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DELTA REPORT

10-Q

MDT - MEDTRONIC PLC

10-Q - JANUARY 24, 2025 COMPARED TO 10-Q - OCTOBER 25, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	907
CHANGES	387
DELETIONS	218
ADDITIONS	302

REFINITIV

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

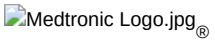
FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **October 25, 2024** **January 24, 2025**

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.**
For the transition period from _____ to _____

Commission File Number 001-36820



Medtronic plc

(Exact name of registrant as specified in its charter)

Ireland	**98-1183488**
(State of incorporation)	(I.R.S. Employer Identification No.)

Building Two, Parkmore Business Park West
Galway, Ireland
(Address of principal executive offices) (Zip Code)

+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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 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 and post 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	☒	Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐	Smaller Reporting Company	☐		

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 1(a) of the Exchange Act. ☐

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

Yes ☐ No ☒

As of November 20, 2024 February 19, 2025, 1,282,285,681 1,282,543,505 ordinary shares, par value $0.0001, of the registrant were outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Medtronic plc
Consolidated Statements of Income
(Unaudited)

(in millions, except per share data)	Three months ended October 25, 2024	Three months ended October 27, 2023	Six months ended October 25, 2024	Six months ended October 27, 2023	Three months ended January 24, 2025	Nine months ended January 26, 2024	Nine months ended January 24, 2025	Nine months ended January 26, 2024
Net sales								
Costs and expenses:								
Cost of products sold, excluding amortization of intangible assets								
Cost of products sold, excluding amortization of intangible assets								
Cost of products sold, excluding amortization of intangible assets								
Research and development expense								
Selling, general, and administrative expense								
Amortization of intangible assets								
Restructuring charges, net								
Certain litigation charges, net								
Other operating income, net								
Other operating (income) expense, net								
Operating profit								
Other non-operating income, net								
Interest expense, net								
Income before income taxes								
Income tax provision								
Net income								
Net income attributable to noncontrolling interests								
Net income attributable to Medtronic								
Basic earnings per share								
Diluted earnings per share								
Basic weighted average shares outstanding								
Diluted weighted average shares outstanding								

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

Medtronic plc
Consolidated Statements of Comprehensive Income
(Unaudited)

(in millions)	Three months ended (in millions) October 25, 2024	Three months ended October 27, 2023	Six months ended October 25, 2024	Six months ended October 27, 2023	Three months ended (in millions) January 24, 2025	Nine months ended January 26, 2024	Nine months ended January 24, 2025	Nine months ended January 26, 2024
Net income								
Other comprehensive income (loss), net of tax:								

Unrealized gain (loss) on investment securities	
Unrealized gain (loss) on investment securities	
Unrealized gain (loss) on investment securities	
Unrealized (loss) gain on investment securities	
Unrealized (loss) gain on investment securities	
Unrealized (loss) gain on investment securities	
Translation adjustment	
Net investment hedge	
Net change in retirement obligations	
Unrealized (loss) gain on cash flow hedges	
Other comprehensive income	
Unrealized gain (loss) on cash flow hedges	
Other comprehensive income (loss)	
Comprehensive income including noncontrolling interests	
Comprehensive income attributable to noncontrolling interests	
Comprehensive income attributable to Medtronic	

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

Medtronic plc
Consolidated Balance Sheets
(Unaudited)

(in millions)	October 25, 2024	April 26, 2024	(in millions)	January 24, 2025	April 26, 2024
ASSETS			**ASSETS**		
Current assets:			**Current assets:**		
Cash and cash equivalents					
Investments					
Accounts receivable, less allowances and credit losses of $195 and $173, respectively					
Accounts receivable, less allowances and credit losses of $204 and $173, respectively					
Inventories					
Other current assets					
Total current assets					
Property, plant, and equipment, net					
Goodwill					
Other intangible assets, net					
Tax assets					
Other assets					
Total assets					
LIABILITIES AND EQUITY			**LIABILITIES AND EQUITY**		
Current liabilities:			**Current liabilities:**		
Current debt obligations					
Accounts payable					
Accrued compensation					
Accrued income taxes					
Other accrued expenses					
Total current liabilities					

Long-term debt															
Accrued compensation and retirement benefits															
Accrued income taxes															
Deferred tax liabilities															
Other liabilities															
Total liabilities															
Commitments and contingencies (Note 16)									**Commitments and contingencies (Note 16)**						
Shareholders' equity:									**Shareholders' equity:**						
Ordinary shares— par value $0.0001, 2.6 billion shares authorized, 1,282,553,150 and 1,311,337,531 shares issued and outstanding, respectively															
Ordinary shares— par value $0.0001, 2.6 billion shares authorized, 1,283,266,154 and 1,311,337,531 shares issued and outstanding, respectively															
Additional paid-in capital															
Retained earnings															
Accumulated other comprehensive loss															
Total shareholders' equity															
Noncontrolling interests															
Total equity															
Total liabilities and equity															

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

Medtronic plc
Consolidated Statements of Equity
(Unaudited)

(in millions)	**Ordinary Shares**	**Ordinary Shares**	**Additional Paid-in Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Total Shareholders' Equity**	**Noncontrolling Interests**	**Total Equity**	**Ordinary Shares**	**Additional Paid-in Capital**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Total Shareholders' Equity**	**Noncontrolling Interests**	**Total Equity**
April 26, 2024															
April 26, 2024															
April 26, 2024															
Net income															
Other comprehensive loss															
Dividends to shareholders ($0.70 per ordinary share)															
Issuance of shares under stock purchase and award plans															
Repurchase of ordinary shares															
Stock-based compensation															
July 26, 2024															
July 26, 2024															
July 26, 2024															
Net income															
Other comprehensive income															

Dividends to shareholders ($0.70 per ordinary share)															
Issuance of shares under stock purchase and award plans															
Repurchase of ordinary shares															
Stock-based compensation															
October 25, 2024															
October 25, 2024															
October 25, 2024															
Net income															
Other comprehensive income (loss)															
Dividends to shareholders ($0.70 per ordinary share)															
Issuance of shares under stock purchase and award plans															
Repurchase of ordinary shares															
Stock-based compensation															
Changes to noncontrolling ownership interests															
January 24, 2025															

(in millions)	Ordinary Shares	Ordinary Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Noncontrolling Interests	Total Equity	Ordinary Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Noncontrolling Interests	Total Equity
April 28, 2023															
April 28, 2023															
April 28, 2023															
Net income															
Other comprehensive loss															
Dividends to shareholders ($0.69 per ordinary share)															
Issuance of shares under stock purchase and award plans															
Repurchase of ordinary shares															

Stock-based compensation	
July 28, 2023	
July 28, 2023	
July 28, 2023	
Net income	
Other comprehensive income (loss)	
Dividends to shareholders ($0.69 per ordinary share)	
Issuance of shares under stock purchase and award plans	
Repurchase of ordinary shares	
Stock-based compensation	
October 27, 2023	
October 27, 2023	
October 27, 2023	
Net income	
Other comprehensive (loss) income	
Dividends to shareholders ($0.69 per ordinary share)	
Issuance of shares under stock purchase and award plans	
Repurchase of ordinary shares	
Stock-based compensation	
January 26, 2024	
January 26, 2024	
January 26, 2024	

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

Medtronic plc
Consolidated Statements of Cash Flows
(Unaudited)

		Six months ended		Nine months ended		
		October 25, 2024	October 27, 2023		January 24, 2025	January 26, 2024
(in millions)	**(in millions)**			**(in millions)**		
Operating Activities:	**Operating Activities:**			**Operating Activities:**		
Net income						
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:			Adjustments to reconcile net income to net cash provided by operating activities:		

Depreciation and amortization							
Provision for credit losses							
Deferred income taxes							
Stock-based compensation							
Other, net							
Change in operating assets and liabilities, net of acquisitions and divestitures:	Change in operating assets and liabilities, net of acquisitions and divestitures:			Change in operating assets and liabilities, net of acquisitions and divestitures:			
Accounts receivable, net							
Inventories							
Accounts payable and accrued liabilities							
Other operating assets and liabilities							
Net cash provided by operating activities							
Net cash provided by operating activities							
Net cash provided by operating activities							
Investing Activities:	**Investing Activities:**			**Investing Activities:**			
Acquisitions, net of cash acquired							
Additions to property, plant, and equipment							
Additions to property, plant, and equipment							
Additions to property, plant, and equipment							
Purchases of investments							
Sales and maturities of investments							
Other investing activities, net							
Net cash used in investing activities							
Financing Activities:	**Financing Activities:**			**Financing Activities:**			
Change in current debt obligations, net							
Issuance of long-term debt							
Issuance of long-term debt							
Issuance of long-term debt							
Dividends to shareholders							
Dividends to shareholders							
Dividends to shareholders							
Issuance of ordinary shares							
Repurchase of ordinary shares							
Other financing activities, net							
Net cash used in financing activities							
Effect of exchange rate changes on cash and cash equivalents							
Net change in cash and cash equivalents							
Cash and cash equivalents at beginning of period							
Cash and cash equivalents at end of period							
Supplemental Cash Flow Information							
Supplemental Cash Flow Information							
Supplemental Cash Flow Information							
Cash paid for:	Cash paid for:			Cash paid for:			
Income taxes							
Interest							

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

Medtronic plc
Notes to Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Medtronic plc and its subsidiaries (Medtronic plc, Medtronic, or the Company) have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S.) (U.S. GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, the consolidated financial statements include all the adjustments necessary for a fair statement in conformity with U.S. GAAP. Certain reclassifications have been made to prior year financial statements to conform to classifications used in the current year.

Operating results for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole. The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the related disclosures at the date of the financial statements and during the reporting period. Actual results could materially differ from these estimates.

The accompanying unaudited 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 eliminated in consolidation. Amounts reported in millions within this quarterly 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.

The accompanying unaudited consolidated financial statements and related notes should be read in conjunction with the audited consolidated financial statements of the Company and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended April 26, 2024. The Company's fiscal years 2025, 2024, and 2023 will end or ended on April 25, 2025, April 26, 2024, and April 28, 2023, respectively.

2. New Accounting Pronouncements

Recently Adopted Accounting Standards

As of October 25, 2024 January 24, 2025, there have been no newly adopted accounting pronouncements that materially impact our consolidated financial statements. Refer to the Company's Annual Report on Form 10-K for the fiscal year ended April 26, 2024 for pronouncements recently adopted.

Not Yet Adopted Accounting Standards

Segment Reporting

In November 2023, the FASB Financial Accounting Standards Board (FASB) issued ASU Accounting Standards Update (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.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses (Topic 220-40), which requires tabular disclosures disaggregating certain costs and expenses within relevant income statement captions. The Company will adopt this guidance beginning in the fourth quarter of fiscal year 2028 for our annual report and for interim periods starting in fiscal year 2029. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

Medtronic plc
Notes to Consolidated Financial Statements
(Unaudited)

3. Revenue

The Company's revenues are principally derived from device-based medical therapies and services related to cardiac rhythm disorders, cardiovascular disease, hypertension, neurological surgery technologies, neurological disorders and diseases, spinal conditions and musculoskeletal trauma, chronic pain, urological and digestive disorders, ear, nose, and throat conditions, urological and diabetes conditions as well as digestive disorders, advanced and general surgical care products, respiratory and monitoring solutions, and neurological surgery technologies. diabetes conditions. 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. Certain prior period net sales has have been recast to conform to the new operating segment structure in the fourth quarter of fiscal year 2024. Refer to Note 17 to the consolidated financial statements for additional information regarding the Company's reporting structure. In addition, starting in the first quarter of fiscal year 2025, the Company combined the non-U.S. developed markets and the emerging markets into an international market geography. Prior period net sales has have been recast to conform to the new presentation.

Medtronic plc
Notes to Consolidated Financial Statements
(Unaudited)

The table below illustrates net sales by segment and division and by market geography for the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024. The U.S. revenue includes United States and U.S. territories, and the international revenue includes all other non-U.S. countries.

	World wide								
	Three months ended			Six months ended	Three months ended			Nine months ended		
(in millions)	(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	(in millions)	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Cardiac Rhythm & Heart Failure										
Structural Heart & Aortic										
Coronary & Peripheral Vascular										
Cardiovascular										
Cranial & Spinal Technologies										
Specialty Therapies										
Neuromodulation										
Neuroscience										
Surgical & Endoscopy										
Acute Care & Monitoring										
Medical Surgical										
Diabetes										
Reportable segment net sales										
Other operating segment(1)										
Other adjustments(2)										
Total net sales										
Total net sales										
Total net sales										

	Three months ended
(in millions)	
Cardiovascular	
Cardiovascular	
Cardiovascular	
Neuroscience	
Neuroscience	
Neuroscience	
Medical Surgical	
Medical Surgical	
Medical Surgical	
Diabetes	
Diabetes	
Diabetes	
Reportable segment net sales	
Reportable segment net sales	
Reportable segment net sales	
Other operating segment(1)	
Other operating segment(1)	
Other operating segment(1)	
Other adjustments(2)	
Other adjustments(2)	
Other adjustments(2)	

	Three months ended
(in millions)	
Cardiovascular	
Cardiovascular	
Cardiovascular	
Neuroscience	
Neuroscience	
Neuroscience	
Medical Surgical	
Medical Surgical	
Medical Surgical	
Diabetes	
Diabetes	
Diabetes	
Reportable segment net sales	
Reportable segment net sales	
Reportable segment net sales	
Other operating segment(1)	
Other operating segment(1)	
Other operating segment(1)	
Other adjustments(2)	
Other adjustments(2)	
Other adjustments(2)	

Total net sales

Total net sales

Total net sales

(1) Includes the historical operations and ongoing transition agreements from businesses the Company has exited or divested.

(2) Incremental Italian payback accruals resulting from the two July 22, 2024 rulings by the Constitutional Court of Italy relating to certain prior years since 2015.

Medtronic plc
Notes to Consolidated Financial Statements
(Unaudited)

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 October 25, 2024 January 24, 2025, $1.0 billion of rebates were classified as *other accrued expenses*, and $639 625 million of rebates were classified as a reduction of *accounts receivable* in the consolidated balance sheet. 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.

Medtronic plc
Notes to Consolidated Financial Statements
(Unaudited)

Deferred Revenue and Remaining Performance Obligations

Deferred revenue at October 25, 2024 January 24, 2025 and April 26, 2024 was $467 million $462 million and $453 million, respectively. At October 25, 2024 January 24, 2025 and April 26, 2024, $369 million and $352 million was included in *other accrued expenses,* respectively, and $98 million $93 million and $101 million was included in *other liabilities,* respectively. During the six nine months ended October 25, 2024 January 24, 2025, the Company recognized $196 $251 million of revenue that was included in deferred revenue as of April 26, 2024. During the six nine months ended October 27, 2023 January 26, 2024, the Company recognized $216 million $274 million of revenue that was included in deferred revenue as of April 28, 2023.

Remaining performance obligations include goods and services that have not yet been delivered or provided under existing, noncancellable contracts with minimum purchase commitments. At October 25, 2024 January 24, 2025, 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 $0.4 billion. The Company expects to recognize revenue on the majority of these remaining performance obligations over the next three years.

4. Acquisitions and Dispositions

Acquisition Activity

During the three and six nine months ended October 25, 2024, the Company had no acquisitions that were accounted for as business combinations. During January 24, 2025 and the fiscal year ended April 26, 2024, the Company had acquisitions 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 were not significant, either individually or in the aggregate, to the consolidated results of the Company for the three and nine months ended January 24, 2025 and the fiscal year ended April 26, 2024. For the three and six nine months ended October 25, 2024 January 24, 2025 and the fiscal year ended April 26, 2024, purchase price allocation adjustments were not significant.

Fiscal year 2025

The acquisition date fair value of net assets acquired during the three months ended January 24, 2025 was $128 million. Based on preliminary valuations, assets acquired were primarily comprised of $108 million of goodwill and $50 million of IPR&D. The goodwill is not deductible for tax purposes. The Company recognized $20 million of non-cash contingent consideration liabilities in connection with the business combination during the three months ended January 24, 2025, which comprised of other milestone-based payments.

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 IPR&D was placed into service as a definite-lived intangible asset during the second quarter of fiscal year 2025. 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.

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 income, (income) expense, net* in the consolidated statements of income.

The fair value of contingent consideration liabilities at October 25, 2024 January 24, 2025 and April 26, 2024 was $124 million $85 million and $149 million, respectively. At October 25, 2024 January 24, 2025, $77 million $34 million was recorded in *other accrued expenses*, and $47 million $51 million was recorded in *other liabilities* in the consolidated balance sheet. At April 26, 2024, $96 million was recorded in *other accrued expenses*, and $53 million was recorded in *other liabilities* in the consolidated balance sheet.

Medtronic plc
Notes to Consolidated Financial Statements
(Unaudited)

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

	Three months ended		Six months ended	
(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023
Beginning balance	$ 128	$ 206	$ 149	$ 206
Purchase price contingent consideration	—	25	—	25
Payments	(8)	—	(14)	(3)
Change in fair value	4	(10)	(11)	(7)
Ending balance	$ 124	$ 220	$ 124	$ 220

Medtronic plc
Notes to Consolidated Financial Statements
(Unaudited)

	Three months ended		Nine months ended	
(in millions)	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Beginning balance	$ 124	$ 220	$ 149	$ 206
Purchase price contingent consideration	20	—	20	25
Payments	(69)	(69)	(83)	(72)
Change in fair value	10	21	(1)	14
Ending balance	$ 85	$ 172	$ 85	$ 172

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 October 25, 2024		Unobservable Input	Range		Weighted Average (1)		Fair Value at January 24, 2025		Unobservable I
Revenue and other performance-based payments	Revenue and other performance-based payments	$58	Projected fiscal year of payment	2025 - 2029	2027	Revenue and other performance-based payments	22.1%	Revenue and other performance-based payments	$56	Disco
Product development and other milestone-	Product development and other milestone-	$66	Discount rate	5.5%	5.5%	Product development and other milestone-	Product	$30	Discount rate	

based payments | based payments | Projected fiscal year of payment | 2025 - 2027 | based payments 2025 | development and other milestone-based payments | Projected fiscal year of payment | 2025 - 2028 | 20

(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.

On April 1, 2023, the Company and DaVita Inc. ("DaVita") completed the transaction for the Company to sell half of its Renal Care Solutions (RCS) business. In connection with the sale, 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 2026 through 2029. The fair value of the contingent consideration receivable at October 25, 2024 January 24, 2025 and April 26, 2024 was $61 million $61 million and $58 million, 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:

	Three months ended		Three months ended		Six months ended		Three months ended		Nine months ended
(in millions)	(in millions) October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	(in millions) January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024	
Beginning balance									
Change in fair value									
Ending balance									

5. Restructuring and Other Costs

Restructuring and associated costs for the three and six nine months ended October 25, 2024 January 24, 2025 were $46 million and $108 million $154 million, respectively, as compared to $91 million $55 million and $182 million $237 million for the three and six nine months ended October 27, 2023 January 26, 2024, respectively. Restructuring and associated costs primarily related to employee termination benefits and facility consolidations to support cost reduction initiatives.

Employee-related costs primarily consist of termination benefits provided to employees who have been involuntarily terminated. Associated and other costs primarily include salaries and wages of employees that are fully-dedicated to restructuring activities, consulting expenses, and asset write-offs.

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

	Three months ended		Six months ended	
(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023
Cost of products sold	$ 11	$ 15	$ 20	$ 30
Selling, general, and administrative expenses	6	36	11	57
Restructuring charges, net	30	40	77	94
Total restructuring and associated costs	$ 46	$ 91	$ 108	$ 182

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

	Three months ended		Nine months ended	
(in millions)	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Cost of products sold	$ 4	$ 12	$ 24	$ 43
Selling, general, and administrative expenses	—	23	10	80
Restructuring charges, net	43	20	120	114
Total restructuring and associated costs	$ 46	$ 55	$ 154	$ 237

The following table summarizes the activity for the six nine months ended October 25, 2024 January 24, 2025:

(in millions)						
(in millions)						
(in millions)	Employee Termination Benefits	Associated and Other Costs	Total	Employee Termination Benefits	Associated and Other Costs	Total
April 26, 2024						
Charges						
Cash payments						
Settled non-cash						
Accrual adjustments(1)						

October 25, 2024
January 24, 2025

(1) Accrual adjustments primarily relate to certain employees identified for termination, finding other positions within the Company.

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6. 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 October 25, 2024 January 24, 2025 and April 26, 2024:

	October 25, 2024							January 24, 2025						
	Valuation					Balance Sheet Classification		Valuation					Balance Sheet Classification	
(in millions)	(in millions) Cost	Unrealized Gains	Unrealized Losses	Fair Value	Investments	Other Assets	(in millions)	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Investments	Other Assets
Level 1:													
U.S. government and agency securities													
U.S. government and agency securities													
U.S. government and agency securities													
Level 2:													
Corporate debt securities													
Corporate debt securities													
Corporate debt securities													
U.S. government and agency securities													
Mortgage-backed securities													
Non-U.S. government and agency securities													
Other asset-backed securities													
Other asset-backed securities													
Other asset-backed securities													
Total Level 2													
Level 3:													
Auction rate securities													
Auction rate securities													
Auction rate securities													
Total available-for-sale debt securities													

	April 26, 2024					
	Valuation				Balance Sheet Classification	
(in millions)	Cost	Unrealized Gains	Unrealized Losses	Fair Value	Investments	Other Assets
Level 1:						
U.S. government and agency securities	$ 494	$ —	$ (22)	$ 472	$ 472	$ —
Level 2:						
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	—
Level 3:						
Auction rate securities	36	—	(3)	33	—	33
Total available-for-sale debt securities	$ 6,968	$ 7	$ (252)	$ 6,723	$ 6,690	$ 33

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

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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 October 25, 2024 January 24, 2025 and April 26, 2024:

	October 25, 2024				January 24, 2025			
	Less than 12 months		More than 12 months		Less than 12 months		More than 12 months	
(in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	(in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities									
U.S. government and agency securities									
Mortgage-backed securities									
Other asset-backed securities									
Auction rate securities									
Total									

	April 26, 2024			
	Less than 12 months		More than 12 months	
(in millions)	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	$ 838	$ (14)	$ 4,296	$ (238)

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 three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024. 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.

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

	Three months ended		Six months ended		Three months ended		Nine months ended		
(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	(in millions)	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Proceeds from sales									
Gross realized gains									
Gross realized losses									

The contractual maturities of available-for-sale debt securities at October 25, 2024 January 24, 2025 is 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)	(in millions)	Amortized Cost	Fair Value	(in millions)	Amortized Cost	Fair Value
Due in one year or less						
Due after one year through five years						
Due after five years through ten years						

Due after ten years	
Total	

Interest income, which includes income on marketable debt securities and the global liquidity structure, is recognized in *other non-operating income, net*, in the consolidated statements of income. During the three and six nine months ended October 25, 2024 January 24, 2025, there were $137 $114 million and $249 $364 million of interest income, respectively. During the three and six nine months ended October 27, 2023 January 26, 2024, there was $148 $170 million and $259 $429 million of interest income, respectively.

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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 October 25, 2024 January 24, 2025 and April 26, 2024, which are classified as primarily *other assets* in the consolidated balance sheets:

(in millions)	(in millions)	October 25, 2024		April 26, 2024	(in millions)	January 24, 2025		April 26, 2024
Investments with readily determinable fair value (marketable equity securities)								
Investments for which the fair value option has been elected	Investments for which the fair value option has been elected		311		Investments for which the fair value option has been elected		311	
Investments without readily determinable fair values								
Equity method and other investments								
Total equity and other investments								

The table below includes activity related to the Company's portfolio of equity and other investments. 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.

	Three months ended		Nine months ended	
(in millions)	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Proceeds from sales	$ 27	$ 12	$ 120	$ 28
Gross gains	8	33	100	31
Gross losses	(4)	(38)	(17)	(111)
Impairment losses recognized	(71)	—	(116)	(21)

During the three and six nine months ended October 25, 2024 January 24, 2025, there were $10 $2 million of net unrealized losses and $7 $5 million of net unrealized gains, respectively, on equity securities and other investments still held at October 25, 2024 January 24, 2025. During the three and six nine months ended October 27, 2023 January 26, 2024, there were $7 $25 million and $70 $95 million respectively, of net unrealized losses, respectively, on equity securities and other investments still held at October 27, 2023 January 26, 2024.

Mozarc Medical Investment

As further described in Note 4, 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 percent 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 three and six nine months ended October 25, 2024 and October 27, 2023 January 24, 2025, the change in fair value was not significant. During the three and nine months ended January 26, 2024, the Company recognized a loss of $39 million.

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7. Financing Arrangements

Commercial Paper

The Company maintains commercial paper programs that allow the Company to issue U.S. dollar or Euro-denominated unsecured commercial paper notes. The aggregate amount outstanding at any time under the commercial paper programs may not exceed the equivalent of $3.5 billion. Commercial There was no commercial paper outstanding at October 25, 2024 was $899 million January 24, 2025. During the three and six nine months ended October 25, 2024 January 24, 2025, the commercial paper outstanding had a weighted average original maturity of 13 days and 14 days, respectively, and a weighted average interest rate of 5.23 4.66 percent and 5.34 5.12 percent, respectively. Commercial paper outstanding at April 26, 2024 was $1.1 billion. 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. The issuance of commercial paper reduces the amount of credit available under the Company's existing Credit Facility, as defined below.

Line of Credit

The Company has a $3.5 billion five-year unsecured revolving credit facility (Credit Facility), which provides back-up funding for the commercial paper programs described above. The Credit Facility includes a multi-currency borrowing feature for certain specified foreign currencies. At October 25, 2024 January 24, 2025 and April 26, 2024, no amounts were outstanding under the Credit Facility.

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 the covenants under the Credit Facility.

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Debt Obligations

The Company's debt obligations consisted of the following:

(in millions)	(in millions)	Maturity by Fiscal Year	October 25, 2024	April 26, 2024	(in millions)	Maturity by Fiscal Year	January 24, 2025	April 26, 2024
Current debt obligations								
Long-term debt								
Long-term debt								
Long-term debt								
0.250 percent six-year 2019 senior notes								
0.250 percent six-year 2019 senior notes								
0.250 percent six-year 2019 senior notes								
2.625 percent three-year 2022 senior notes								
0.000 percent five-year 2020 senior notes								
1.125 percent eight-year 2019 senior notes								
4.250 percent five-year 2023 senior notes								
3.000 percent six-year 2022 senior notes								
0.375 percent eight-year 2020 senior notes								
3.650 percent five-year 2024 senior notes								
1.625 percent twelve-year 2019 senior notes								
1.000 percent twelve-year 2019 senior notes								
3.125 percent nine-year 2022 senior notes								
0.750 percent twelve-year 2020 senior notes								
4.500 percent ten-year 2023 senior notes								
3.375 percent twelve-year 2022 senior notes								
4.375 percent twenty-year 2015 senior notes								
3.875 percent twelve-year 2024 senior notes								
6.550 percent thirty-year 2007 CIFSA senior notes								

2.250 percent twenty-year 2019 senior notes	
6.500 percent thirty-year 2009 senior notes	
1.500 percent twenty-year 2019 senior notes	
5.550 percent thirty-year 2010 senior notes	
1.375 percent twenty-year 2020 senior notes	
4.500 percent thirty-year 2012 senior notes	
4.000 percent thirty-year 2013 senior notes	
4.150 percent nineteen-year 2024 senior notes	
4.625 percent thirty-year 2014 senior notes	
4.625 percent thirty-year 2015 senior notes	
1.750 percent thirty-year 2019 senior notes	
1.625 percent thirty-year 2020 senior notes	
4.150 percent twenty-nine-year 2024 senior notes	
4.150 percent twenty-nine-year 2024 senior notes	
4.150 percent twenty-nine-year 2024 senior notes	
Finance lease obligations	
Deferred financing costs	
Debt discount, net	
Total long-term debt	

Interest expense on outstanding borrowings, including amortization of debt issuance costs and debt discounts and premiums, and the global liquidity structure is recognized in *interest expense, net* in the consolidated statements of income. During the three and six nine months ended October 25, 2024 January 24, 2025, there was $252

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million $224 million and $469 $693 million, respectively, of interest expense on outstanding borrowings, including amortization of debt issuance costs and debt discounts and premiums. premiums, and the global liquidity structure. During the three and six nine months ended October 27, 2023 January 26, 2024, there was $230 million $237 million and $427 million $664 million, respectively, of interest expense on outstanding borrowings, including

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amortization of debt issuance costs and debt discounts and premiums. premiums, and the global liquidity structure.

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.

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.

Financial Instruments Not Measured at Fair Value

At October 25, 2024 January 24, 2025, the estimated fair value of the Company's Senior Notes was $25.3 billion $24.4 billion compared to a principal value of $27.4 billion $26.7 billion. At April 26, 2024, the estimated fair value was $21.2 billion compared to a principal value of $24.0 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.

8. 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.

Fair Value Hedges

Beginning in the first quarter of fiscal year 2025, the Company began using foreign currency forward contracts designated as fair value hedges to manage its exposure to changes in the fair value of its fixed-rate debt obligation.

At inception, foreign currency forward contracts are designated as fair value hedges. Changes in the fair value of these derivatives are reported as a component of *other operating income, (income) expense, net*. 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 three and six nine months ended October 25, 2024, after-tax unrealized losses related to included components in *other operating income, net* were not significant. During the three and six months ended October 25, 2024 January 24, 2025, amounts related to excluded components that are amortized in *interest expense, net* over the life of the hedging instrument were not significant. Cash flows related to the Company's derivative instruments designated as fair value hedges are reported as financing activities in the consolidated statements of cash flows. Cash flows attributed to amounts excluded from the assessment of effectiveness are reported as operating activities in the consolidated statements of cash flows.

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 cash flow hedges. 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 October 25, 2024 January 24, 2025 and April 26, 2024, the Company had $139 million $432 million and $229 million in after-tax unrealized gains, respectively, associated with cash flow hedging instruments recorded in *accumulated other comprehensive loss*. The Company expects that $108 million $289 million of after-tax net unrealized gains at October 25, 2024 January 24, 2025 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.

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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 three and six nine months ended October 25, 2024 January 24, 2025, the Company recognized $47 million $50 million and $98 million $148 million, respectively, in after-tax unrealized gains representing excluded components in *interest expense, net*. During the three and six nine months ended October 27, 2023 January 26, 2024, the Company recognized $50 million $49 million and $99 million $148 million, respectively, in after-tax unrealized gains representing 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:

			As of					
(in billions)	**(in billions)**	**Designation**	**October 25, 2024**	**April 26, 2024**	**(in billions)**	**Designation**	**January 24, 2025**	**April 26, 2024**
Currency exchange rate contracts(1)								
Currency exchange rate contracts								
Currency exchange rate contracts(2)								

Foreign currency-denominated debt(3)

Currency exchange rate contracts

(1) At October 25, 2024 January 24, 2025, includes derivative contracts with a notional value of €1.0 billion, or $1.1 billion $1.0 billion, designated as hedges of a portion of our fixed-rate debt obligations.

(2) At October 25, 2024 January 24, 2025, includes derivative contracts with a notional value of €5.0 billion €6.0 billion, or $5.4 billion $6.3 billion, designated as hedges of a portion of our net investment in certain European operations and derivative contracts with a notional value of ¥322.2 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.

(3) At October 25, 2024 January 24, 2025, includes €18.0 billion, or $19.4 billion $18.8 billion, of outstanding Euro-denominated debt designated as hedges of a portion of our net investment in foreign operations. This debt matures in fiscal years 2026 through 2054.

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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 the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024 were as follows:

	(Gain) Loss Recognized in Accumulated Other Comprehensive Loss											
	Three months ended	Three months ended	Six months ended	Six months ended	Three months ended	Six months ended	Location of (Gain) Loss in Income Statement	Nine months ended	Three months			
(in millions)												
Cash flow hedges												
Cash flow hedges												
Fair value hedges												
Fair value hedges												
Fair value hedges												
Currency exchange rate contracts												
Currency exchange rate contracts												
Currency exchange rate contracts	$—	$ —	$ (1)	$ —	$38	$ —	$ 42	$ —	Other operating (income) expense, net			
Cash flow hedges												
Currency exchange rate contracts												
Currency exchange rate contracts												
Currency exchange rate contracts	$—	$	$ (394)	$	$42	$	$ (398)	$	$ (3)	$	$ (75)	$
	$ (39)	$	$ (125)	Other operating income, net		Other operating income, net	(346)	136		13		

Currency exchange rate contracts	Currency exchange rate contracts	20	(75)	(75)	—	—	(109)	(109)	(21)	(21)	(15)	(15)	(39)	(39)	(19)	(19)	Cost of products sold	Cost of products sold	Currency exchange rate contracts	(55)						
Net investment hedges																										
Foreign currency-denominated debt																										
Foreign currency-denominated debt																										
Foreign currency-denominated debt		(91)	(725)	(725)	160	160	(612)	(612)	—	—	—	—	—	—	—	—	—	N/A	N/A	(684)						
Currency exchange rate contracts	Currency exchange rate contracts	52	(190)	(190)	12	12	(160)	(160)	—	—	—	—	—	—	—	—	—	N/A	N/A	Currency exchange rate contracts	(124)					
Total																										

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 during the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024 were as follows:

	(Gain) Loss Recognized in Income																									
	Three months ended		Three months ended		Six months ended		Location of (Gain) Loss in Income Statement		Nine months ended		Location of (Gain) Loss in Income Statement															
(in millions)																										
Currency exchange rate contracts																										
Currency exchange rate contracts																										
Currency exchange rate contracts	$	(35)	$	$	94	$	$	(45)	$	$	92	Other operating income, net		Other operating income, net	$	65	$	$	(9)	$		$	60	$	$	83	Other operating (income) expense, net	Other operating (income) expense, net

Balance Sheet Presentation

The following table summarizes the balance sheet classification and fair value of derivative instruments included in the consolidated balance sheets at October 25, 2024 January 24, 2025 and April 26, 2024. 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.

		Fair Value - Assets			Fair Value - Liabilities			Fair Value - Assets						
		October 25, 2024	April 26, 2024	Balance Sheet Classification	October 25, 2024		April 26, 2024		Balance Sheet Classification	(in millions)	January 24, 2025			April 26, 2024
(in millions)	**(in millions)**													
Derivatives designated as hedging instruments	**Derivatives designated as hedging instruments**												**Derivatives designated as hedging instruments**	
Currency exchange rate contracts	Currency exchange rate contracts	$	328	$	$	368	Other current assets	Other current assets	$	56	$	$	37	Other accrued expenses	Other accrued expenses	Currency exchange rate contracts	$	515	$	$

Currency exchange rate contracts																				
Currency exchange rate contracts																				
Currency exchange rate contracts		227	276	276	Other assets		Other assets		22	17		17		Other liabilities		Other liabilities	416	276		
Total derivatives designated as hedging instruments																				
Derivatives not designated as hedging instruments																				
Derivatives not designated as hedging instruments																				
Derivatives not designated as hedging instruments																				
Currency exchange rate contracts																				
Currency exchange rate contracts																				
Currency exchange rate contracts		19	15	15	Other current assets		Other current assets		32	12		12		Other accrued expenses		Other accrued expenses	39	15		
Total return swaps	Total return swaps	15	—	—	Other current assets		Other current assets		—	—		—		Other accrued expenses		Other accrued expenses	Total return swaps 9		—	
Total derivatives not designated as hedging instruments																				
Total derivatives not designated as hedging instruments																				
Total derivatives not designated as hedging instruments																				
Total derivatives																				
Total derivatives																				
Total derivatives																				

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

	October 25, 2024		**October 25, 2024**		**October 25, 2024**	**April 26, 2024**	**January 24, 2025**		**January 24, 2025**		**January 24, 2025**	**April 26, 2024**
(in millions)												
Level 1												

Level 1
Level 1
Level 2
Level 2
Level 2
Total
Total
Total

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.

	October 25, 2024				January 24, 2025			
		Gross Amount Not Offset on the Balance Sheet				Gross Amount Not Offset on the Balance Sheet		
(in millions)	Gross Amount of Recognized Assets (Liabilities)	Financial Instruments	Cash Collateral (Received) Posted	Net Amount	Gross Amount of Recognized Assets (Liabilities)	Financial Instruments	Cash Collateral (Received) Posted	Net Amount
Derivative assets:								
Currency exchange rate contracts								
Currency exchange rate contracts								
Currency exchange rate contracts								
Total return swaps								
Total return swaps								
Total return swaps								
	589				980			
Derivative liabilities:								
Currency exchange rate contracts								
Currency exchange rate contracts								
Currency exchange rate contracts								
Total								
Total								
Total								

	April 26, 2024			
		Gross Amount Not Offset on the Balance Sheet		
(in millions)	Gross Amount of Recognized Assets (Liabilities)	Financial Instruments	Cash Collateral (Received) Posted	Net Amount

Derivative assets:				
Currency exchange rate contracts	$ 659	$ (66)	$ (101)	$ 492
Derivative liabilities:				
Currency exchange rate contracts	(66)	66	—	—
Total	$ 593	$ —	$ (101)	$ 492

9. Inventories

Inventory balances were as follows:

(in millions)	(in millions) October 25, 2024	April 26, 2024	(in millions) January 24, 2025	April 26, 2024
Finished goods				
Work-in-process				
Raw materials				
Total				

10. Goodwill and Other Intangible Assets

Goodwill

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

(in millions)	(in millions) Cardiovascular	Neuroscience	Medical Surgical	Diabetes	Total	(in millions) Cardiovascular	Neuroscience	Medical Surgical	Diabetes	Total
April 26, 2024										
Goodwill as a result of acquisitions										
Purchase accounting adjustments										
Currency translation and other										
Currency translation and other										
Currency translation and other										
October 25, 2024										
January 24, 2025										

As further described in Note 17, the Company had changes to the operating segments and goodwill reporting units during the fourth quarter of fiscal year 2024. For further information on the reporting unit changes, refer to Note 9 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended April 26, 2024.

The Company assesses goodwill for impairment annually as of the first day of the third quarter of the fiscal year and whenever an event occurs or circumstances change that would indicate that the carrying amount may be impaired. Impairment testing for goodwill is performed at the 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. Significant assumptions used in 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. A change in any of these estimates and assumptions could produce a different fair value, which could have a material impact on the Company's results of operations. No goodwill impairment was recognized during the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024.

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

		October 25, 2024	April 26, 2024			January 24, 2025	April 26, 2024		
(in millions)	(in millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	(in millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Definite-lived:										
Customer-related										
Customer-related										
Customer-related										
Purchased technology and patents										
Trademarks and tradenames										

Other	
Total	
Indefinite-lived:	
IPR&D	
IPR&D	
IPR&D	

The Company did not recognize any definite-lived intangible asset impairment charges during the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024.

The Company did not recognize any indefinite-lived intangible asset impairment charges during the three and six months ended October 25, 2024 January 24, 2025 and January 26, 2024, and during the nine months ended January 24, 2025. Indefinite-lived intangible asset impairment charges were not significant for the three and six nine months ended October 27, 2023 January 26, 2024. 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 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 for the three months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024 was $413 $416 million and $425 $419 million, respectively. Intangible asset amortization expense for the six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024 was $827 million $1.2 billion and $855 million $1.3 billion, respectively. Estimated aggregate amortization expense by fiscal year based on the carrying value of definite-lived intangible assets at October 25, 2024 January 24, 2025, excluding any possible future amortization associated with acquired IPR&D which has not yet met technological feasibility, is as follows:

(in millions)	(in millions)	Amortization Expense	(in millions)	Amortization Expense
Remaining 2025				
2026				
2027				
2028				
2029				
2030				

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11. Income Taxes

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 are effective for the Company in fiscal year 2025. We will continue to monitor the impacts of further legislation, regulatory guidance, and regulations issued in the countries in which we do business.

The Israeli Central-Lod District Court issued its decision in the Medtronic Ventor Technologies Ltd (Ventor) v. Kfar Saba Assessing Office on June 1, 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 the first quarter of fiscal year 2024 and has filed an appeal with the Supreme Court of Israel.

The Company's effective tax rate for the three and six nine months ended October 25, 2024 January 24, 2025 was 18.0% 15.4% and 17.7% 16.9%, respectively, as compared to 30.6% 9.2% and 32.0% 23.5% for the three and six nine months ended October 27, 2023 January 26, 2024, respectively. The decrease increase in the effective tax rate for the three months ended October 25, 2024, January 24, 2025 primarily relates to a Swiss Cantonal tax rate change on previously recorded deferred tax assets during the three months ended January 26, 2024, and the implementation of the Pillar Two global minimum tax. The decrease in the effective tax rate for the nine months ended January 24, 2025 was primarily attributable to the establishment of a valuation allowance on certain net operating losses recorded and an income tax reserve adjustment made during the three nine months ended October 27, 2023, January 26, 2024 associated with the Ventor court decision noted above, which was partially offset by the Swiss Cantonal tax rate change on previously recorded deferred tax assets and the implementation of the Pillar Two global minimum tax. In addition to the items discussed in the current quarter, the decrease in the effective tax rate for the six months ended October 25, 2024 was also attributable to an income tax reserve adjustment made during the six months ended October 27, 2023 associated with the Ventor court decision noted above.

At October 25, 2024 January 24, 2025 and April 26, 2024, the Company's gross unrecognized tax benefits were $2.9 billion and $2.8 billion, respectively. In addition, the Company had accrued gross interest and penalties of $45 $63 million at October 25, 2024 January 24, 2025. If all of the Company's unrecognized tax benefits were recognized, approximately $2.7 billion would impact the Company's effective tax rate. At October 25, 2024 January 24, 2025 and April 26, 2024, the amount of the Company's gross unrecognized tax benefits,

net of cash advance, recorded as a noncurrent liability within accrued income taxes on the consolidated balance sheets was $1.9 billion and $1.8 billion, respectively. The Company recognizes interest and penalties related to income tax matters within income tax provision in the consolidated statements of income and records the liability within either current or noncurrent accrued income taxes on the consolidated balance sheets.

Refer to Note 16 to the consolidated financial statements for additional information regarding the status of current tax audits and proceedings.

12. 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:

	Three months ended		Six months ended	
(in millions, except per share data)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023
Numerator:				
Net income attributable to ordinary shareholders	$ 1,270	$ 909	$ 2,312	$ 1,700
Denominator:				
Basic – weighted average shares outstanding	1,282.4	1,330.2	1,288.6	1,330.3
Effect of dilutive securities:				
Employee stock options	0.6	0.5	0.6	0.9
Employee restricted stock units	2.1	0.9	2.0	1.3
Employee performance share units	1.8	0.2	1.3	0.3
Diluted – weighted average shares outstanding	1,286.9	1,331.9	1,292.5	1,332.8
Basic earnings per share	$ 0.99	$ 0.68	$ 1.79	$ 1.28
Diluted earnings per share	$ 0.99	$ 0.68	$ 1.79	$ 1.28

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

	Three months ended		Nine months ended	
(in millions, except per share data)	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Numerator:				
Net income attributable to ordinary shareholders	$ 1,294	$ 1,322	$ 3,606	$ 3,022
Denominator:				
Basic – weighted average shares outstanding	1,282.4	1,329.7	1,286.7	1,330.1
Effect of dilutive securities:				
Employee stock options	0.5	0.4	0.5	0.7
Employee restricted stock units	2.1	1.1	2.1	1.2
Employee performance share units	1.3	0.4	1.3	0.3
Diluted – weighted average shares outstanding	1,286.2	1,331.7	1,290.6	1,332.4
Basic earnings per share	$ 1.01	$ 0.99	$ 2.80	$ 2.27
Diluted earnings per share	$ 1.01	$ 0.99	$ 2.79	$ 2.27

The calculation of weighted average diluted shares outstanding excludes options to purchase approximately 28 million 26 million and 27 million ordinary shares for the three and six nine months ended October 25, 2024 January 24, 2025, respectively, and 31 million 29 million and 27 million 28 million ordinary shares for the three and six nine months ended October 27, 2023 January 26, 2024, respectively, because their effect would have been anti-dilutive on the Company's earnings per share.

13. Stock-Based Compensation

The following table presents the components and classification of stock-based compensation expense for stock options, restricted stock, performance share units, and employee stock purchase plan shares recognized for the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

Three months ended	Six months ended	Three months ended	Nine months ended

(in millions)	(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	(in millions)	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Stock options										
Restricted stock										
Performance share units										
Employee stock purchase plan										
Total stock-based compensation expense										
Cost of products sold										
Cost of products sold										
Cost of products sold										
Research and development expense										
Selling, general, and administrative expense										
Total stock-based compensation expense										
Income tax benefits										
Total stock-based compensation expense, net of tax										

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14. 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 periodic benefit cost of the defined benefit pension plans included the following components for the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

		U.S.		Non-U.S.		U.S.		Non-U.S.		U.S.		Non-U.S.		U.S.		Non-U.S.	
		Three months ended				Six months ended				Three months ended				Nine months ended			
(in millions)	(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	(in millions)	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Service cost																		
Service cost																		
Service cost																		
Interest cost																		
Expected return on plan assets																		
Amortization of prior service cost																		
Amortization of net actuarial loss																		
Net periodic (credit) benefit cost																		

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

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15. Accumulated Other Comprehensive Loss

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

(in millions)	(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	(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	Acc Com (Los
April 26, 2024														
Other comprehensive income (loss) before reclassifications														
Reclassifications														
Other comprehensive income (loss)														
October 25, 2024														
January 24, 2025														
(in millions)														
(in millions)														

(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	Unrealized (Loss) Gain on Investment Securities	Cumulative Translation Adjustments		Net Investment Hedges		Net Change in Retirement Obligations		Unrealized Gain (Loss) on Cash Flow Hedges		Acc Com (Los
April 28, 2023																
Other comprehensive income (loss) before reclassifications																
Reclassifications																
Other comprehensive income (loss)																
October 27, 2023																
October 27, 2023																
October 27, 2023																
January 26, 2024																
January 26, 2024																
January 26, 2024																

The income tax on gains and losses on investment securities in other comprehensive income before reclassifications during the six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024, was an expense of $19 million and a benefit of $8 million $9 million, respectively. During the six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024, realized gains and losses on investment securities reclassified from AOCI were reduced by income taxes of $2 million and $3 million $4 million, respectively. When realized, gains and losses on investment securities reclassified from AOCI are recognized within *other non-operating income, net*. Refer to Note 6 to the consolidated financial statements for additional information.

For During the six nine months ended October 25, 2024 and October 27, 2023 January 24, 2025, the income tax on cumulative translation adjustments was a benefit of $3 million. During the nine months ended January 26, 2024, there was no income tax on cumulative translation adjustments.

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The income tax on net investment hedges in other comprehensive income before reclassifications during the six nine months ended October 25, 2024 January 24, 2025 was a benefit an expense of $1 million $28 million. During the six nine months ended October 27, 2023 January 26, 2024, there were no tax impacts on net investment hedges. Refer to Note 8 to the consolidated financial statements 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. During the six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024, there were no tax impacts on retirement obligations. During the six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024, the gains and losses on defined benefit and pension items reclassified from AOCI were reduced by income taxes of $1 million and $2 million, respectively. million. 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 14 to the consolidated financial statements for additional information.

The income tax on unrealized gains and losses on cash flow hedges in other comprehensive income before reclassifications during the six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024, was a benefit of $5 million and an expense of $103 million $51 million and $75 million, respectively. During the six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024, gains and losses on cash flow hedges reclassified from AOCI were reduced by income taxes of $22 million $36 million and $34 million $48 million, respectively. When realized, gains and losses on currency exchange rate contracts reclassified from AOCI are recognized within *other operating income, (income) expense, net* or *cost of products sold.* Refer to Note 8 to the consolidated financial statements for additional information.

16. 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. With respect to intellectual property disputes, 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. With respect to commercial disputes, antitrust and competition issues have gained increased prominence, enforcement and private litigation have increased globally, and the Company is involved in or at risk for antitrust litigation, investigations or enforcement actions regarding a range of commercial activities, including challenges to mergers and acquisition transactions, joint ventures, co-development or co-marketing arrangements, contracting practices, distribution agreements and employment agreements. 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 significant monetary damages and/or royalty payments, as well as other civil or criminal remedies (including injunctions barring or restricting the sale of products that are the subject of the proceeding) proceeding, placing restrictions on competitive strategies or practices, or unwinding consummated transactions), that any or all of which could require significant expenditures, result in lost revenues, have a material adverse impact on the Company's consolidated earnings, financial position, and/or limit the Company's ability to conduct business in the applicable jurisdictions. cash flows.

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, net* in the consolidated statements of income. The Company recognized no certain litigation charges $22 million and $81 million $104 million of certain litigation charges during the three and six nine months ended October 25, 2024 January 24, 2025, respectively, whereas the Company recognized $65 million no certain litigation charges and $105 million $105 million of certain litigation charges during the three and six nine months ended October 27, 2023 January 26, 2024, respectively. At October 25, 2024 January 24, 2025 and April 26, 2024, accrued litigation was approximately $0.2 billion. 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.

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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 October 30, 2024 January 22, 2025, the Company and certain of its subsidiaries have been named as defendants in lawsuits filed on behalf of approximately 8,800 8,950 individual plaintiffs, and certain plaintiffs' law firms have advised the Company that they may file additional cases in the future. Approximately 6,850 6,900 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 1,450 1,550 actions coordinated in a federal Multidistrict Litigation in the U.S. District Court for the District of Massachusetts plus fewer than ten 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 November 4, 2024 January 28, 2025, after a number of recent dismissals, of individual plaintiffs, there are 23 15 lawsuits filed on behalf of 76 35 individuals. Plaintiffs' firms previously notified the Company that they may file additional lawsuits in the future on behalf of thousands of several thousand 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.

Antitrust Matters

Applied Medical

The Company is a defendant in civil antitrust litigation brought by Applied Medical Resources Corporation in the U.S. District Court for the Central District of California, alleging that the Company has engaged in anticompetitive and monopolistic conduct relating to its sales of advanced bipolar devices, including under contracts with group purchasing organizations. The Company has substantial legal and factual defenses and intends to defend itself vigorously. The matter is currently scheduled for jury trial in June 2025. The Company has not recorded an expense related to damages in connection with this matter 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 this matter.

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 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.

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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 in certain foreign countries, 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.

Other Matters

Italian Payback

In 2015, “payback” legislation was enacted in Italy requiring companies selling medical devices to make payments to the Italian state if Italy’s medical device expenditures exceed annual regional maximum ceilings. The payment amounts are calculated based upon the amount by which the regional ceilings were exceeded for any given year. There has been significant scrutiny on the legality and enforceability of the payback law since its inception, and litigation challenging the law has been proceeding through the Italian Courts. Since the law was enacted, the Company has recognized an estimate for the amount of variable consideration but has not made any payments under the payback law. In July 2024, two rulings by the Constitutional Court of Italy found that the medical device payback law is constitutional. Therefore, the Company increased its liability pertaining primarily to certain prior years since 2015 by $90 million during the three months ended July 26, 2024, as a reduction to *net sales* in the consolidated statements of income. As litigation before Italian Courts is still pending, final resolution is unknown at this time, and it is possible that the amount of the Company’s liability could differ from the amount currently accrued.

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 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. 2021.

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 11 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.

17. Segment and Geographic Information

Segment disclosures are on a performance basis consistent with internal management reporting. Net sales of the Company's reportable segments include end-customer revenues from the sale of products the segment develops, manufactures, and distributes. The Company’s management evaluates 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.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies in Note 1 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended April 26, 2024. 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.

There have been no changes to reportable segments during the quarter three and nine months ended October 25, 2024 January 24, 2025. We continue to have four reportable segments: Cardiovascular Portfolio, Neuroscience Portfolio, Medical Surgical Portfolio, and Diabetes Operating Unit. Prior period amounts have been recast to conform to the new

operating segment structure in the fourth quarter of fiscal year 2024. For further information on the operating segment structure changes, refer to Note 19 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended April 26, 2024.

Medtronic plc
Notes to Consolidated Financial Statements
(Unaudited)

The following tables present reconciliations of financial information from the segments to the applicable line items in the Company's consolidated financial statements:

Segment Operating Profit

	Three months ended		Six months ended	Three months ended		Nine months ended		
(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Cardiovascular								
Neuroscience								
Medical Surgical								
Diabetes								
Reportable segment operating profit								
Other operating segment(1)								
Corporate								
Interest expense, net								
Other non-operating income, net								
Amortization of intangible assets								
Stock-based compensation								
Centralized distribution costs								
Currency(2)								
Restructuring and associated costs								
Acquisition and divestiture-related items								
Certain litigation charges, net								
Medical device regulations								
Other adjustments(3)								
Income before income taxes								

(1) Includes the historical operations and ongoing transition agreements from businesses the Company has exited or divested.

(2) Includes the net impact of remeasurement and the Company's hedging programs recorded in *other operating income, (income) expense, net.*

(3) Incremental Italian payback accruals resulting from the two July 22, 2024 rulings by the Constitutional Court of Italy relating to certain prior years since 2015.

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. The following table presents net sales for the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024 for the Company's country of domicile, countries with significant concentrations, and all other countries:

	Three months ended		Six months ended	Three months ended		Nine months ended		
(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Ireland								
United States								
United States								
United States								
Rest of world								
Total other countries, excluding Ireland								
Total								

Item 2. 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 Medtronic plc and its subsidiaries (Medtronic plc, Medtronic, or the Company, or we, us, or our). For a full understanding of financial condition and results of operations, you should read this discussion along with Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended April 26, 2024. In addition, you should read this discussion along with our consolidated financial statements and related notes thereto at and for the three and six nine months ended October 25, 2024 January 24, 2025. Amounts reported in millions within this quarterly 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

Medtronic is the leading global healthcare technology company — alleviating pain, restoring health, and extending life for millions of people around the world. Our primary products include those for cardiac rhythm disorders, cardiovascular disease, neurological disorders and diseases, spinal conditions and musculoskeletal trauma, ear, nose, and throat conditions, urological and digestive disorders, advanced and general surgical care, respiratory and monitoring solutions, neurological disorders, spinal conditions and musculoskeletal trauma, urological and digestive disorders, and ear, nose, and throat, and diabetes conditions.

The following is a summary of revenue and diluted earnings per share for the three months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024, and operating cash flow for the six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

GAAP to Non-GAAP Reconciliations

The tables below present our GAAP to Non-GAAP reconciliations for the three months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

		Three months ended October 25, 2024						Three months ended January 24, 2025									
(in millions, except per share data)	(in millions, except per share data)	Income Before Income Taxes	Income Tax Provision (Benefit)	Net Income Attributable to Medtronic	Diluted EPS	Effective Tax Rate		(in millions, except per share data)	Income Before Income Taxes	Income Tax Provision (Benefit)	Net Income Attributable to Medtronic	Diluted EPS	Effective Tax Rate				
GAAP	**GAAP**	$ 1,559	$ 281	$ 1,270	$ 0.99	18.0	18.0 %	**GAAP**	$ 1,540	$ 237	$ 1,294	$ 1.01	15.4	15.4 %			
Non-GAAP Adjustments:																	
Amortization of intangible assets																	
Amortization of intangible assets																	
Amortization of intangible assets																	

Restructuring and associated costs(1)																							
Acquisition and divestiture-related items(2)																							
(Gain)/loss on minority investments(3)																							
(Gain)/loss on minority investments(3)																							
Certain litigation charges, net																							
(Gain)/loss on minority investments(3)																							
Medical device regulations(4)																							
Certain tax adjustments, net																							
Certain tax adjustments, net																							
Certain tax adjustments, net																							
Non-GAAP	**Non-GAAP**	$	1,995	$	$	366	$	$	1,620	$	$1.26	18.3	18.3	%	**Non-GAAP**	$2,130	$	$	334	$	$	1,787	$	$1.39	15.7	15.7	%

		Three months ended October 27, 2023						Three months ended January 26, 2024					
(in millions, except per share data)	(in millions, except per share data)	Income Before Income Taxes	Income Tax Provision (Benefit)	Net Income Attributable to Medtronic	Diluted EPS	Effective Tax Rate		(in millions, except per share data)	Income Before Income Taxes	Income Tax Provision (Benefit)	Net Income Attributable to Medtronic	Diluted EPS	Effective Tax Rate
GAAP	**GAAP**	$ 1,313	$ 402	$ 909	$0.68	30.6	30.6 %	**GAAP**	$1,472	$ 135	$ 1,322	$0.99	9.2 9.2 %
Non-GAAP Adjustments:													
Amortization of intangible assets													
Amortization of intangible assets													
Amortization of intangible assets													
Restructuring and associated costs(1)													
Acquisition and divestiture-related items(2)													
Certain litigation charges, net													
(Gain)/loss on minority investments(3)													
(Gain)/loss on minority investments(3)													
(Gain)/loss on minority investments(3)													
Medical device regulations(4)													
Certain tax adjustments, net (5)													
Non-GAAP	**Non-GAAP**	$ 2,008	$ 339	$ 1,667	$1.25	16.9	16.9 %	**Non-GAAP**	$2,055	$ 312	$ 1,728	$1.30	15.2 15.2 %

(1) Associated costs primarily include salaries and wages for employees supporting the restructuring activities, consulting expenses, and asset write-offs.

(2) The charges primarily include business combination costs, changes in fair value of contingent consideration, and exit of business-related charges. The three months ended October 25, 2024 also includes gains related to certain business or asset sales.

(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 (E.U.) 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 charge net tax benefit primarily relates to a change in a Swiss Cantonal tax rate associated with previously established deferred tax assets from intercompany intellectual property transactions and the establishment of a valuation allowance against certain net operating losses. step up in tax basis for Swiss Cantonal purposes.

The tables below present our GAAP to Non-GAAP reconciliations for the six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

(in millions, except per share data)						
(in millions, except per share data)						
(in millions, except per share data)						
GAAP						
GAAP						
GAAP						
Non-GAAP Adjustments:						
Non-GAAP Adjustments:						
Non-GAAP Adjustments:						
Amortization of intangible assets						
Amortization of intangible assets						
Amortization of intangible assets						
Restructuring and associated costs(1)						
Restructuring and associated costs(1)						
Restructuring and associated costs(1)						
Acquisition and divestiture-related items(2)						
Acquisition and divestiture-related items(2)						
Acquisition and divestiture-related items(2)						
Certain litigation charges, net						
Certain litigation charges, net						
Certain litigation charges, net						
(Gain)/loss on minority investments(3)						
(Gain)/loss on minority investments(3)						
(Gain)/loss on minority investments(3)						
Medical device regulations(4)						
Medical device regulations(4)						
Medical device regulations(4)						
Other(5)						
Other(5)						
Other(5)						
Certain tax adjustments, net (6)						
Certain tax adjustments, net (6)						
Certain tax adjustments, net (6)						
Non-GAAP						
Non-GAAP						
Non-GAAP						

(in millions, except per share data)						
(in millions, except per share data)						
(in millions, except per share data)						
GAAP						

GAAP	
GAAP	
Non-GAAP Adjustments:	
Non-GAAP Adjustments:	
Non-GAAP Adjustments:	
Amortization of intangible assets	
Amortization of intangible assets	
Amortization of intangible assets	
Restructuring and associated costs(1)	
Restructuring and associated costs(1)	
Restructuring and associated costs(1)	
Acquisition and divestiture-related items(2)	
Acquisition and divestiture-related items(2)	
Acquisition and divestiture-related items(2)	
Certain litigation charges, net	
Certain litigation charges, net	
Certain litigation charges, net	
(Gain)/loss on minority investments(3)	
(Gain)/loss on minority investments(3)	
(Gain)/loss on minority investments(3)	
Medical device regulations(4)	
Medical device regulations(4)	
Medical device regulations(4)	
Certain tax adjustments, net(6) (7)	
Certain tax adjustments, net(6) (7)	
Certain tax adjustments, net(6) (7)	
Non-GAAP	
Non-GAAP	
Non-GAAP	

(1) Associated costs primarily include salaries and wages for employees supporting the restructuring activities, consulting expenses, and asset write-offs.

(2) The charges primarily include business combination costs, changes in fair value of contingent consideration, and exit of business-related charges. The six nine months ended October 25, 2024 January 24, 2025 also includes gains related to certain business or asset sales.

(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 (E.U.) 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) Reflects the recognition of incremental Italian payback accruals resulting from the two July 22, 2024 rulings by the Constitutional Court of Italy relating to certain prior years since 2015.

(6) Primarily relates to amortization of previously established deferred tax assets from intercompany intellectual property transactions.

(7) 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 and amortization of 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. transactions and the step up in tax basis for Swiss Cantonal purposes.

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:

	Six months ended			Nine months ended
(in millions)	October 25, 2024	October 27, 2023	(in millions)	January 24, 2025	January 26, 2024

Net cash provided by operating activities	Net cash provided by operating activities	$ 1,944	$ 1,536	Net cash provided by operating activities	$ 4,516	$ 4,010
Additions to property, plant, and equipment	Additions to property, plant, and equipment	(924)	(815)	Additions to property, plant, and equipment	(1,400)	(1,161)
Free cash flow	Free cash flow	$ 1,020	$ 721	Free cash flow	$ 3,116	$ 2,849

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

NET SALES

Segment and Division

Certain prior period net sales has have been recast to reflect the new reporting structure in the fourth quarter of fiscal year 2024. Refer to Note 17 to the consolidated financial statements for additional information regarding the Company's reporting structure. In addition, starting in the first quarter of fiscal year 2025, the Company combined the non-U.S. developed markets and the emerging markets into an international market geography. Prior period net sales has have been recast to conform to the new presentation. The charts below illustrate the percent of net sales by segment for the three months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

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The table below illustrates net sales by segment and division for the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

(in millions)

(in millions)

(in millions)		**October 25, 2024**	**October 27, 2023**	**% Change**	**October 25, 2024**	**October 27, 2023**	**% Change**		**January 24, 2025**	**January 26, 2024**	**% Change**	**January 24, 2025**	**January 26, 2024**	**% Chang**
Cardiac Rhythm & Heart Failure	Cardiac Rhythm & Heart Failure	$1,578	$ $1,492	6 6 %	$ 3,114	$ $ 2,938	6 6 %	Cardiac Rhythm & Heart Failure	$1,545	$ $1,470	5 5 %	$ 4,659	$ $ 4,408	[illegible]
Structural Heart & Aortic														
Coronary & Peripheral Vascular														
Cardiovascular														
Cranial & Spinal Technologies														
Specialty Therapies														
Neuromodulation														
Neuroscience														
Surgical & Endoscopy														
Acute Care & Monitoring														
Medical Surgical														
Diabetes														
Reportable segment net sales														
Other operating segment(1)														
Other adjustments(2)														
Total net sales	Total net sales	$8,403	$ $7,984	5 5 %	$16,318	$ $15,686	4 4 %	Total net sales	$8,292	$ $8,089	3 3 %	$24,610	$ $23,775	[illegible]

(1) Includes the historical operations and ongoing transition agreements from businesses the Company has exited or divested.

(2) Incremental Italian payback accruals resulting from the two July 22, 2024 rulings by the Constitutional Court of Italy relating to certain prior years since 2015.

Segment and Market Geography

The charts below illustrate the percent of net sales by market geography for the three months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

The table below includes net sales by market geography for each of our segments for the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

	Three months ended	Three months ended	Three months ended
(in millions)			
(in millions)			
(in millions)			
Cardiovascular			
Cardiovascular			
Cardiovascular			
Neuroscience			
Neuroscience			
Neuroscience			
Medical Surgical			
Medical Surgical			
Medical Surgical			
Diabetes			
Diabetes			
Diabetes			
Reportable segment net sales			
Reportable segment net sales			
Reportable segment net sales			
Other operating segment(3)			
Other operating segment(3)			
Other operating segment(3)			
Other operating segment(1)			
Other operating segment(1)			
Other operating segment(1)			
Total net sales			
Total net sales			
Total net sales			

	Six months ended	Six months ended	Six months ended	Nine months ended	Nine months ended	Nine months ended
(in millions)						
(in millions)						
(in millions)						

Cardiovascular	
Cardiovascular	
Cardiovascular	
Neuroscience	
Neuroscience	
Neuroscience	
Medical Surgical	
Medical Surgical	
Medical Surgical	
Diabetes	
Diabetes	
Diabetes	
Reportable segment net sales	
Reportable segment net sales	
Reportable segment net sales	
Other operating segment[3]	
Other operating segment[3]	
Other operating segment[3]	
Other operating segment[1]	
Other operating segment[1]	
Other operating segment[1]	
Other adjustments[4] [2]	
Other adjustments[4] [2]	
Other adjustments[4] [2]	
Total net sales	
Total net sales	
Total net sales	

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

(2) Includes all other non-U.S. countries and U.S. territories.

(3) Includes historical operations and ongoing transition agreements from businesses the Company has exited or divested.

(4) (2) Incremental Italian payback accruals resulting from the two July 22, 2024 rulings by the Constitutional Court of Italy relating to certain prior years since 2015.

The increase in net sales for the three and six nine months ended October 25, 2024 January 24, 2025, as compared to the corresponding periods in the prior fiscal year, was driven primarily by growth in most businesses, including strong growth in Cardiac Ablation Solutions, Cardiac Pacing Therapies, TAVR, Diabetes, Cranial & Spinal Technologies, Neuromodulation, TAVR, Cardiac Rhythm Management, and Cardiac Surgery. Neuromodulation. The increase in net sales for the six nine months ended October 25, 2024 January 24, 2025, was partially offset by the $90 million incremental Italian payback accruals resulting from the two July 22, 2024 rulings by the Constitutional Court of Italy relating to certain prior years since 2015.

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 developments including changes in global trade policies and 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; time.
- National and provincial tender pricing for certain products, particularly in China; 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 the second third quarter of fiscal year 2025, including on accounts receivable and inventory reserves, was not material, and for the three and six nine months ended October 25, 2024 January 24, 2025, 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 recent conflicts are difficult to predict at this time, the financial impact of the conflicts in the second third quarter of fiscal year 2025, including on accounts receivable and inventory reserves, was not material. As of October 25, 2024 January 24, 2025, the Company had 6 facilities and approximately 1,500 employees in Israel. For the three and six nine months ended October 25, 2024 January 24, 2025, 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, 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. products, and renal denervation systems for the treatment of hypertension. Cardiovascular also includes Care Management Services and Cath Lab Managed Services (CLMS) within the Cardiac Rhythm & Heart Failure division. Cardiovascular's net sales for the three and six nine months ended October 25, 2024 January 24, 2025 were $3.1 billion $3.0 billion and $6.1 billion $9.1 billion, an increase of 6 4 percent for both periods and 5 percent, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales increase was primarily due to strong performance of TAVR, Cardiac Rhythm Management, Ablation Solutions, Structural Heart, Cardiac Pacing Therapies, and Cardiac Surgery.

The graphs below illustrate the percent of Cardiovascular net sales by division for the three months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

Cardiac Rhythm & Heart Failure (CRHF) net sales for the three and six nine months ended October 25, 2024 January 24, 2025 increased 6 percent for both periods as compared to the corresponding periods in the prior fiscal year. The net sales increase was driven by Cardiac Pacing Therapies and Defibrillation Solutions with growth in Micra transcatheter pacing systems, Aurora extravascular implantable cardioverter defibrillator (EV-ICD) system, and TRYX. Cardiac Ablation Solutions experienced strong growth in PulseSelect Pulsed Field Ablation with offsetting declines in cryoablation.

Structural Heart & Aortic (SHA) net sales for the three and six months ended October 25, 2024 increased 8 5 percent and 6 percent, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales increase was driven by U.S. growth in Micra transcatheter pacing systems, Aurora extravascular implantable cardioverter defibrillator (EV-ICD) system, and international TYRX. Cardiac Ablation Solutions experienced strong growth in PulseSelect and Sphere-9 pulsed field ablation with partially offsetting declines in cryoablation.

Structural Heart & Aortic (SHA) net sales for the three and nine months ended January 24, 2025 increased 4 percent and 5 percent, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales increase was driven by continued growth in Structural Heart from adoption of Evolut FX+ TAVR system and in Cardiac Surgery driven by growth in Perfusion and Surgical Valves.

Coronary & Peripheral Vascular (CPV) net sales for the three and six nine months ended October 25, 2024 January 24, 2025 were flat and increased 5 3 percent, for both periods respectively, as compared to the corresponding periods in the prior fiscal year. The increase in net Net sales was driven were impacted by growth in Coronary led by guide catheters and balloons, partially offset by impacts from tender pricing in addition to growth China in Peripheral Vascular and Vascular Embolization. Health.

In addition to the macro-economic and geopolitical factors described in the Executive Level Overview, 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 PulseSelect pulsed field ablation system PulseSelect PFA, and the Affera mapping and ablation system. system with Sphere-9 catheter. The Affera mapping and ablation system and Sphere-9 catheter received U.S. FDA approval in late October 2024.
- 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 and received CE Mark in late October 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.
- 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 the three and six nine months ended October 25, 2024 January 24, 2025 were $2.5 billion and $4.8 billion $7.2 billion, respectively, an increase of 7 4 percent and 6 5 percent, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales increase for both periods was primarily due to growth in Neuromodulation, Spine and Biologics, Neurosurgery, and Hemorrhagic Stroke. Neurosurgery.

The graphs below illustrate the percent of Neuroscience net sales by division for the three months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

Cranial & Spinal Technologies (CST) net sales for the three and six nine months ended October 25, 2024 January 24, 2025 increased 7 4 percent and 5 percent, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales increase was driven by the continued adoption of the AiBLE ecosystem of spine implants and enabling technology with growth in Core Spine, Biologics, and Neurosurgery.

Specialty Therapies (Specialty) net sales for the three and six nine months ended October 25, 2024 January 24, 2025 increased 5 1 percent and 4 3 percent, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales increase was driven by hemorrhagic stroke products, growth on continued adoption of the Interstim X system, and ENT. Hemorrhagic stroke products also contributed to the net sales increase for the nine months ended January 24, 2025.

Neuromodulation (NM) net sales for the three and six nine months ended October 25, 2024 January 24, 2025 increased 13 12 percent and 11 percent, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales increase was driven by the continued launch of both the Inceptiv spinal cord stimulator in the U.S. and the Percept RC deep brain neurostimulator.

In addition to the macro-economic and geopolitical factors described in the Executive Level Overview, 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 StealthStation 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 Inceptiv closed-loop rechargeable neurostimulator, 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. In August 2024, the U.S. FDA approved Asleep DBS surgery for people with Parkinson's and people with essential tremor. In January 2025, BrainSense Adaptive DBS and BrainSense Electrode Identifier received CE Mark approval in the E.U. and United Kingdom.
- 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 of the gastrointestinal tract, lungs, pelvic region, obesity, 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 the three and six nine months ended October 25, 2024 January 24, 2025 were $2.1 billion and $4.1 billion $6.2 billion, an increase a decrease of 1 2 percent and flat, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales were primarily impacted by growth in Advanced Energy and Blood Oxygen Management with partially offsetting year, resulting from declines in Stapling. across most businesses as outlined below.

The graphs below illustrate the percent of Medical Surgical net sales by division for the three months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:


Surgical & Endoscopy (SE) net sales for the three and six nine months ended October 25, 2024 increased January 24, 2025 decreased 1 percent and flat, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales for both periods were impacted by declines in Stapling and General Surgical Technologies, primarily driven by ongoing stapling product pressures and changes in U.S. distributor buying patterns. Partially offsetting these declines was growth in Advanced Energy driven by on continued adoption of the LigaSure Maryland XP vessel sealer, and strength in Hernia and Wound Management products. The net sales results were partially offset by declines in Advanced Stapling and Endoscopy. sealing technology.

Acute Care & Monitoring (ACM) net sales for the three and six nine months ended October 25, 2024 increased January 24, 2025 decreased 4 percent and 1 percent, respectively, as compared to the corresponding periods in the prior fiscal year. The net sales increase decrease for both periods was largely due to growth the three and nine months ended January 24, 2025 were driven by declines in Nellcor pulse oximetry driven by strong sensor sales as a result of year over year declines in U.S. respiratory related hospitalizations in the quarter and continued adoption of the RespArray patient monitor in addition to strength Airways with partially offset growth in Bispectral Index monitoring system (BIS). system.

In addition to the macro-economic and geopolitical factors described in the Executive Level Overview, 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' net sales for the three and six nine months ended October 25, 2024 January 24, 2025 were $686 million $694 million and $1.3 billion $2.0 billion, respectively, an increase of 12 8 percent for both periods and 11 percent, respectively, as compared to the corresponding periods in the prior fiscal year. The increase in net sales for both periods was primarily driven by strong U.S growth as a result of the continued adoption of the MiniMed 780G automated insulated delivery (AID) system, and strong international growth in CGM systems from increased attachment rates and adoption of Simplera Sync.

In addition to the macro-economic and geopolitical factors described in the Executive Level Overview, 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 AID systems has resulted in strong sensor attachment rates. The MiniMed 780G insulin pump system with the Guardian 4 Sensor is available in the U.S., and the MiniMed 780G insulin pump system with Simplera 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 sensor Simplera, which received U.S FDA approval in August 2024 and CE Mark in September 2023.

- 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 Minimed 780G insulin pump system with Simplera Sync in the U.S., and the products resulting from our partnership with Abbott to expand CGM options for people living with diabetes. diabetes, as well as expanded labeling in Type 2 diabetes, fast acting insulins, and pregnancy warning removal.

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 for the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024:

Cost of Products Sold Cost of products sold for the three and six nine months ended October 25, 2024 January 24, 2025 was $2.9 billion $2.8 billion and $5.7 billion $8.5 billion, respectively, as compared to $2.8 billion and $5.4 billion $8.2 billion, respectively, for the corresponding periods in the prior fiscal year. The increase decrease in cost of products sold as a percentage of net sales for the three and six months ended October 25, 2024 January 24, 2025 was primarily due to unfavorable favorable currency impact. impact and lower costs for quality remediation and excess and obsolete inventory charges. Cost of products sold as a percentage of net sales for the nine months ended January 24, 2025 was primarily flat as compared to the corresponding period in the prior fiscal year.

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 for the three and six nine months ended October 25, 2024 January 24, 2025 was $697 million $675 million and $1.4 billion $2.0 billion, respectively, as compared to $698 million $695 million and $1.4 billion $2.1 billion, respectively, for the corresponding periods in the prior fiscal year.

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 the three and six nine months ended October 25, 2024 January 24, 2025 was $2.8 billion $2.7 billion and $5.4 billion $8.1 billion, respectively, as compared to $2.7 billion and $5.3 billion $8.0 billion, respectively, for the corresponding periods in the prior fiscal year. The increase in selling, general, and administrative expense for both periods is primarily due to new product launches and commercialization activities.

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

	Three months ended		Three months ended		Six months ended			Three months ended		Nine months ended
(in millions)	(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023	(in millions)	January 24, 2025	January 26, 2024	January 24, 2025	January 26, 2024
Amortization of intangible assets										
Restructuring charges, net										
Certain litigation charges, net										
Other operating income, net										
Other operating (income) expense, net										
Other non-operating income, net										
Interest expense, net										

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 patents, trademarks, tradenames, and other intangible assets.

Restructuring Charges, Net For the three and six nine months ended October 25, 2024 January 24, 2025 and October 27, 2023 January 26, 2024, restructuring costs primarily related to employee termination benefits and facility consolidations to support cost reduction initiatives.

For additional information about our restructuring activities, refer to Note 5 to the current period's consolidated financial statements.

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 16 in the current period's consolidated financial statements.

Other Operating Income, (Income) Expense, Net Other operating income, (income) expense, net primarily includes expenses associated with royalties paid for the in-license of intellectual property from third parties, currency remeasurement and derivative gains and losses, changes in the fair value of contingent consideration, certain acquisition and divestiture-related items, and income from funded research and development arrangements.

For the three and six months ended October 25, 2024 January 24, 2025, the increase change in other operating income, (income) expense, net was largely driven by the net impact of currency remeasurement and our hedging programs resulting in a net gain of $12 million for the three months ended January 24, 2025 as compared to a net loss of $12 million in

the corresponding period in the prior fiscal year.

For the nine months ended January 24, 2025, the change in other operating (income) expense, net was largely driven by insignificant gains from certain business or asset sales in the Cardiovascular and Neuroscience Portfolio. In addition, the change in fair value of contingent consideration for the nine months ended January 24, 2025 was $5 million of income as compared to $59 million of expense in the corresponding period in the prior fiscal year. The increase change in other operating income (income) expense, net was partially offset by increased acquisition and divestiture-related charges and the net impact of currency remeasurement and our hedging programs, which resulted in net expense of $39 million and $44 million programs. The currency impact for the three and six nine months ended October 25, 2024, respectively, January 24, 2025 was a net loss of $32 million as compared to a net gain of $32 $16 million and $29 million, respectively, in the corresponding periods period in the prior fiscal year.

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. income, which includes income on marketable debt securities and our global liquidity structure.

For the three months and six nine months ended October 25, 2024 January 24, 2025, the increase decrease in other non-operating income, net is was primarily attributable to an increase changes in interest income and net gains on our minority investment portfolio. Net gains losses on minority investments were $10 investments. Interest income was $114 million and $27 $364 million for the three and six nine months ended October 25, 2024 January 24, 2025, respectively, as compared to net losses of $25 $170 million and $89 $429 million for the three and six nine months ended October 27, 2023 January 26, 2024, respectively. Net losses on minority investments were $68 million and $41 million for the three and nine months ended January 24, 2025, respectively, as compared to $24 million and $113 million for the three and nine months ended January 26, 2024, respectively.

Interest Expense, Net Interest expense, net includes interest incurred on our outstanding borrowings, global liquidity structure, amortization of debt issuance costs and debt premiums or discounts, and amortization of amounts excluded from the effectiveness assessment of certain net investment and fair value hedges.

For the three and six months ended October 25, 2024 January 24, 2025, the decrease in interest expense, net was primarily driven by lower interest on the balances in our global liquidity structures, partially offset by the €3.0 billion debt issuance on June 3, 2024. For the nine months ended January 24, 2025, the increase in interest expense, net was primarily driven by the €3.0 billion aforementioned debt issuance on June 3, 2024. issuance.

INCOME TAXES

	Three months ended			Three months ended			Six months ended			Three months ended			Nine months ended		
(in millions)	(in millions)	October 25, 2024	October 27, 2023	October 25, 2024	October 27, 2023		(in millions)	January 24, 2025		January 26, 2024	January 24, 2025		January 26, 2024	
Income tax provision														
Income before income taxes														
Effective tax rate	Effective tax rate	18.0 %	30.6 %	17.7 %	32.0 %		Effective tax rate	15.4 %		9.2 %	16.9 %		23.5 %	
Non-GAAP income tax provision														
Non-GAAP income tax provision														
Non-GAAP income tax provision														
Non-GAAP income before income taxes														
Non-GAAP Nominal Tax Rate	Non-GAAP Nominal Tax Rate	18.3 %	16.9 %	17.7 %	16.4 %		Non-GAAP Nominal Tax Rate	15.7 %		15.2 %	17.0 %		16.0 %	
Difference between the effective tax rate and Non-GAAP Nominal Tax Rate														
Difference between the effective tax rate and Non-GAAP Nominal Tax Rate														
Difference between the effective tax rate and Non-GAAP Nominal Tax Rate		0.3 %	(13.7) %	— %	(15.6) %			0.3 %	6.0 %		0.1 %	(7.5) %		

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 are effective for Medtronic in fiscal year 2025. We will continue to monitor the impacts of further legislation, regulatory guidance, and regulations issued in the countries in which we do business.

The Israeli Central-Lod District Court issued its decision in Medtronic Ventor Technologies Ltd (Ventor) v. Kfar Saba Assessing Office on June 1, 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 the first quarter of fiscal year 2024 and has filed an appeal with the Supreme Court of Israel.

Our effective tax rate for the three and six nine months ended October 25, 2024 January 24, 2025 was 18.0% 15.4% and 17.7% 16.9%, respectively, as compared to 30.6% 9.2% and 32.0% 23.5% for the three and six nine months ended October 27, 2023 January 26, 2024, respectively. The decrease increase in our the effective tax rate for the three months ended October 25, 2024 January 24, 2025 primarily relates to a Swiss Cantonal tax rate change on previously recorded deferred tax assets during the three months ended January 26, 2024, and the implementation of the Pillar Two global minimum tax. The decrease in the effective tax rate for the nine months ended January 24, 2025 was primarily attributable to the establishment of a valuation allowance on certain net operating losses recorded and an income tax reserve adjustment made during the three nine months ended October 27, 2023, January 26, 2024 associated with the Ventor court decision noted above, which was partially offset by the Swiss Cantonal tax rate change on previously recorded deferred tax assets and the implementation of the Pillar Two global minimum tax. In addition to the items discussed in the current quarter, the decrease in the effective tax rate for the six months

ended October 25, 2024 was also attributable to an income tax reserve adjustment made during the six months ended October 27, 2023 associated with the Ventor court decision noted above.

Our Non-GAAP Nominal Tax Rate for the three and six nine months ended October 25, 2024 January 24, 2025 was 18.3% 15.7% and 17.7% 17.0%, respectively, as compared to 16.9% 15.2% and 16.4% 16.0% for the three and six nine months ended October 27, 2023 January 26, 2024, respectively. The change in our Non-GAAP Nominal Tax Rate was primarily due to the implementation of the Pillar Two global minimum tax and year-over-year changes in operational results by jurisdiction. An increase in our Non-GAAP Nominal Tax Rate of 1 percent would result in an additional income tax provision for the three and six nine months ended October 25, 2024 January 24, 2025 of approximately $20 $21 million and $39 $61 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

We are currently in a strong financial position, and we believe our balance sheet and liquidity as of October 25, 2024 January 24, 2025 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)	(in millions)	Six months ended October 25, 2024	October 27, 2023	(in millions)	Nine months ended January 24, 2025	January 26, 2024
Cash provided by (used in):	**Cash provided by (used in):**			**Cash provided by (used in):**		
Operating activities						
Investing activities						
Financing activities						
Effect of exchange rate changes on cash and cash equivalents						
Net change in cash and cash equivalents						

Operating Activities The $408 million $506 million increase in net cash provided was primarily driven by an increase in cash collected from customers due to an increase in sales and a decrease in cash paid to vendors, which was partially offset by an increase in cash paid for taxes and increased annual incentive payouts.

Investing Activities The $359 million $223 million decrease in cash used was primarily attributable to an increase in net sales and maturities of investments of $386 million $442 million partially offset by an increase in net additions to property, plant, and equipment of $109 million $239 million.

Financing Activities There was a $674 million $927 million increase in net cash used during the six nine months ended October 25, 2024 January 24, 2025, as compared to the corresponding period in the prior fiscal year. In the current period, there was a decrease in total short-term borrowings of $67 million $1.1 billion, as compared to an increase of $1.3 billion $1.0 billion in the prior year. Additionally, on June 3, 2024, Medtronic Inc. issued four tranches of EUR-denominated Senior Notes with an aggregate principal of €3.0 billion, or $3.2 billion, which was partially offset by a $2.3 billion increase in net share repurchases during the six nine months ended October 25, 2024 January 24, 2025, as compared to the corresponding period in the prior fiscal year. For more information on commercial paper and Senior Notes issued, refer to the Debt and Capital section below.

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 October 25, 2024 January 24, 2025 was $28.3 billion $26.6 billion as compared to $25.0 billion at April 26, 2024. The increase in total debt was primarily driven by issuance of Euro-denominated Senior Notes and fluctuations in exchange rates.

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 2024, the Company's Board of Directors authorized the repurchase of $5.0 billion of the Company's ordinary shares. There is no specific time period associated with these repurchase authorizations. During the six nine months ended October 25, 2024 January 24, 2025, the Company repurchased a total of 33 35 million shares under this program at an average price of $82.61. $82.75. At October 25, 2024 January 24, 2025, we had approximately $2.6 billion $2.4 billion remaining under the share repurchase program authorized by our Board of Directors.

For more information on credit arrangements, refer to Note 7 to the current period's consolidated financial statements and Note 6 to the consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended April 26, 2024.

Liquidity

Our liquidity sources at October 25, 2024 January 24, 2025 included $1.4 billion $1.2 billion of cash and cash equivalents and $6.6 $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, and other asset-backed securities. Refer to Note 6 to the current period's consolidated financial statements 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 October 25, 2024 January 24, 2025 and April 26, 2024, we had $899 million no and $1.1 billion 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. 2029. 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 October 25, 2024 January 24, 2025 and April 26, 2024, 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(1)	
	October 25, 2024 January 24, 2025	April 26, 2024
Standard & Poor's Ratings Services		
Long-term debt	A	A
Short-term debt	A-1	A-1
Moody's Investors Service		
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 October 25, 2024 January 24, 2025 were unchanged as compared to the ratings at April 26, 2024. 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.

We have future contractual obligations and other minimum commercial commitments that are entered into in the normal course of business. 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. Refer to the Debt and Capital section above for changes in debt obligations during the first quarter of fiscal year 2025; there have been no other material changes to our long-term contractual obligations as reported in our most recent Annual Report filed on Form 10-K for the fiscal year ended April 26, 2024.

ACQUISITIONS AND DISPOSITIONS

Information regarding acquisitions and dispositions activity is included in Note 4 to the current period's consolidated financial statements.

GOODWILL

We assess goodwill and indefinite-lived intangible assets 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. There were no impairments of goodwill in the current period as a result of the annual impairment test.

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.

Definite-lived intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an intangible asset (asset group) may not be recoverable. There were no impairments of intangible assets in the current period. Further adverse changes to macroeconomic conditions or significant changes to our current and future expected financial performance could lead to goodwill or intangible asset impairment charges in future periods, and such charges could be material to our results of operations.

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 included in our Annual Report on Form 10-K for the fiscal year ended April 26, 2024.

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.

As of October 25, 2024 January 24, 2025, there were no material changes to our critical accounting estimates.

NEW ACCOUNTING PRONOUNCEMENTS

Information regarding new accounting pronouncements is included in Note 2 to the current period's consolidated financial statements.

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 six nine months ended October 25, 2024 January 24, 2025 and summarized balance sheet information at October 25, 2024 January 24, 2025 and 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 six nine months ended October 25, 2024 January 24, 2025 was as follows:

(in millions)	(in millions)	Medtronic & Medtronic Luxco Senior Notes (1)	CIFSA Senior Notes (2)	(in millions)	Medtronic & Medtronic Luxco Senior Notes (1)	CIFSA Senior Notes (2)
Net sales						
Operating profit						
(Loss) income before income taxes						
Net (loss) income attributable to Medtronic						

The summarized balance sheet information at October 25, 2024 January 24, 2025 was as follows:

(in millions)	(in millions)	Medtronic & Medtronic Luxco Senior Notes (1)	CIFSA Senior Notes (2)	(in millions)	Medtronic & Medtronic Luxco Senior Notes (1)	CIFSA Senior Notes (2)
Total current assets(3)						
Total noncurrent assets(4)						
Total current liabilities(5)						
Total noncurrent liabilities(6)						
Noncontrolling interests						

(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 $12.0 $12.7 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 $5.2 billion for Medtronic & Medtronic Luxco Senior Notes, and CIFSA Senior Notes, respectively.

(5) Includes payables due to non-guarantor subsidiaries of $16.7 $17.8 billion and $2.1 $2.5 billion for Medtronic & Medtronic Luxco Senior Notes, and CIFSA Senior Notes, respectively.

(6) Includes loans payable due to non-guarantor subsidiaries of $11.3 billion and $7.7 billion for Medtronic & Medtronic Luxco Senior Notes, and CIFSA Senior Notes, respectively.

The summarized balance sheet information at April 26, 2024 was as follows:

(in millions)	Medtronic & Medtronic Luxco Senior Notes (1)	CIFSA Senior Notes (2)
Total current assets(3)	$ 17,389	$ 4,179
Total noncurrent assets(4)	11,548	19,246
Total current liabilities(5)	25,228	43,416
Total noncurrent liabilities(6)	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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, 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 Quarterly Report on Form 10-Q, 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 to: our growth and growth strategies, strategies; developments in the markets for our products, therapies and services, services; financial results, results; product development launches and effectiveness, effectiveness; research and development strategy, strategy; regulatory approvals, approvals; competitive strengths, strengths; the potential or anticipated direct or indirect impact of public health crises, and geopolitical conflicts, or changing governmental executive actions and regulations (including relating to global trade policies, enforcement priorities and compliance requirements), on our business, results of operations and/or financial condition, condition; restructuring and cost-saving initiatives, initiatives; intellectual property rights, rights; litigation and tax matters, matters; governmental proceedings and investigations, investigations; mergers, acquisitions, and acquisitions, divestitures, divestitures; market acceptance of our products, therapies and services, services; accounting estimates, estimates; financing activities, activities; ongoing contractual obligations, obligations; working capital adequacy, adequacy; the value of our investments, investments; our effective tax rate, rate; our expected returns to shareholders, 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 Quarterly 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 the potential impact of changing governmental executive actions and regulations (including relating to global trade policies, enforcement priorities and compliance requirements), on our business; 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 Quarterly Report on Form 10-Q and are subject to a number of risks, uncertainties and assumptions described in the "Risk Factors" section and elsewhere in our 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 our 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.

Item 3. 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 October 25, 2024 January 24, 2025 and April 26, 2024 was $24.6 billion $23.9 billion and $23.7 billion, respectively. At October 25, 2024 January 24, 2025, these contracts were in a net unrealized gain position of $464 $891 million. Additional information regarding our currency exchange rate derivative instruments is included in Note 8 to the current period's consolidated financial statements.

A sensitivity analysis of changes in the fair value of all currency exchange rate derivative contracts at October 25, 2024 January 24, 2025 and April 26, 2024 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 $1.6 billion and $1.7 billion. 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 October 25, 2024 January 24, 2025 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 October 25, 2024 January 24, 2025 and April 26, 2024, indicates that the fair value of these instruments would correspondingly change by $65 $71 million and $64 million, respectively.

For a discussion of current market conditions and the impact on our financial condition and results of operations, please see the “Liquidity” section of the current period's Management's Discussion and Analysis. For additional discussion of market risk, refer to Notes 6 and 8 to the current period's consolidated financial statements.

Item 4. Controls and Procedures

EVALUATION OF 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 quarterly report, our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) are effective.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act) during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. 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 16 to the current period's consolidated financial statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table provides information about the shares repurchased by the Company during the second third quarter of fiscal year 2025:

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
7/27/2024-8/23/2024	1,380,200	$ 82.71	1,380,200	$ 2,690,475,982
8/24/2024-9/27/2024	807,700	89.42	807,700	2,618,252,054
9/28/2024-10/25/2024	691,854	89.66	691,854	2,556,222,068
Total	2,879,754	$ 86.26	2,879,754	$ 2,556,222,068

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
10/26/2024-11/22/2024	803,215	$ 88.42	803,215	$ 2,485,205,303
11/23/2024-12/27/2024	831,733	83.31	831,733	2,415,913,046
12/28/2024-1/24/2025	298,100	80.59	298,100	2,391,890,322
Total	1,933,048	$ 85.01	1,933,048	$ 2,391,890,322

In March 2024, the Company's Board of Directors authorized the repurchase of $5.0 billion of the Company's ordinary shares. There is no specific time period associated with these repurchase authorizations.

Item 5. Other Information

Rule 10b5-1 Director and Officer Trading Arrangements

During the three months ended October 25, 2024, certain of our officers and directors adopted "Rule 10b5-1 trading arrangements," intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act as follows.

On October 10, 2024, Brett Wall, Executive Vice President and President Neuroscience Portfolio, adopted a Rule 10b5-1 trading plan. Mr. Wall's trading plan provides for the sale of up to 22,287 shares of the Company's common stock prior to the plan's August 1, 2025 termination date. Not applicable.

Item 6. Exhibits

(a) Exhibits

10.1	Letter Agreement by and between Medtronic, Inc. and Thierry Piéton dated December 24, 2024
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.SCH	Inline XBRL Schema Document.
101.CAL	Inline XBRL Calculation Linkbase Document.
101.DEF	Inline XBRL Definition Linkbase Document.
101.LAB	Inline XBRL Label Linkbase Document.
101.PRE	Inline XBRL Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned authorized officer.

Medtronic plc

(Registrant)

Date: November 26, 2024 February 25, 2025

/s/ Jennifer M. Kirk

Jennifer M. Kirk

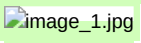
Senior Vice President, Global Controller and Chief Accounting Officer

(Principal Accounting Officer)

Medtronic, Inc.
710 Medtronic Parkway, LC210 Minneapolis, MN 55432-5604 USA
Tel: 1.763.514.4000
www.medtronic.com

December 24, 2024

Mr. Thierry Pieton



Dear Thierry,

I am pleased to provide you with this offer of employment at Medtronic. Your valuable experience will help shape our business and improve the lives of patients. Building the right team of talented people plus our market-leading position is a powerful combination – one that presents opportunity for tremendous growth and success.

By accepting our offer, you will be eligible to receive the following compensation and benefits:

Title - Executive Vice President & Chief Financial Officer
In this role, you will serve as a member of my leadership team and as a member of Medtronic's Executive Committee.

Employment Location
Your employment will be based out of Medtronic's Operating Headquarters in Minneapolis, Minnesota.

Employment Date
Your employment start date (herein called “Start Date”) will be mutually agreed upon, which is subject to foreign government entry documents or visas.

Base Salary
Your base salary will be $850,000 annually ($32,692.31 bi-weekly), less applicable withholdings and deductions, commencing upon employment and paid in accordance with Medtronic’s standard payroll practices.

Business Allowance
In order to defray the cost of tax preparation and financial planning, or other related expenses, you will be provided with an annual allowance of $24,000 (paid bi-weekly, subject to income tax withholding).

Medtronic Incentive Plan (“MIP”)
You are eligible to participate in the MIP with a target payout of 110% of your annual rate on the last date of the MIP Period. Your actual payout will be determined based on the performance of the MIP measures and your individual performance and is subject to applicable tax withholdings and deductions. Your MIP payment will be prorated to reflect your employment date. Please note that the actual terms of the Medtronic Incentive Plan govern eligibility and payout.

Annual Long-Term Incentive (LTI) Program
You will be eligible to participate in the annual LTI program beginning in fiscal year 2026. The target value for your role is $4,000,000 and the annual grant date is scheduled to occur in the second quarter of a fiscal year (July 28, 2025).

Based on your start date, we will also include you as a participant in the Medtronic fiscal year 2025 annual long-term incentive grant. The target value for this award will be $2,000,000 and it will be granted on or shortly following your Start Date.

The fiscal year 2025 annual grant and all future annual grants will be denominated in incentive vehicles as determined by the Medtronic Compensation Committee of the Board of Directors. These vehicles may include performance share units, restricted stock units, stock options, or other elements as determined by the Compensation Committee. Medtronic reserves the right to modify targets in line with plan terms and provisions. These awards are subject to standard plan terms and provisions as described in the applicable award agreement(s) and approval by the appropriate Committee.

Total Target Direct Compensation
Your Total Target Direct Compensation (which consists of base salary + target MIP + target long-term incentives) will be $5,785,000 annually.

New Hire Cash Bonus
You will receive a cash bonus in the amount of $3,000,000 (less standard federal and state withholding and authorized deductions) to be paid out in three installments: $1,000,000 paid on the first available pay period after 30 days of employment, $1,000,000 paid on the first available pay period following 12 months of employment, and $1,000,000 paid on the first available pay period following 18 months of employment.
Please note that should you terminate your employment with Medtronic, you will be required to repay any portions of this hiring bonus you have received within the twelve-month period ending on your date of termination.

Special Restricted Stock Unit Grant
You will also receive a one-time Restricted Stock Unit (RSU) award with a target value of $2,500,000, which will be granted as soon as possible following your start date. The number of shares granted will depend on the closing market price of Medtronic stock on the date of grant. This award vests over three years at 33% per year, with the first 33% vesting one year after the date of the grant. This award is subject to standard plan terms and provisions as described in the RSU Award Agreement.

Relocation Benefits
You will receive information about our Cross Border Hire/Transfer (CBHT) support that includes services such as immigration, tax, temporary housing and home purchase assistance. The terms and conditions related to your relocation support will be provided under separate cover. Please refer to the policy for details of your relocation benefits from Geneva, Switzerland to Minnesota, United States.

Paid Time Off (PTO)
You will be able to take time off when it works for you. As a reference point, please note the following guideline provided to other U.S. Medtronic employees: 10 fixed holidays and 4-5 weeks of paid time off.

Benefits
You will be offered a competitive benefits package upon meeting eligibility requirements as provided for in the Plan documents. For Medtronic benefits information on-line, visit benefits.medtronic.com, which provides details about all of our benefit offerings, as well as FAQs, recorded learning modules and links to plan documents and policy information.

Deferred Compensation Plan
You will be eligible to participate in Medtronic's Capital Accumulation Plan ("CAP"), a non-qualified deferred compensation plan, within 60 days after your date of hire. You will be eligible to defer a portion of your base salary for calendar year 2025. Note: This benefit provides you the ability to defer additional income separate from Medtronic's 401k plan.

Stock Ownership Policy
Medtronic's policy requires the Executive Vice President & Chief Financial Officer to maintain Medtronic stock equal to three (3) times annual salary. Unless noted otherwise by an equity grant agreement, you must retain 50% of the after-tax shares following settlement of equity compensation awards, including stock option exercises and performance/restricted stock vesting, until the stock ownership requirement is met.

Severance Eligibility
Your employment with Medtronic is "at will" and may be terminated at any time by Medtronic or by you. If your employment is terminated by the Company without Cause, as defined in the 2021 Stock Award and Incentive Plan, and you are otherwise eligible for benefits under the Medtronic Severance Pay Plan for Executives, subject to same terms and conditions of the Medtronic Severance Pay Plan for Executives, and contingent upon your signing and complying with a severance and release agreement, the Company shall pay or provide you with:

I. The amount of severance benefits equal to 24 months of your base salary and MIP (defined as the lesser of target or estimated actual); and
II. An amount equal to the product of (A) 24 and (B) the monthly premium for COBRA continuation coverage under the Company's medical, dental and vision plans.

Employee Agreement
The compensation and benefits provided in this Offer are contingent on you signing the Medtronic Employee Agreement, which specifies certain employment terms and conditions. That agreement is provided to you with this Offer Letter.

Offer Acceptance
Thierry, join us to collaborate boldly with others to tackle healthcare's greatest challenges and to help us achieve our Mission to alleviate pain, restore health and extend life for patients everywhere. Please review and direct any questions to either me or Matt Walter, Senior Vice President & Chief Human Resources Officer.

Sincerely,
image_2.jpg

Geoff Martha
Chairman and Chief Executive Officer cc: Matt Walter

I, Thierry Jean Louis Pieton, accept this offer of employment and agree to the terms and conditions outlined in this letter. I understand that the attached terms and conditions of employment apply and that I must also sign the attached Employee Agreement.

image_3.jpg

Exhibit 31.1

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 Quarterly Report on Form 10-Q 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.

November 26, 2024 February 25, 2025

/s/ Geoffrey S. Martha
Geoffrey S. Martha
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Gary Corona, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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.

November 26, 2024 February 25, 2025

/s/ Gary Corona

Gary Corona
Senior Vice President and
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of Chief Executive Officer
Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with this quarterly report on Form 10-Q of Medtronic plc for the quarter ended October 25, 2024 January 24, 2025, 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.

November 26, 2024 February 25, 2025

/s/ Geoffrey S. Martha

Geoffrey S. Martha

Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with this quarterly report on Form 10-Q of Medtronic plc for the quarter ended October 25, 2024 January 24, 2025, the undersigned hereby certifies, in his capacity as Interim 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.

November 26, 2024 February 25, 2025

/s/ Gary Corona

Gary Corona

Senior Vice President and
Interim Chief Financial Officer
(Principal Financial Officer)

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