinvestment plan which are made pursuant to standing instructions not entered into or modified while the employee or Director is aware of material nonpublic information or, in the case of someone who is subject to restricted period prohibition, during a restricted period;
- other purchases of securities directly from the Company or sales of securities directly to the Company; or

- transactions made pursuant to a binding contract, written plan or specific instruction (a “Trading Plan”) which is adopted and operated in compliance with Rule 10b5-1; provided such Trading Plan complies with the Company’s Rule 10b5-1 Plan Guidelines included at the end of this policy.

The prohibitions in Sections 3 and 4 on donations of Company securities do not apply to bona fide gifts to family members or family trusts who are also subject to this policy under Section 3.

## **7. PENALTIES FOR VIOLATION**

Violation of any of the foregoing rules is grounds for disciplinary action by the Company, including termination of employment for cause.

## **8. OTHER MATTERS**

### **Regulation BTR**

If the Company is required to impose a “pension fund blackout period” under Regulation BTR, each Director and Section 16 Officer shall not, directly or indirectly sell, purchase or otherwise transfer during such blackout period any equity securities of the Company acquired in connection with his or her service as a Director or officer of the Company, except as permitted by Regulation BTR.

### **Limitation of Liability**

None of the Company, the Chief Financial Officer, the General Counsel, members of the Corporate Secretary’s office or the Company’s other employees will have any liability for any action taken or inaction in connection with the administration of this insider trading policy. Notwithstanding any pre-clearance of a transaction described in Section 5 or review of a Trading Plan described in Section 6, none of the Company, the Chief Financial Officer, the General Counsel, members of the Corporate Secretary’s office or the Company’s other employees assumes any liability for the legality or consequences of such transaction or Trading Plan to the person engaging in or adopting such transaction or Trading Plan.

### **Administration**

The General Counsel is generally responsible for the administration of this policy, which includes authority to interpret and construe this policy and make determinations in connection with such administration. The General Counsel may select others to assist in such administration.

### **Questions**

Questions regarding this policy should be directed to a member of the Corporate Secretary’s office.



## **Rule 10b5-1 Guidelines**

# **MEDTRONIC PLC**

## **RULE 10b5-1 PLAN GUIDELINES**

*Rule 10b5-1 of the Securities and Exchange Act of 1934 provides a defense from insider trading liability for an insider of a publicly traded company (each a "Trading Individual") who, at a time when they are not in possession of material nonpublic information ("MNPI") and are not subject to any restricted period, sets up a plan or instruction to buy or sell stock that specifies in advance the amount, pricing and timing of transactions, or delegates discretion on these matters to an independent third party. The following guidelines have been adopted by Medtronic plc (the "Company") to provide guidance on adopting and using trading plans under Rule 10b5-1 (each, a "10b5-1 Plan") and apply to any Medtronic employee or director desiring to enter into a 10b5-1 Plan for Company securities.*

### **The 10b5-1 Plan**

- All 10b5-1 Plans must be in writing.
- Once a 10b5-1 Plan is adopted, a Trading Individual must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded, or the date of the trade. The 10b5-1 Plan must either specify in advance the amount, pricing and timing of transactions, establish in advance a formula or algorithm for determining the amount, price and timing of transactions, or delegate discretion on these matters to an independent third party who is not aware of MNPI when effecting purchases or sales.
- A Trading Individual must submit and receive approval from the Corporate Secretary or Assistant Secretary (or his/her delegate) of a proposed Rule 10b5-1 Plan prior to adopting a 10b5-1 Plan or making any modification to an existing 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.
- 10b5-1 Plans should be for a minimum term of 6 months and include a specified expiration date, with a maximum term of two years.
- Single transaction trading plans are strongly discouraged, and in no event may more than one single transaction plan be adopted in any 12-month period.
- Overlapping plans are not allowed, provided that Trading Individuals may enter into a "sell-to-cover" plan with respect to tax obligations that arise from the vesting of compensatory equity awards (but not the exercise of stock options) in addition to a traditional 10b5-1 Plan.
- New and modified Rule 10b5-1 Plans must reflect a "cooling off" period before the first trade thereunder:
  - For directors and Section 16 officers, the first trade under a new or modified 10b5-1 Plan cannot occur until the later of (i) 90 days or (ii) two business days after the filing of the next 10-K or 10-Q, but in any case, not longer than 120 days following the date of adoption of the 10b5-1 Plan or modification of the 10b5-1 Plan.
  - For persons other than directors or Section 16 officers, the first trade under a new or modified 10b5-1 Plan may not occur until 30 calendar days after the date of adoption of the 10b5-1 Plan or modification of the 10b5-1 Plan.
- Trading plans must comply in all respects with the Company's Global Insider Trading Policy and any other applicable Company policies.
- The 10b5-1 Plan must permit the Company to suspend trading for any Trading Individual who holds shares subject to an underwriting lockup, for the duration of such lockup.

### **The Trading Individual**

- The Trading Individual may only adopt, modify or direct early termination of a 10b5-1 Plan at a time when he or she:
  - is not in possession of MNPI regarding the Company or its securities; and
  - is not subject to any restricted period under the Company's Global Insider Trading Policy.
- Directors and Section 16 officers must certify to the Company (either as part of the 10b5-1 Plan or by separate document) that (i) such individual is not in possession of MNPI at the time of entrance into

or modification of the 10b5-1 Plan and (ii) such individual is adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5.

- When adopting, modifying, terminating earlier than the previously established expiration date or taking other action with respect to a 10b5-1 Plan, the Trading Individual must take any such action in good faith and not as part of a plan or scheme to evade the prohibitions of Section 10(b) of the Exchange Act or Rule 10b-5 promulgated under the Exchange Act. Therefore, although Trading Individuals are not prohibited from modifying or terminating existing Rule 10b5-1 Plans, a Rule 10b5-1 Plan should be adopted with the intention that it will not be amended or terminated prior to its expiration.
- The Trading Individual should be aware that the Company will disclose the adoption, modification and termination of any 10b5-1 Plans by directors and Section 16 officers in its annual reports on Form 10-K and quarterly reports on Form 10-Q.
- The Trading Individual must agree to cooperate with the Company in any reporting and publicizing of the trading plan.
- Adoption of a trading plan does not preclude trading outside of the 10b5-1 Plan that otherwise is in accordance with the Company's Global Insider Trading Policy. However:
  - Trading Individuals may not enter into or alter corresponding transactions or positions, including hedging transactions, that reduce or eliminate the economic consequences of the transactions under the Rule 10b5-1 Plan.
  - Trading Individuals may not engage in transactions outside of the 10b5-1 Plan if such transactions would affect the number of shares that can be sold under the 10b5-1 Plan (e.g., for Trading Individuals subject to Rule 144, an outside-the-plan transaction cannot reduce the pre-established volume of shares that can be sold under the 10b5-1 Plan).
  - Any Trading Individual who is a director or officer is cautioned to ensure that any trading outside of a 10b5-1 Plan does not create short swing profits with respect to potential transactions under the 10b5-1 Plan (i.e., if sales may occur under the 10b5-1 Plan, the Trading Person would generally want to avoid any purchases outside of the 10b5-1 Plan to avoid potential short swing profits if the purchase is at a lower price than any sale made within 6 months of the purchase).

*Medtronic plc and Subsidiaries**At April 26, 2024***Company**

2074417 Alberta ULC  
 A&E Products de Honduras S.A.  
 A&E Products do Brasil Ltda.  
 A&E Products Group, Inc.  
 Advanced Medical Technologies GmbH  
 Affera, Inc.  
 AI Biomed Corp  
 Aircraft Medical Ltd.  
 Airox  
 Arterial Vascular Engineering Canada, Company  
 Arterial Vascular Engineering UK Limited  
 Auto Suture do Brasil Ltda.  
 Avenu Medical, Inc.  
 Batts LLC  
 Batts, Inc.  
 Between Investeringsgroep B.V.  
 Biostar Biomedikal Mühendislik Anonim Sirketi  
 Bo Yao (Shanghai) Medical Device Co. Ltd.  
 CardioInsight Technologies Inc.  
 Carlisle Philippines, Inc.  
 Carmel Biosensors Ltd.  
 CCI Istanbul Teknolojik Hizmetler Limited Sirketi  
 Changzhou Chuangzhijie Incubator Management Co.,Ltd.  
 Changzhou Kangdi Medical Stapler Co., Ltd.  
 Changzhou Kanghui Medical Innovation Co., Ltd.  
 CircuLite, Inc.  
 Comercial Kendall (Chile) Limitada  
 Companion Medical, Inc.  
 Covidien (China) Medical Devices Technology Co., Ltd.  
 Covidien (Shanghai) Management Consulting Co., Ltd.  
 Covidien Adhesives Italia Srl  
 Covidien AG  
 Covidien Argentina S.A.  
 Covidien Canada Holdings LLC  
 Covidien Caribbean, Inc.  
 Covidien Delaware VI Corp.  
 Covidien Eurasia LLC  
 Covidien France Holdings, Inc.  
 Covidien Group Holdings Limited  
 Covidien Group S.à.r.l.  
 Covidien Healthcare International Trading (Shanghai) Co., Ltd.  
 Covidien Holding Inc.  
 Covidien Holdings International Corporation

**Jurisdiction of Formation**

Canada  
 Honduras  
 Brazil  
 Delaware  
 Germany  
 Delaware  
 California  
 United Kingdom  
 France  
 Canada  
 United Kingdom  
 Brazil  
 Delaware  
 Delaware  
 Delaware  
 Netherlands  
 Turkey  
 China  
 Delaware  
 Philippines  
 Israel  
 Turkey  
 China  
 China  
 China  
 Delaware  
 Chile  
 Delaware  
 China  
 China  
 Italy  
 Switzerland  
 Argentina  
 Delaware  
 Delaware  
 Delaware  
 Russia  
 Connecticut  
 Bermuda  
 Luxembourg  
 China  
 Delaware  
 Delaware

Covidien Holdings S.à.r.l.	Luxembourg
Covidien International (US) Holdings A, LLC	Delaware
Covidien International Finance S.A.	Luxembourg
Covidien International S.à.r.l.	Luxembourg
Covidien Ireland Limited	Ireland
Covidien Israel Holdings Ltd	Israel
Covidien Israel Investments Ltd	Israel
Covidien Israel Surgical Research Ltd	Israel
Covidien Japan, Inc.	Japan
Covidien Ilc	Delaware
Covidien LP	Delaware
Covidien Manufacturing Grenoble	France
Covidien Medical Products (Shanghai) Manufacturing L.L.C.	China
Covidien Peru S.A.	Peru
Covidien Philippines, Inc.	Philippines
Covidien Private Limited	Singapore
Covidien Pty Limited	Australia
Covidien Sales LLC	Delaware
Covidien Swiss Holding GmbH	Switzerland
Covidien UK Holding Ltd	United Kingdom
Covidien Limited	Ireland
Covidien Uruguay S.A.	Uruguay
Covidien US Holdings, Inc.	Delaware
Covidien Ventures Ltd.	Bermuda
Davis & Geck Caribe Limited	Cayman Islands
Diabeter Nederland B.V.	Netherlands
Digital Surgery Limited	United Kingdom
Epix Therapeutics, Inc.	Delaware
Ev3, Inc.	Delaware
First Lafayette Holdings LLC	Delaware
Floreane Medical Implants	France
GC Holdings, Inc.	Delaware
Georgia Packaging, LLC	Delaware
Given Imaging, Inc.	Delaware
Given Imaging B.V.	Netherlands
Given Imaging Ltd.	Israel
Given Imaging Vietnam Co., Ltd.	Vietnam
Graphic Controls (Barbados), Ltd.	Barbados
HeartWare, Inc.	Delaware
HeartWare International LLC	Delaware
IHS Argentina SA	Argentina
IHS Health Services Egypt LLC	Egypt
IHS Health Services Lebanon Sarl	Lebanon
IHS Health Services Pakistan (Private) Limited	Pakistan
IHS Managed Services SAS	Colombia
IHS Saglik Hizmetleri Ltd STI	Turkey
India Medtronic Private Limited	India
Integrated Health Solutions Chile S.A.	Chile
Integrated Health Solutions International Sarl	Switzerland
Intersect ENT, Inc.	Delaware
Invatec S.p.A.	Italy

Invatec Technology Center GmbH	Switzerland
Kendall de Mexico, S.A. de C.V.	Mexico
Kendall de Venezuela, C.A.	Venezuela
Kendall Innovadores en Cuidados al Paciente S.A.	Costa Rica
Kendall S.A.	Panama
KLHC, Inc.	Delaware
Klue, Inc.	Delaware
Kyphon South Africa (Proprietary) Ltd.	South Africa
Life Design Systems, Inc.	Wisconsin
M-Smart Medical Technology (Shanghai) Co. Ltd.	China
Makani II Unlimited Company	Ireland
Mallinckrodt DAR Srl	Italy
Mallinckrodt Holdings, LLC	Delaware
Mallinckrodt Holdings B.V.	Netherlands
Mallinckrodt Medical Unlimited Company	Ireland
Mallinckrodt US LLC	Delaware
Marblehead Medical LLC	Minnesota
Mazor Robotics Ltd.	Israel
MDT Hungária Kereskedelmi Korlátolt Felelősségű Társaság	Hungary
MDT Turkey Finansal Danışmanlık Limited Şirketi	Turkey
Medical Education Y. K.	Japan
Medical Medtronic Nigeria Limited	Nigeria
Medicrea Australia Pty Ltd.	Australia
Medicrea International	France
Medicrea USA, Corp	Delaware
Medina Medical, Inc.	Delaware
Medinse S. de R.L. de C.V.	Mexico
Medtronic – Sequoia (Cayman) Innovation Investment Management Partners, Ltd	Cayman Islands
Medtronic (Africa) (Proprietary) Limited	South Africa
Medtronic (Changzhou) Medical Devices Technology Co., Ltd.	China
Medtronic (Chengdu) Management Consulting Co., Ltd.	China
Medtronic (Schweiz) A.G. (Medtronic (Suisse) S.A.)	Switzerland
Medtronic (Shanghai) Ltd.	China
Medtronic (Shanghai) Management Co. Ltd.	China
Medtronic (Taiwan) Ltd.	Taiwan
Medtronic (Thailand) Limited	Thailand
Medtronic Ablation Frontiers LLC	Delaware
Medtronic Adriatic d.o.o.	Croatia
Medtronic Advanced Energy LLC	Delaware
Medtronic Advanced Energy Luxembourg S.à.r.l.	Luxembourg
Medtronic AF Luxembourg S.à r.l.	Luxembourg
Medtronic AG	Switzerland
Medtronic Aktiebolag	Sweden
Medtronic Arabia Regional Headquarter	Saudi Arabia
Medtronic Ardian Luxembourg S.à.r.l.	Luxembourg
Medtronic ATS Medical, Inc.	Minnesota
Medtronic Australasia Pty Ltd	Australia
Medtronic B.V.	Netherlands
Medtronic Bakken Research Center B.V.	Netherlands
Medtronic Bangladesh Pvt. Ltd.	Bangladesh
Medtronic Belgium S.A./N.V.	Belgium

Medtronic BioPharma B.V.	Netherlands
Medtronic BioPharma Sàrl	Switzerland
Medtronic Bulgaria EOOD	Bulgaria
Medtronic Canada ULC	Canada
Medtronic Care Management Services, LLC	Minnesota
Medtronic Cash Pool LLC	Massachusetts
Medtronic Changzhou Medical Device Co., Ltd.	China
Medtronic China Kanghui Holdings	Cayman Islands
Medtronic China Venture Fund (Cayman), L.P.	Cayman Islands
Medtronic China, LLC.	Minnesota
Medtronic Colombia S.A.	Colombia
Medtronic Comercial Ltda.	Brazil
Medtronic Comercial Panamá, S.A.	Panama
Medtronic CoreValve LLC	Delaware
Medtronic CryoCath LP	Canada
Medtronic CV Luxembourg S.à.r.l.	Luxembourg
Medtronic Czechia s.r.o.	Czech Republic
Medtronic Danmark A/S	Denmark
Medtronic Diabetes (Chengdu) Co., Ltd.	China
Medtronic do Brasil Ltda.	Brazil
Medtronic Dominican Republic S.A.S.	Dominican Republic
Medtronic Dominicana (Manufactura), S.A.	Dominican Republic
Medtronic Egypt LLC	Egypt
Medtronic Empalme S. de R.L. de C.V.	Mexico
Medtronic Engineering and Innovation Center Private Limited	India
Medtronic Europe Limited	Malta
Medtronic Europe Sàrl	Switzerland
Medtronic Fabrication	France
Medtronic Finance Holdings ULC	Cayman Islands
Medtronic Finance Hungary Kft.	Hungary
Medtronic Finland Oy	Finland
Medtronic France	France
Medtronic GmbH	Germany
Medtronic Global Holdings GP S.à r.l.	Luxembourg
Medtronic Global Holdings S.C.A.	Luxembourg
Medtronic Group Holding, Inc.	Minnesota
Medtronic Hellas Medical Device Commercial Single Member S.A.	Greece
Medtronic Holding, Inc.	Minnesota
Medtronic Holding B.V.	Netherlands
Medtronic Holding Company Sàrl	Switzerland
Medtronic Holding Hungary Kft.	Hungary
Medtronic Holding Switzerland G.m.b.H.	Switzerland
Medtronic Holdings France	France
Medtronic Holdings S.à.r.l.	Luxembourg
Medtronic Hong Kong Medical Limited	Hong Kong
Medtronic Hungaria Kereskedelmi Kft	Hungary
Medtronic Ibérica S.A.	Spain
Medtronic Innovation Center (Israel) Ltd	Israel
Medtronic Integrated Health Solutions LLC	Minnesota
Medtronic International, Ltd.	Delaware
Medtronic International Holding LLC	Minnesota

Medtronic International Technology, Inc.	Minnesota
Medtronic International Trading, Inc.	Minnesota
Medtronic International Trading Holding LLC	Delaware
Medtronic International Trading Pte. Ltd.	Singapore
Medtronic International Trading Sàrl	Switzerland
Medtronic Interventional Vascular, Inc.	Massachusetts
Medtronic Invatec LLC	Delaware
Medtronic IP Holding International Luxembourg S.à.r.l.	Luxembourg
Medtronic Ireland Limited	Ireland
Medtronic Ireland Manufacturing Unlimited Company	Ireland
Medtronic Italia S.p.A.	Italy
Medtronic Japan Co., Ltd.	Japan
Medtronic Jolife LLC	Delaware
Medtronic Kazakhstan Limited Liability Partnership	Kazakhstan
Medtronic KL Holdings LLC	Minnesota
Medtronic Korea Holdings Ltd.	South Korea
Medtronic Korea Ltd.	South Korea
Medtronic Labs PBC	Delaware
Medtronic Latin America, Inc.	Minnesota
Medtronic Limited	United Kingdom
Medtronic LLC	Russia
Medtronic Logistics LLC	Minnesota
Medtronic Luxembourg Global Holdings S.à r.l.	Luxembourg
Medtronic Malaysia Sdn. Bhd.	Malaysia
Medtronic Medical CR S de RL	Costa Rica
Medtronic Medikal Teknoloji Ticaret Limited Sirketi	Turkey
Medtronic Mediterranean Offshore SAL	Lebanon
Medtronic META FZ-LLC	United Arab Emirates
Medtronic Mexico S. de R.L. de C.V.	Mexico
Medtronic MiniMed, Inc.	Delaware
Medtronic Monitoring, Inc.	Delaware
Medtronic Navigation, Inc.	Delaware
Medtronic Navigation Israel Ltd.	Israel
Medtronic New Zealand Limited	New Zealand
Medtronic Norge AS	Norway
Medtronic Oesterreich G.m.b.H.	Austria
Medtronic Pacific Trading, Inc.	Minnesota
Medtronic Pakistan (Private) Limited	Pakistan
Medtronic Philippines, Inc.	Philippines
Medtronic Poland Sp. Z o.o.	Poland
Medtronic Poland Finance Sp.z.o.o.	Poland
Medtronic Portugal, Lda	Portugal
Medtronic PS Medical, Inc.	California
Medtronic Puerto Rico Operations Co.	Cayman Islands
Medtronic RCS Holding GmbH	Switzerland
Medtronic Romania SRL	Romania
Medtronic S. de R.L. de C.V.	Mexico
Medtronic S.A.I.C.	Argentina
Medtronic Saudi Arabia Company	Saudi Arabia
Medtronic Servicios S. de R.L. de C.V.	Mexico
Medtronic Sequoia (Cayman) Innovation Investment Management Partners, Ltd.	Cayman Islands

Medtronic Shared Services Americas S.A.S.	Colombia
Medtronic Shared Services SRL	Costa Rica
Medtronic Singapore Operations Pte. Ltd.	Singapore
Medtronic Slovakia s.r.o.	Slovakia
Medtronic Sofamor Danek Co., Ltd.	Japan
Medtronic Sofamor Danek Deggendorf GmbH	Germany
Medtronic Sofamor Danek USA, Inc.	Tennessee
Medtronic Sofamor Danek, Inc.	Indiana
Medtronic Srbija d.o.o. Beograd-Novi Beograd	Serbia
Medtronic Sweden Finance AB	Sweden
Medtronic Trading Ltd.	Israel
Medtronic Trading NL BV	Netherlands
Medtronic Ukraine Limited Liability Company	Ukraine
Medtronic ULN, LLC	Delaware
Medtronic USA, Inc.	Minnesota
Medtronic Vascular Galway Unlimited Company	Ireland
Medtronic Vascular, Inc.	Delaware
Medtronic Ventor Technologies Ltd.	Israel
Medtronic Vietnam Company Limited	Vietnam
Medtronic VT, LLC	Delaware
Medtronic World Trade Corporation	Minnesota
Medtronic Xomed, Inc.	Delaware
Medtronic Xomed LLC	Delaware
Medtronic, Inc.	Minnesota
Medtronic, trgovina z medicinsko tehnologijo in opremo d.o.o.	Slovenia
Michigan Critical Care Consultants, Inc.	Michigan
Micro Therapeutics, Inc.	Maryland
MiniMed Distribution Corp.	Delaware
MiniMed Pty Ltd	Australia
MMJ, S.A. de C.V.	Mexico
MSCH LLC	Delaware
N.G.C. Medical Srl	Italy
NayaMed International Sàrl	Switzerland
Nederelandse Obesitas Kliniek Zuid B.V.	Netherlands
N.O.K. Nederlandse Obesitas Kliniek B.V.	Netherlands
Nederlandse Obesitas Kliniek West B.V.	Netherlands
Nederlandse Obesitas kliniek Zeeland B.V.	Netherlands
Nellcor Puritan Bennett GmbH	Switzerland
Nellcor Puritan Bennett Ireland Holdings Unlimited Company	Ireland
Nellcor Puritan Bennett Ireland Unlimited Company	Ireland
Nellcor Puritan Bennett LLC	Delaware
Nellcor Puritan Bennett Mexico, S.A. de C.V.	Mexico
Nellcor Puritan Bennett UK Limited	United Kingdom
New Wave Surgical, LLC	Delaware
NPB Australia Pty Ltd	Australia
NPB Belgium B.V.	Belgium
NPB Denmark ApS	Denmark
NPB Finland Oy	Finland
NPB Germany GmbH	Germany
NPB Global Holdings S.à r.l.	Luxembourg



NPB Japan Co., Ltd.	Japan
NPB New Zealand Limited	New Zealand
Nutrino Health Ltd	Israel
Obesitas International B.V.	Netherlands
Obesitas Nederland B.V.	Netherlands
Old Colony State Insurance Company	Vermont
Oridion Capnography, Inc.	California
Oridion Medical 1987 Ltd.	Israel
Oridion Systems Ltd.	Israel
Osteotech, Inc.	Delaware
Plastics Holding Corporation	Nevada
Polyken Technologies Europe, Inc.	Delaware
Polysuture Industria e Comercio Ltda.	Brazil
PT. Covidien Indonesia	Indonesia
PT Medtronic Indonesia	Indonesia
PTB International LLC	Delaware
Raychem Tecnologias, S. de R.L. de C.V.	Mexico
Retail Group de Mexico S.A. de C.V.	Mexico
RF Surgical Systems LLC	Minnesota
Sanatis GmbH	Germany
Sapheon LLC	California
Shanghai MedTech Service Co., Ltd.	China
Shanghai Medtronic Zhikang Medical Devices Co., Ltd.	China
Shanghai Mei Jing Mwi Zhong Venture Capital Partnership (Limited Partnership)	China
Shanghai Mei Zhong Private Fund Management Co., Ltd. China	China
Shanghai MyanCor Medical Ltd	China
Sherwood Medical Company I	Delaware
Singapore MyanCor Medical Pte. Ltd.	Singapore
Societe De Fabrication de Material Orthopedique En Abrege Sofamor	France
Sofradim Production	France
SonarMed Inc.	Delaware
Sophono, Inc.	Colorado
SpinalGraft Technologies, LLC	Tennessee
Superdimension, Inc.	Delaware
Suzhou Medtronic Venture Capital Partnership Enterprise (L.P.)	China
Suzhou Medtronic-Sequoia Innovation Investment Management Co., Ltd.	China
Titan Spine, Inc.	Delaware
Tissue Science Laboratories Limited	United Kingdom
Twelve, Inc.	Delaware
U.S.S.C. Puerto Rico, Inc.	Cayman Islands
U.S.S.C. Puerto Rico (NY), Inc.	New York
United States Surgical Corporation	Delaware
USSC FSC, Inc.	Barbados
USSC Medical GmbH	Germany
Valera Holdings S.à.r.l.	Luxembourg
Valleylab Holding Corporation	Delaware
Vascular Medcure, Inc.	Delaware
Visionsense Corp.	Delaware
Visionsense Ltd.	Israel
Visualase, Inc.	Delaware
Vitatron Holding B.V.	Netherlands

VNUS Medical Technologies II, Inc.	Delaware
Warsaw Orthopedic Inc.	Indiana
WEM Equipamentos Electronicos Ltda.	Brazil
World Heart Corporation	Delaware
Zephyr Technology LLC	Delaware
Zorginitiatieven B.V.	Netherlands

Senior Notes, Issuers and Guarantors

Registered Senior Notes Issued Under	Issuer	Guarantors
Indenture, dated as of October 22, 2007	Covidien International Finance S.A.	Covidien Ltd., Covidien plc, Medtronic plc and Medtronic Global Holdings, S.C.A.
Indenture, dated as of March 12, 2009	Medtronic, Inc.	Medtronic plc and Medtronic Global Holdings, S.C.A.
Indenture, dated as of December 10, 2014	Medtronic, Inc.	Medtronic plc and Medtronic Global Holdings S.C.A.
Senior Indenture, dated as of March 28, 2017	Medtronic Global Holdings S.C.A.	Medtronic plc and Medtronic, Inc.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-270272) and Form S-8 (Nos. 333-201737, 333-221962, 333-261841, and 333-275959) of Medtronic plc of our report dated June 20, 2024 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Minneapolis, Minnesota

June 20, 2024

POWER OF ATTORNEY

Each of the undersigned directors of Medtronic plc, an Irish public limited company, hereby constitutes and appoints each of IVAN K. FONG and COURTNEY NELSON WILLS, acting individually or jointly, their true and lawful attorneys-in-fact and agents, with full power to act for them and in their name, place and stead, in any and all capacities, to do any and all acts and execute any and all documents which either such attorney and agent may deem necessary or desirable to enable Medtronic plc to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing with the Commission of Medtronic’s Annual Report on Form 10-K for the fiscal year ended April 26, 2024, including specifically, but without limiting the generality of the foregoing, power and authority to sign the names of the undersigned directors to the Form 10-K and to any instruments and documents filed as part of or in connection with the Form 10-K or any amendments thereto; and the undersigned hereby ratify and confirm all actions taken and documents signed by each said attorney and agent as provided herein.

The undersigned have set their hands this 20<sup>th</sup> day of June, 2024.

/s/ Craig Arnold  
Craig Arnold

/s/ Kevin E. Lofton  
Kevin E. Lofton

/s/ Scott C. Donnelly  
Scott C. Donnelly

/s/ Geoffrey S. Martha  
Geoffrey S. Martha

/s/ Lidia L. Fonseca  
Lidia L. Fonseca

/s/ Elizabeth G. Nabel, M.D.  
Elizabeth G. Nabel, M.D.

/s/ Andrea Goldsmith, Ph.D.  
Andrea Goldsmith, Ph.D.

/s/ Denise M. O’Leary  
Denise M. O’Leary

/s/ Randall J. Hogan  
Randall J. Hogan

/s/ Kendall J. Powell  
Kendall J. Powell

/s/ Gregory P. Lewis  
Gregory P. Lewis

**Certification of Chief Executive Officer  
Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, Geoffrey S. Martha, certify that:

1. I have reviewed this Annual Report on Form 10-K of Medtronic plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 20, 2024

/s/ Geoffrey S. Martha

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Geoffrey S. Martha  
Chief Executive Officer

**Certification of Chief Financial Officer  
Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, Karen L. Parkhill, certify that:

1. I have reviewed this Annual Report on Form 10-K of Medtronic plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

June 20, 2024

/s/ Karen L. Parkhill

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Karen L. Parkhill  
Executive Vice President and  
Chief Financial Officer

**Certification of Chief Executive Officer  
Pursuant to Section 906 of the  
Sarbanes-Oxley Act of 2002**

In connection with this annual report on Form 10-K of Medtronic plc for the fiscal year ended April 26, 2024, the undersigned hereby certifies, in his capacity as Chief Executive Officer of Medtronic plc, for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in this report fairly presents, in all material respects, the financial condition and results of operations of Medtronic plc.

June 20, 2024

/s/ Geoffrey S. Martha

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Geoffrey S. Martha

Chief Executive Officer



**Certification of Chief Financial Officer  
Pursuant to Section 906 of the  
Sarbanes-Oxley Act of 2002**

In connection with this annual report on Form 10-K of Medtronic plc for the fiscal year ended April 26, 2024, the undersigned hereby certifies, in her capacity as Chief Financial Officer of Medtronic plc, for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in this report fairly presents, in all material respects, the financial condition and results of operations of Medtronic plc.

June 20, 2024

/s/ Karen L. Parkhill

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Karen L. Parkhill

Executive Vice President and  
Chief Financial Officer

**MEDTRONIC PLC**  
**POLICY FOR THE RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION**

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Description

Medtronic plc, an Irish public limited company (the “Company”) has adopted this Policy for the Recovery of Erroneously Awarded Compensation (the “Policy”), pursuant to the requirements of the New York Stock Exchange listing standards and Exchange Act Rule 10D-1. The Policy sets forth the circumstances under which the Company will recover certain incentive compensation paid to the Executive Officers of the Company in connection with certain financial restatements.

Each Executive Officer shall be required to sign and return to the Company the Acknowledgement Form attached hereto as Exhibit A, pursuant to which such Executive Officer will agree to be bound by the terms and comply with this Policy in exchange for adequate and reasonable consideration; provided, however, that any failure by an Executive Officer to return a signed Acknowledgement Form does not affect the validity or enforceability of this Policy.

Definitions

- (A) “Clawback Period” means the three completed fiscal years immediately preceding the earlier of (i) the date the Company’s board of directors concludes, or reasonably should have concluded, that such a Covered Accounting Restatement is required to be prepared or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Covered Accounting Restatement (such date, the “Clawback Trigger Date”), and any transition period (that results from a change in the Company’s fiscal year) of less than nine months within or immediately following those three completed fiscal years.
- (B) “Committee” means the Compensation Committee of the Board of Directors of the Company.
- (C) “Covered Accounting Restatement” means an accounting restatement prepared due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial restatements (i.e., a “Big R” restatement), or that would result in a material misstatement if the error were corrected only in the current period or left uncorrected in the current period (i.e., a “little r” restatement). For the avoidance of doubt, a Covered Accounting Restatement will not include changes to the Company’s financial statements that do not represent error corrections under accounting standards applicable to the Company at the time of the accounting restatement, including as a result of a (i) retrospective application of a change in accounting principle, (ii) retrospective revision to reportable segment information due to a change in the structure of the Company’s internal organization, (iii) retrospective reclassification due to a discontinued operation, (iv) retrospective application

of a change in reporting entity, and (v) retrospective revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure.

- (D) “Covered Incentive-Based Compensation” means any Incentive-Based Compensation (i) received by a current or former Executive Officer after beginning service as an Executive Officer, provided that the current or former Executive Officer served as an Executive Officer at any time during the performance period applicable to such Incentive-Based Compensation and (ii) received on or after October 2, 2023 the (“Effective Date”). For purposes of this Policy, Incentive-Based Compensation is deemed to be “received” in the fiscal year in which the financial reporting measure included in the Incentive-Based Compensation award is attained or satisfied, regardless of whether the payment or grant occurs before or after such fiscal year, and regardless of whether the Incentive-Based Compensation continues to be subject to a service-based vesting condition.
- (E) “Executive Officer” has the meaning assigned to it in Section 303A.14 of the New York Stock Exchange Listed Company Manual.
- (F) “Financial Reporting Measure” means (i) any measure determined in accordance with accounting principles used in the Company’s financial statements, whether presented in or outside of the Company’s financial statements and whether or not included in a filing with the Securities and Exchange Commission, (ii) any measures derived wholly or in part from such measures (including non-GAAP measures), and (iii) other performance measures affected by accounting-related information, including stock price, total shareholder return and relative total shareholder return.
- (G) “Incentive-Based Compensation” means any compensation that is granted, earned or vested based wholly or in part on the attainment of any Financial Reporting Measure, which may include awards granted under the Company’s annual incentive plan as well as performance-based restricted stock units, and which may include Incentive-Based Compensation contributed to a plan, other than a tax-qualified retirement plan. For the avoidance of doubt, Incentive-Based Compensation shall not include equity awards that vest solely based on continued service and were not granted based on the attainment of any financial reporting measure.

#### General Rules

In the event the Company determines it is required to prepare a Covered Accounting Restatement, the Committee shall review any Covered Incentive-Based Compensation received by a current or former Executive Officer of the Company during the Clawback Period. In the event the Committee determines that the amount of any such Covered Incentive-Based Compensation that was received during the Clawback Period exceeds the amount that otherwise would have been received had it been determined based on the restated results (the “Erroneously Awarded Compensation”), the amount of such Erroneously Awarded Compensation shall be recovered on a pre-tax basis.

Recovery under this Policy with respect to an Executive Officer shall not require the finding of any misconduct by such Executive Officer or such Executive Officer being found responsible for the accounting error leading to the Covered Accounting Restatement.

For purposes of this section, Incentive-Based Compensation is deemed to be “received” in the fiscal year in which the financial reporting measure included in the Incentive-Based Compensation award is attained or satisfied, regardless of whether the payment or grant occurs before or after such fiscal year.

#### Calculation of Erroneously Awarded Compensation

In the event any applicable Covered Incentive-Based Compensation has been granted in the form of equity or equity-based awards, and such awards remain outstanding as of the Clawback Trigger Date, the Erroneously Awarded Compensation shall be calculated as the number of shares received in excess of the number that should have been received (or the corresponding value of such shares). In the event that any applicable Covered Incentive-Based Compensation is in a nonqualified deferred compensation plan, the Company shall calculate the amount contributed to the notional account based on the Erroneously Awarded Compensation and any earnings accrued to-date on that notional amount, and that sum shall be considered “Erroneously Awarded Compensation” with respect to that plan.

For the avoidance of doubt, in the event Covered Incentive-Based Compensation is attained only partially based on the achievement of financial reporting measures, only the portion of such compensation based on or derived from the financial reporting measures shall be subject to recovery.

In the event the Erroneously Awarded Compensation is not able to be calculated directly from information in an accounting restatement (e.g., equity awards subject to total shareholder return (“TSR”) or stock price measures), in order to determine the amount of such Erroneously Awarded Compensation that shall be subject to recovery, the Committee shall use a reasonable estimate of the effect of the Covered Accounting Restatement on the TSR or stock price upon which the Covered Incentive-Based Compensation was received.

#### Method for Recovery

The Committee shall, in its discretion, determine the appropriate means for recovery of any Erroneously Awarded Compensation, including but not limited to the cancellation of outstanding and future annual or long-term incentive compensation or requiring repayment by the applicable Executive Officer, provided that the recovery occurs reasonably promptly. The Committee may consider all applicable facts and circumstances in determining the appropriate means for recovery, including pursuing an appropriate balance of cost and speed.

Recovery shall be required in all circumstances unless the Committee determines that recovery would be impracticable and that one of the conditions set forth in Section 303A.14(c)(1)(iv)(A), (B), or (C) of the New York Stock Exchange Listed Company Manual are met.

#### Non-Exclusive; Conflicts

This Policy is in addition to any and all other rights the Company may have to pursue remedies against an employee or former employee in connection with an accounting restatement or for misconduct or similar behavior in the course of employment by the Company, all of which are expressly retained by the Company. Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company pursuant to the terms of the Company's Incentive Compensation Forfeiture Policy and any similar policy in any employment agreement, equity award agreement or similar agreement or any other legal remedies available to the Company.

The Company will not enter into any agreement that exempts any Incentive-based Compensation from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date).

The provisions of this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision shall be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

#### Indemnification Prohibition

The Company is not permitted to indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. The Company is also prohibited from paying or reimbursing an Executive Officer for purchasing insurance to cover any such loss. To the extent of a conflict with any agreement with an Executive Officer that purports to provide indemnification rights to the Executive Officer that conflict with the foregoing, this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date).

#### Amendment or Termination

The Committee may amend or terminate this Policy from time to time in its discretion, including as required to comply with any applicable law or regulation. Any such amendment will be binding on employees who continue in employment after the effective date of such amendment.

#### Administration

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. The Committee has full and final authority to make all determinations under this Policy, in each case to the extent permitted under applicable rules and regulations and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Code. All determinations and decisions made by the Committee hereunder shall be final, conclusive and binding on all persons.

Any action or inaction by the Committee with respect to an Executive Officer under this Policy in no way limits the Committee's actions or decisions not to act with respect to any other Executive Officer under this Policy or under any similar policy, agreement or arrangement, nor shall any such action or inaction serve as a waiver of any rights the Company may have against any Executive Officer other than as set forth in this Policy.

This Policy is intended to comply with the requirements set forth in Section 303A.14 of the New York Stock Exchange Listed Company Manual (as such rule may be amended) and shall be construed and interpreted in accordance with such intent.

#### Successors

This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators, and other legal representatives.

#### Governing Law; Venue

The validity, enforceability, construction and interpretation of this Policy shall be governed by the laws of the State of Minnesota. Any dispute regarding this Policy shall be exclusively decided by a state court in the State of Minnesota; provided that if such court declines to exercise jurisdiction, the dispute shall be decided by the U.S. District Court for the District of Minnesota.

Exhibit A

Acknowledgement Form

Medtronic plc

Policy for the Recovery of Erroneously Awarded Compensation

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Medtronic plc Policy for the Recovery of Erroneously Awarded Compensation (the “Policy”). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this “Acknowledgement Form”) shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that, in exchange for receipt of adequate and reasonable consideration, the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned’s employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner permitted by, the Policy and the Committee’s determinations thereunder.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date