

## Medtronic announces intent to separate diabetes business

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**Enables intense focus on highest margin growth drivers where Medtronic has leading core competencies**



Ireland-headquartered Medtronic plc, a global leader in healthcare technology, has announced its intent to separate its Diabetes business into a new standalone company (New Diabetes Company).

This strategic decision for both Medtronic and New Diabetes Company will create a more focused Medtronic, with a more simplified portfolio in high margin growth markets.

At the same time, it will create an independent, scaled leader in diabetes, focused on accelerating innovation and differentiated as the only company to commercialise a complete ecosystem to address intensive insulin management.

The separation is expected to be completed within 18 months through a series of capital markets transactions, with a preferred path of an initial public offering (IPO) and subsequent split-off. The separation is expected to unlock value for Medtronic and its shareholders, as it creates a New Diabetes Company shareholder base more aligned with its financial profile and is expected to be accretive to Medtronic gross margin, operating margin, and earnings per share (EPS).

The Diabetes business is currently a team of more than 8,000 employees worldwide, with a global commercial footprint and dedicated innovation, manufacturing, clinical, and quality systems. Que Dallara, current EVP and president of Medtronic Diabetes, will become CEO of New Diabetes Company.

The Diabetes business represented 8% of Medtronic revenue and 4% of Medtronic segment operating profit in fiscal year 2025.

This separation is expected to enable more focused investment into New Diabetes Company's pipeline, as well as manufacturing scale and automation, positioning the company for success in Automated Insulin Delivery and Smart MDI, while driving margin expansion over time. The independent New Diabetes Company will have a shareholder base aligned with its business and financial profile.