



Q3 2021 Highlights

October 27, 2021



Safe Harbor for Forward-Looking Statements and Use of Document:

Safe Harbor for forward-looking statements:

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by words like "anticipate," "expect," "project," "believe," "plan," "estimate," "intend" and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. These forward-looking statements include, among other things, statements regarding our expected net sales, reported, operational and organic revenue growth rates; reported and adjusted EPS for the fourth quarter and full year 2021; our financial performance; our business plans and product performance; and the impact of the COVID-19 pandemic on the company's results of operations. If our underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could vary materially from the expectations and projections expressed or implied by our forward-looking statements. These factors, in some cases, have affected and in the future (together with other factors) could affect our ability to implement our business strategy and may cause actual results to differ materially from those contemplated by the statements expressed in this press release. As a result, readers are cautioned not to place undue reliance on any of our forward-looking statements.

Factors that may cause such differences can be found in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed or to be filed with the Securities and Exchange Commission under the headings "Risk Factors" and "Safe Harbor for Forward-Looking Statements." Accordingly, you are cautioned not to place undue reliance on any of our forward-looking statements. We disclaim any intention or obligation to publicly update or revise any forward-looking statements to reflect any change in our expectations or in events, conditions, or circumstances on which they may be based, or that may affect the likelihood that actual results will differ from those contained in the forward-looking statements.

Non-GAAP Measures:

This document contains non-GAAP measures (denoted with *) in talking about our Company's performance. The reconciliations of those non-GAAP measures to their most comparable GAAP measures are contained within this document including appendices attached to the end of this presentation or in our earnings release.

Operational net sales growth excludes the impact of foreign currency fluctuations. Organic net sales growth excludes the impact of foreign currency fluctuations and net sales attributable to acquisitions and divestitures for which there are less than a full period of comparable net sales.

Emerging Markets:

We define Emerging Markets as the 20 countries that we believe have strong growth potential based on their economic conditions, healthcare sectors and our global capabilities. Periodically, we assess our list of Emerging Markets countries, and effective January 1, 2021, modified our list to include the following countries: Brazil, Chile, China, Colombia, Czech Republic, India, Indonesia, Malaysia, Mexico, Philippines, Poland, Russia, Saudi Arabia, Slovakia, South Africa, South Korea, Taiwan, Thailand, Turkey and Vietnam. We have revised prior period amounts to conform to the current year's presentation which had an immaterial impact on previously reported Emerging Markets net sales.

Medical Devices:

We have three historical reportable segments comprised of Medical Surgical (MedSurg), Rhythm and Neuro, and Cardiovascular, which represent an aggregation of our operating segments that generate revenues from the sale of medical devices (Medical Devices).

Specialty Pharmaceuticals

On March 1, 2021, we completed the sale of the Specialty Pharmaceuticals business. Our consolidated net sales include Specialty Pharmaceuticals up to the date of the closing of the transaction. Specialty Pharmaceuticals net sales were substantially U.S. based and presented as a stand-alone operating segment alongside our Medical Device reportable segments.

Use of Document:

This document contains certain highlights with respect to our third quarter 2021 performance and developments and does not purport to be a complete summary thereof. Accordingly, we encourage you to read our Earnings Release for the quarter ended September 30, 2021 located in the investor section of our website at www.bostonscientific.com and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 to be filed with the Securities and Exchange Commission.

Amounts reported in millions within this presentation are computed based on the amounts in thousands. As a result, the sum of the components reported in millions may not equal the total amount reported in millions due to rounding. Certain columns and rows within tables may not add due to the use of rounded numbers. Percentages presented are calculated from the underlying numbers in dollars.



Financial Highlights

- **Net sales growth:**
 - +10.3% as reported, +9.7% operational*, +10.6% organic* Y/Y
- **Earnings per share:**
 - GAAP: \$0.28 vs. \$(0.12) Q3:20
 - Adjusted*: \$0.41 vs. \$0.37 Q3:20
- **Gross margin:**
 - GAAP: 69.3%, +200 bps Y/Y
 - Adjusted*: 70.6%, +130 bps Y/Y
- **Operating margin:**
 - GAAP: 13.2%, +2,090 bps Y/Y
 - Adjusted*: 25.6%, +220 bps Y/Y
- **Q4 2021 guidance vs. Q4 2020:**
 - GAAP net sales growth: 13% - 17%
 - GAAP EPS: \$0.21 - \$0.23
 - Organic* net sales growth: 12% - 16%
 - Adjusted EPS*: \$0.43 - \$0.45
- **FY 2021 guidance vs. FY 2020:**
 - GAAP net sales growth: 19% - 20%
 - GAAP EPS: \$0.83 - \$0.85
 - Organic* net sales growth: 18% - 19%
 - Adjusted EPS*: \$1.60 - \$1.62

Operational Highlights

- Executed on capital allocation strategy of high-quality tuck-in adjacent M&A with the **completion of the Lumenis LTD., and Farapulse, Inc.** acquisitions, coupled with the announced **agreements to acquire Baylis Medical Company Inc. and Devoro Medical Inc.**
- In MedSurg, received FDA clearance for the **EXALT™ Model B Single-Use Bronchoscope**, and initiation of two clinical trials within Prostate health, furthering the body of clinical evidence for both **SpaceOAR Vue™ Hydrogel** and **Rezūm™**.
- In Rhythm Management, received Japanese Pharmaceuticals and Medical Devices Agency (PMDA) approval for and commenced the Japanese launch of the **POLARx™ Cryoablation System**.
- In Peripheral Interventions, initiated the HI-PEITHO clinical trial of the **EkoSonic™ Endovascular System (EKOS)**, for the treatment of acute, intermediate-high-risk pulmonary embolism, and presented a plethora of clinical data including:
 - Late-breaking clinical data from the **KNOCKOUT PE** registry at VIVA21, which reaffirmed the safety and efficacy of the **EKOS system**
 - Positive late-breaking clinical trial data for the **Eluvia™ Drug-Eluting Vascular Stent System** and the **Ranger™ Drug-Coated Balloon** at VIVA21; with the Eluvia stent exhibiting superiority compared to bare metal stents and the Ranger DCB demonstrating continued high rates of primary patency
 - Late-breaking results from the **EPOCH** clinical trial of the **TheraSphere™ Y-90 Glass Microspheres** at the European Society for Medical Oncology (ESMO) Congress 2021
- Positive real-world data supporting the next-generation **WATCHMAN FLX™ and legacy WATCHMAN™ Left Atrial Appendage Closure Devices** as alternatives to oral anticoagulation therapy for stroke risk reduction in people with non-valvular atrial fibrillation at Heart Rhythm 2021.



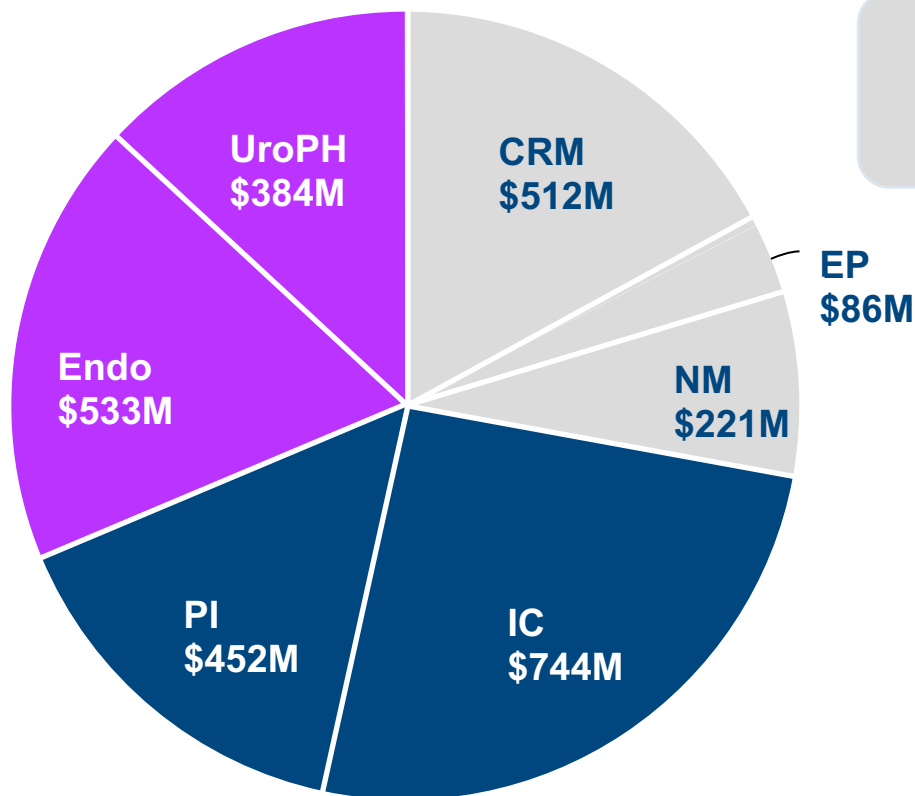
WW Net Sales by Segment and Business

Q3 2021 Reported Net Sales: \$2,932M

Net sales by Business; Segment Percentage of Total Net Sales

MedSurg
31%

**Rhythm and
Neuro**
28%





WW Net Sales Detail

Three Months Ended September 30, 2021 and 2020

<i>(in millions)</i>	Q3 2021	Q3 2020	As Reported Basis	Less: Impact of Foreign Currency Fluctuations	Operational Basis	Less: Impact of Recent Acquisitions / Divestitures	Organic Basis
ENDOSCOPY \$	533	\$ 475	12.1 %	0.6 %	11.4 %	— %	11.4 %
UROLOGY AND PELVIC HEALTH	384	350	9.9 %	0.5 %	9.4 %	2.8 %	6.6 %
MEDSURG	917	825	11.2 %	0.6 %	10.6 %	1.2 %	9.4 %
CARDIAC RHYTHM MANAGEMENT	512	465	10.1 %	0.5 %	9.6 %	9.9 %	(0.3)%
ELECTROPHYSIOLOGY	86	76	13.6 %	0.4 %	13.2 %	2.8 %	10.4 %
NEUROMODULATION	221	216	2.4 %	0.3 %	2.1 %	— %	2.1 %
RHYTHM AND NEURO	819	757	8.2 %	0.4 %	7.8 %	6.4 %	1.5 %
INTERVENTIONAL CARDIOLOGY	744	586	26.9 %	0.9 %	26.0 %	— %	26.0 %
PERIPHERAL INTERVENTIONS	452	416	8.8 %	0.7 %	8.1 %	— %	8.1 %
CARDIOVASCULAR	1,196	1,002	19.4 %	0.8 %	18.5 %	— %	18.5 %
MEDICAL DEVICES	2,932	2,584	13.5 %	0.6 %	12.8 %	2.2 %	10.6 %
SPECIALTY PHARMACEUTICALS	—	74	(100.0)	— %	(100.0)	(100.0)%	— %
WORLDWIDE NET SALES \$	\$ 2,932	\$ 2,659	10.3 %	0.6 %	9.7 %	(0.9)%	10.6 %

EMERGING MARKETS NET SALES	\$ 354	\$ 291	21.9 %	4.1 %	17.8 %
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EMERGING MARKETS NET SALES PERCENTAGE OF TOTAL BSC	12 %	12 %
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MEDICAL DEVICES NET SALES		
UNITED STATES SALES PERCENTAGE OF MEDICAL DEVICE NET SALES	59 %	59 %
INTERNATIONAL SALES PERCENTAGE OF MEDICAL DEVICE NET SALES	41 %	41 %



MedSurg Performance Summary

Measure (\$ in millions)	Q3 2021	Q3 2020	Change Y/Y
Reported Net Sales	\$917M	\$825M	+11.2%
Operating Margin \$	\$338M	\$307M	+10.2%
Operating Margin %	36.8%	37.2%	-40 bps

Q3 2021 Highlights

- **Endoscopy: Global net sales +12.1% as reported, +11.4% Y/Y operational* and organic***
 - Market leading portfolio continues to benefit from differentiated, innovative technology launches, including AXIOS™, Resolution™ Ultra hemostasis clip, and single-use scopes.
 - Received FDA clearance for EXALT™ Model B which is now available in both the U.S. and Europe, and continue to receive positive clinician feedback on image quality and suction.
- **Urology and Pelvic Health: Global net sales +9.9% as reported, +9.4% Y/Y operational*, +6.6% organic***
 - Strong growth led by double digit growth across the Prostate Health franchise with continued strength in both Rezūm™ and SpaceOAR™; excited to initiate the global SABRE clinical trial, which will examine the effectiveness of SpaceOAR Vue™ hydrogel in reducing late toxicity in patients receiving stereotactic body radiotherapy (SBRT) treatment for prostate cancer, as well as VAPEUR randomized clinical trial in France, which compares Rezūm™ to dual drug therapy for BPH.
 - Closed the acquisition of the Lumenis surgical business in September, expanding our category-leading Urology Portfolio with its differentiated laser technology.



Rhythm and Neuro Performance Summary

Measure (\$ in millions)	Q3 2021	Q3 2020	Change Y/Y
Reported Net Sales	\$819M	\$757M	+8.2%
Operating Margin \$	\$160M	\$165M	-3.3%
Operating Margin %	19.5%	21.9%	-240 bps

Q3 2021 Highlights

- Cardiac Rhythm Management: Global net sales +10.1% as reported, +9.6% Y/Y operational*, -0.3% organic***
 - Estimate Core CRM performance was below the overall market, but looking ahead, we anticipate continued stabilization in our Core CRM growth exiting 2021 and into early 2022, supported by S-ICD and our differentiated HeartLogic™ offering.
 - Recorded mid-single-digit sales growth vs. Q3:19 in S-ICD, and continue to be pleased with the performance of LUX-Dx™ ICM, and expect Preventice to deliver 20%+ growth for FY:21E on a pro forma basis, fueled by our broad and differentiated Ambulatory ECG portfolio.
- Electrophysiology: Global net sales +13.6% as reported, +13.2% Y/Y operational*, +10.4% organic***
 - Grew double digits vs. 2020 driven by above market international growth, headlined by the innovative portfolio including POLARx™, which was recently approved in Japan, and STABLEPOINT™, a novel force-sensing therapeutic catheter with DirectSense.
 - Closed the acquisition of Farapulse and announced the acquisition of Baylis Medical, which complements existing offerings and opportunities within other fast-growing areas of our portfolio (e.g., LAAC, mitral valve intervention) and further enhances category leadership with a novel approach to left-heart access; we expect to close this acquisition in Q1:22E.
- Neuromodulation: Global net sales +2.4% as reported, +2.1% Y/Y operational* and organic***
 - While underlying procedure volume was impacted by COVID-19 and the Delta variant, we continue to see excitement for our WaveWriter Alpha™ SCS system as well as the Cognita digital solution, which is a suite of pain practice management services customized to physicians' offices, surgery centers and hospitals.
 - Majority of accounts have transitioned to Vercise Genus™ and we continue to drive new account openings as physicians are pleased with the integrated platform and personalized therapy; we received approval for our Essential Tremor indication, and are excited to begin our limited launch in Q4: 2021; expanding our addressable market by \$2B.



Cardiovascular Performance Summary

Measure (\$ in millions)	Q3 2021	Q3 2020	Change Y/Y
Reported Net Sales	\$1,196M	\$1,002M	+19.4%
Operating Margin \$	\$361M	\$208M	+73.1%
Operating Margin %	30.2%	20.8%	+940 bps

Q3 2021 Highlights

- Interventional Cardiology: Global net sales +26.9% as reported, +26.0% Y/Y operational* and organic***
 - WATCHMAN™ franchise grew double digits, with continued positive physician sentiment supported by ongoing real world clinical evidence presented at HRS demonstrating high rates of effective closure and low rates of short-term complications post procedure.
 - ACURATE neo2™ continues to perform well in Europe, backed by strong real world clinical data, resulting in ~20% share in open accounts; momentum continues with SENTINEL™, our cerebral embolic protection device, which is exceeding 20% in U.S. utilization in open accounts.
 - Strong growth continued within Complex PCI and Imaging, particularly in ROTAPRO™ and IVUS™, and we are pleased to have just received FDA approval of AVVIGO™ II.
- Peripheral Interventions: Global net sales +8.8% as reported, +8.1% Y/Y operational* and organic***
 - Strong growth driven by all aspects of our category-leading portfolio as TheraSphere™ grew double-digits and saw continued momentum from the positive EPOCH trial data. Our drug-eluting portfolio grew double digits with positive late-breaking clinical data presented at VIVA, and within Venous, we continue to push forward the body of clinical evidence with the HI-PEITHO trial to compare EKOS + anticoagulation to anticoagulation alone.
 - Announced the acquisition of Devoro Medical WOLF Thrombectomy Platform, an innovative non-lytic technology designed to capture and extract blood clots in arterial and venous systems while minimizing blood loss; we are enthusiastic to close this acquisition in Q4:21E.



BSX: Q3:21 Net Sales vs. 2020 and 2019

	Q3:21 Sales	Organic* Growth	
		vs Q3:20	vs Q3:19
Endoscopy	\$533M	11%	8%
UroPH	\$384M	7%	6%
CRM	\$512M	—%	(4)%
EP	\$86M	10%	2%
NM	\$221M	2%	(1)%
IC	\$744M	26%	5%
PI	\$452M	8%	9%
Total Company	\$2,932M	11%	4%

Organic net sales growth excludes the impact of acquisitions and divestitures for which there are less than a full period of comparable period net sales.

Q3 2021 organic growth vs. 2020 excludes:

- Preventice Solutions, Inc., acquired March 1, 2021
- BTG Specialty Pharmaceuticals, divested March 1, 2021
- Farapulse, Inc., acquired August 2021
- Lumenis LTD., acquired September 1, 2021

Q3 2021 organic growth vs. 2019 excludes:

- Preventice Solutions, Inc., acquired March 1, 2021
- BTG Interventional Medicine, acquired mid-August 2019
- BTG Specialty Pharmaceuticals, acquired mid-August 2019, divested Mar 1, 2021
- Global embolic microspheres portfolio, divested in mid-August 2019
- Intrauterine health franchise, divested Q2 2020
- Farapulse, Inc., acquired August 2021
- Lumenis LTD., acquired September 1, 2021



Living Our Values: ESG Update

Taking Action for a Healthier World

“We are committing to ambitious science-based targets that will build on our current climate goals and put us on a trajectory to achieve net-zero emissions across our entire value chain by 2050.”

Mike Mahoney, Chairman and CEO

RACE TO ZERO

Democratizing Access to Care with Digital Health

Hosted Connected Patient Challenge where participants developed ideas for digital solutions that can close health care disparities gap.

Kalia Health was selected as this year's first-place winner. Kalia Health is developing a home-based early detection test for preeclampsia.



Saken Khokhar to Lead Diversity Alliance for Science

Since 2017, Boston Scientific has increased partnerships with small and diverse businesses by more than 200% and has spent approximately \$1.9 billion on the services of diverse suppliers.



Saken Khokhar, Supplier Diversity Manager

“The reason it is important for life science companies to work with Black businesses is because of the win-win component that happens when we work together,” says Reggie Ware, CEO, BlackDoctor.org.

Q3 AWARDS

Newsweek's 100 Most Loved Workplaces

Forbes Best Employer for Women

Fast Company's Best Workplaces for Innovators



Income Statement Information

Non-GAAP Reconciliation

Three Months Ended September 30, 2021 (unaudited)

Boston
Scientific

<i>in millions, except per share data</i>	GAAP Results	Amortization Expense	Intangible Asset Impairment Charges	Acquisition / Divestitures-Related Net Charges (Credits)	Restructuring and Restructuring-Related Net Charges (Credits)	Litigation-Related Net Charges (Credits)	Investment Portfolio Net Losses (Gains)	EU MDR Implementation Costs	Deferred Tax Expenses (Benefits)	Discrete Tax Items	Adjusted** Results
Net sales	\$ 2,932	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,932
Cost of products sold	900	—	—	12	19	—	—	9	—	—	861
Gross profit	2,032	—	—	(12)	(19)	—	—	(9)	—	—	2,071
<i>Gross margin</i>	69.3 %										70.6 %
Selling, general and administrative expenses	1,066	—	—	28	16	—	—	—	—	—	1,022
<i>SG&A as a percentage of sales</i>	36.4 %										34.8 %
Research and development expenses	310	—	—	19	—	—	—	4	—	—	287
<i>R&D as a percentage of sales</i>	10.6 %										9.8 %
Royalty expense	14	—	—	—	—	—	—	—	—	—	14
<i>Royalty expense as a percentage of sales</i>	0.5 %										0.5 %
Amortization expense	184	184	—	—	—	—	—	—	—	—	—
Intangible asset impairment charges	128	—	128	—	—	—	—	—	—	—	—
Contingent consideration expense (benefit)	(26)	—	—	(26)	—	—	—	—	—	—	—
Restructuring charges (credits)	9	—	—	—	9	—	—	—	—	—	—
Gain/loss on divestitures	(40)	—	—	(40)	—	—	—	—	—	—	—
Litigation-related net charges (credits)	—	—	—	—	—	—	—	—	—	—	—
	1,645	184	128	(19)	26	—	—	4	—	—	1,322
Operating income (loss)	387	(184)	(128)	7	(44)	—	—	(13)	—	—	750
<i>Operating margin</i>	13.2 %										25.6 %
Other income (expense):											
Interest expense	(86)	—	—	—	—	—	—	—	—	—	(86)
Other, net	181	—	—	225	—	—	(26)	—	—	—	(18)
Income (loss) before taxes	483	(184)	(128)	232	(44)	—	(26)	(13)	—	—	646
Income tax expense (benefit)	64	(16)	(19)	2	(5)	—	(8)	(1)	43	17	51
Net income (loss)	419	(168)	(109)	230	(39)	—	(19)	(12)	(43)	(17)	595
Preferred stock dividends	(14)	—	—	—	—	—	—	—	—	—	(14)
Net income (loss) available to common stockholders	\$ 405	\$ (168)	\$ (109)	\$ 230	\$ (39)	\$ —	\$ (19)	\$ (12)	\$ (43)	\$ (17)	\$ 581
Net income (loss) per diluted common share	\$ 0.28	\$ (0.12)	\$ (0.08)	\$ 0.16	\$ (0.03)	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ 0.41
Weighted average diluted shares outstanding	1,435.6	1,435.6	1,435.6	1,435.6	1,435.6	1,435.6	1,435.6	1,435.6	1,435.6	1,435.6	1,435.6

For the three months ended September 30, 2021, the effect of assuming the conversion of Mandatory Convertible Preferred Stock (MCPS) into shares of common stock was anti-dilutive, and therefore excluded from the calculation of EPS. Accordingly, GAAP net income and adjusted net income were reduced by cumulative Preferred stock dividends, as presented in our unaudited condensed consolidated statements of operations, for purposes of calculating net income available to common stockholders.



Income Statement Information

Non-GAAP Reconciliation

Nine Months Ended September 30, 2021 (unaudited)

Boston
Scientific

<i>in millions, except per share data</i>	GAAP Results	Amortization Expense	Intangible Asset Impairment Charges	Acquisition / Divestitures-Related Net Charges (Credits)	Restructuring and Restructuring -Related Net Charges (Credits)	Litigation-Related Net Charges (Credits)	Investment Portfolio Net Losses (Gains)	EU MDR Implementation Costs	Deferred Tax Expenses (Benefits)	Discrete Tax Items	Adjusted** Results
Net sales	\$ 8,761	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8,761
Cost of products sold	2,739	—	—	33	59	—	—	24	—	—	2,624
Gross profit	6,022	—	—	(33)	(59)	—	—	(24)	—	—	6,138
<i>Gross margin</i>	68.7 %										70.1 %
Selling, general and administrative expenses	3,206	—	—	80	56	—	—	—	—	—	3,070
<i>SG&A as a percentage of sales</i>	36.6 %										35.0 %
Research and development expenses	884	—	—	34	—	—	—	12	—	—	839
<i>R&D as a percentage of sales</i>	10.1 %										9.6 %
Royalty expense	38	—	—	—	—	—	—	—	—	—	38
<i>Royalty expense as a percentage of sales</i>	0.4 %										0.4 %
Amortization expense	549	549	—	—	—	—	—	—	—	—	—
Intangible asset impairment charges	173	—	173	—	—	—	—	—	—	—	—
Contingent consideration expense (benefit)	(117)	—	—	(117)	—	—	—	—	—	—	—
Restructuring charges (credits)	18	—	—	—	18	—	—	—	—	—	—
Gain/loss on divestitures	(48)	—	—	(48)	—	—	—	—	—	—	—
Litigation-related net charges (credits)	302	—	—	—	—	302	—	—	—	—	—
Operating income (loss)	5,003	549	173	(52)	74	302	—	12	—	—	3,946
<i>Operating margin</i>	11.6 %										25.0 %
Other income (expense):											
Interest expense	(254)	—	—	—	—	—	—	—	—	—	(254)
Other, net	192	—	—	425	—	—	(178)	—	—	—	(54)
Income (loss) before taxes	957	(549)	(173)	444	(133)	(302)	(178)	(35)	—	—	1,883
Income tax expense (benefit)	10	\$ (53)	\$ (25)	\$ (5)	\$ (15)	\$ (69)	\$ (43)	(3)	86	(21)	158
Net income (loss)	\$ 946	\$ (496)	\$ (148)	\$ 449	\$ (118)	\$ (233)	\$ (136)	\$ (32)	\$ (86)	\$ 21	\$ 1,725
Preferred stock dividends	\$ (42)										\$ (42)
Net income (loss) available to common stockholders	\$ 905	\$ (496)	\$ (148)	\$ 449	\$ (118)	\$ (233)	\$ (136)	\$ (32)	\$ (86)	\$ 21	\$ 1,683
Net income (loss) per diluted common share	\$ 0.63	\$ (0.35)	\$ (0.10)	\$ 0.31	\$ (0.08)	\$ (0.16)	\$ (0.09)	\$ (0.02)	\$ (0.06)	\$ 0.01	\$ 1.17
Weighted average diluted shares outstanding	1,433.0	1,433.0	1,433.0	1,433.0	1,433.0	1,433.0	1,433.0	1,433.0	1,433.0	1,433.0	1,433.0

For the nine months ended September 30, 2021, the effect of assuming the conversion of Mandatory Convertible Preferred Stock (MCPS) into shares of common stock was anti-dilutive, and therefore excluded from the calculation of EPS. Accordingly, GAAP net income and adjusted net income were reduced by cumulative Preferred stock dividends, as presented in our unaudited condensed consolidated statements of operations, for purposes of calculating net income available to common stockholders.



Balance Sheet & Cash Flow Metrics

Days Sales Outstanding (DSO)

Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020
52	50	53	52	55

Adjusted Free Cash Flow*

Q3 2021	Q3 2020
\$525M	\$870M

Days Inventory on Hand (DIOH)

Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020
164	138	142	124	156

Capital Expenditures

Q3 2021	Q3 2020
\$108M	\$49M



Use of Non-GAAP Measures

To supplement Boston Scientific's consolidated financial statements presented on a GAAP basis, the Company discloses certain non-GAAP financial measures. These measures are not in accordance with generally accepted accounting principles in the United States.

A reconciliation of these measures to the corresponding GAAP measures follows in the Appendix. In addition, an explanation of the ways in which Boston Scientific management uses these supplemental non-GAAP measures to evaluate its business and the substantive reasons why Boston Scientific management believes that these measures provide useful information to investors is included under "Use of Non-GAAP Financial Measures" in the company's most recent earnings release filed with the SEC on Form 8-K. This information is not meant to be considered in isolation from or as a substitute for financial information prepared in accordance with GAAP.



Appendix A

Sales Detail



Appendix A - Sales Detail

Three Months Ended September 30, 2021 and 2020

(in millions)	Q3 2021	Q3 2020	Year-over-Year Change		
			Reported Basis	Less: Impact of Foreign Currency Fluctuations	Operational Basis
MEDSURG SEGMENT:					
ENDOSCOPY					
UNITED STATES	\$ 306	\$ 270	13.2 %	— %	13.2 %
INTERNATIONAL	227	205	10.6 %	1.5 %	9.1 %
WORLDWIDE	\$ 533	\$ 475			
UROLOGY AND PELVIC HEALTH					
UNITED STATES	\$ 275	\$ 251	9.8 %	— %	9.8 %
INTERNATIONAL	109	99	10.2 %	1.9 %	8.4 %
WORLDWIDE	\$ 384	\$ 350			
RHYTHM AND NEURO SEGMENT:					
CARDIAC RHYTHM MANAGEMENT					
UNITED STATES	\$ 312	\$ 275	13.5 %	— %	13.5 %
INTERNATIONAL	199	190	5.0 %	1.1 %	3.9 %
WORLDWIDE	\$ 512	\$ 465			
ELECTROPHYSIOLOGY					
UNITED STATES	\$ 32	\$ 33	(2.8)%	— %	(2.8)%
INTERNATIONAL	55	43	26.0 %	0.7 %	25.3 %
WORLDWIDE	\$ 86	\$ 76			
NEUROMODULATION					
UNITED STATES	\$ 175	\$ 176	(0.1)%	— %	(0.1)%
INTERNATIONAL	46	41	13.0 %	1.7 %	11.3 %
WORLDWIDE	\$ 221	\$ 216			
CARDIOVASCULAR SEGMENT:					
INTERVENTIONAL CARDIOLOGY					
UNITED STATES	\$ 376	\$ 255	47.6 %	— %	47.6 %
INTERNATIONAL	368	331	11.0 %	1.6 %	9.4 %
WORLDWIDE	\$ 744	\$ 586			
PERIPHERAL INTERVENTIONS					
UNITED STATES	\$ 250	\$ 236	5.9 %	— %	5.9 %
INTERNATIONAL	202	179	12.5 %	1.7 %	10.9 %
WORLDWIDE	\$ 452	\$ 416			
SPECIALTY PHARMACEUTICALS:					
UNITED STATES	\$ —	\$ 65	(100.0)%	— %	(100.0)
INTERNATIONAL	—	10	— %	— %	—
WORLDWIDE	\$ —	\$ 74			



Appendix A - Sales Detail

Nine Months Ended September 30, 2021 and 2020

(in millions)	2021	2020	Year-over-Year Change		
			As Reported Basis	Less: Impact of Foreign Currency Fluctuations	Operational Basis
MEDSURG SEGMENT:					
ENDOSCOPY					
UNITED STATES	\$ 902	\$ 715	26.1 %	— %	26.1 %
INTERNATIONAL	681	550	23.8 %	5.7 %	18.1 %
WORLDWIDE	\$ 1,583	\$ 1,265			
UROLOGY AND PELVIC HEALTH					
UNITED STATES	\$ 817	\$ 650	25.6 %	— %	25.6 %
INTERNATIONAL	325	260	25.2 %	6.1 %	19.0 %
WORLDWIDE	\$ 1,142	\$ 910			
RHYTHM AND NEURO SEGMENT:					
CARDIAC RHYTHM MANAGEMENT					
UNITED STATES	\$ 903	\$ 738	22.3 %	— %	22.3 %
INTERNATIONAL	603	515	17.0 %	5.8 %	11.2 %
WORLDWIDE	\$ 1,505	\$ 1,253			
ELECTROPHYSIOLOGY					
UNITED STATES	\$ 96	\$ 86	11.1 %	— %	11.1 %
INTERNATIONAL	169	116	46.4 %	6.1 %	40.3 %
WORLDWIDE	\$ 265	\$ 202			
NEUROMODULATION					
UNITED STATES	\$ 520	\$ 426	22.2 %	— %	22.2 %
INTERNATIONAL	145	103	40.4 %	8.3 %	32.1 %
WORLDWIDE	\$ 666	\$ 529			
CARDIOVASCULAR SEGMENT:					
INTERVENTIONAL CARDIOLOGY					
UNITED STATES	\$ 1,117	\$ 741	50.7 %	— %	50.7 %
INTERNATIONAL	1,113	973	14.4 %	4.7 %	9.7 %
WORLDWIDE	\$ 2,230	\$ 1,714			
PERIPHERAL INTERVENTIONS					
UNITED STATES	\$ 748	\$ 649	15.3 %	— %	15.3 %
INTERNATIONAL	609	499	22.2 %	5.1 %	17.1 %
WORLDWIDE	\$ 1,358	\$ 1,148			
SPECIALTY PHARMACEUTICALS:					
UNITED STATES	\$ 10	\$ 162	(94.1)%	— %	(94.1)%
INTERNATIONAL	4	21	(82.1)%	— %	(82.1)%
WORLDWIDE	\$ 13	\$ 183			



Appendix B

Income Statement Information



Appendix B - Income Statement Information

Margins

	Three Months Ended		
	9/30/2021	9/30/2020	Basis Points Change
Adjusted Gross Margin			
Gross Margin, as reported	69.3 %	67.3 %	200
Less: Non-GAAP adjustments	(1.3)%	(2.0)%	
Adjusted Gross Margin	70.6 %	69.3 %	130

	Three Months Ended		
	9/30/2021	9/30/2020	Basis Points Change
Adjusted Operating Margin			
Operating Margin, as reported	13.2 %	(7.7)%	2,090
Less: Non-GAAP adjustments	(12.4)%	(31.1)%	
Adjusted Operating Margin	25.6 %	23.4 %	220

	Three Months Ended		
	9/30/2021	9/30/2020	Basis Points Change
Adjusted SG&A as a percentage of Sales			
SG&A as a percentage of Sales, as reported	36.4 %	37.0 %	(60)
Less: Non-GAAP adjustments	1.6 %	1.1 %	
Adjusted SG&A as a percentage of Sales	34.8 %	35.9 %	(110)

	Three Months Ended
	9/30/2021
Adjusted Tax Rate	
Tax Rate, as reported	13.2 %
Less: Non-GAAP adjustments	5.4 %
Adjusted Tax Rate	7.8 %

	FY 2021
	Estimated Tax Rate
Tax Rate, as reported	8 %
Less: Non-GAAP adjustments	(1)%
Adjusted Tax Rate	9 %
Less: Discrete tax items	(1)%
Operational Tax Rate	10 %



Appendix B - Income Statement Information

Segment Operating Income

Note: We measure and evaluate our reportable segments based on net sales of reportable segments, operating income of reportable segments, excluding intersegment profits, and operating income of reportable segments as a percentage of net sales of reportable segments. Operating income of reportable segments as a percentage of net sales of reportable segments is defined as operating income of reportable segments divided by net sales of reportable segments. We exclude from operating income of reportable segments certain corporate-related expenses and certain transactions or adjustments that our chief operating decision maker (CODM) considers to be non-operational, such as amounts related to amortization expense, goodwill and other intangible asset impairment charges, acquisition/divestiture-related net charges (credits), restructuring and restructuring-related net charges (credits); and certain litigation-related net charges (credits) and European Union (EU) Medical Device Regulation (MDR) implementation costs. Although we exclude these amounts from operating income of reportable segments, they are included in reported *Income (loss) before income taxes* in our accompanying unaudited consolidated statements of operations and are included in the reconciliation below.

SEGMENT NET SALES (dollars in millions)	Q3 2021	Q3 2020
MedSurg	\$ 917	\$ 825
Rhythm & Neuro	819	757
Cardiovascular	1,196	1,002
Total net sales of reportable segments (Medical Devices)	2,932	2,584
All other (Specialty Pharmaceuticals)	—	74
Consolidated net sales	\$ 2,932	\$ 2,659

SEGMENT OPERATING INCOME (dollars in millions)	Q3 2021	% of Segment Sales	Q3 2020	% of Segment Sales	YoY Change (%)	YoY Change (bps)	Less: Fx Impact	YoY Change, excl. Fx
MedSurg	\$ 338	36.8 %	\$ 307	37.2 %	(0.3)%	-33	0.3%	(0.6)%
Rhythm & Neuro	160	19.5 %	165	21.9 %	(2.3)%	-233	0.5%	(2.8)%
Cardiovascular	361	30.2 %	208	20.8 %	9.4 %	936	0.4%	9.0%
Total operating income of reportable segments (Medical Devices)	859		680					
All other (Specialty Pharmaceuticals)	—		49					
Unallocated amounts:								
Corporate expenses, including hedging activities	(109)		(108)					
Intangible asset impairment charges, acquisition/divestiture-related net charges (credits), restructuring and restructuring-related net charges (credits), and certain litigation-related net charges (credits) and EU MDR implementation costs	(178)		(629)					
Amortization expense	(184)		(197)					
Operating income (loss)	\$ 387		\$ (205)					



Appendix C

Additional Non-GAAP Reconciliations



Appendix C - Additional Reconciliations

Adjusted Free Cash Flow

<i>in millions</i>	Three Months Ended	
	9/30/2021	9/30/2020
Adjusted Free Cash Flow		
Operating cash flow, reported	\$ 465	\$ 643
Less: Purchases of property, plant and equipment	108	49
Plus: Proceeds on disposals of property, plant and equipment	2	2
Free Cash Flow	359	595
Plus: Restructuring and restructuring-related payments	40	25
Plus: Acquisition-related payments	57	41
Plus: EU medical device regulation payments	13	8
Plus: Special tax payments (refunds/credits)	(11)	160
Plus: Litigation-related settlements	68	41
Adjusted Free Cash Flow	\$ 525	\$ 870



Appendix C - Additional Reconciliations

Q3 2021 vs. Q3 2019 Net Sales	Q3 2021	Q3 2019 [†]	Reported Growth	Less: Impact of foreign currency fluctuations & recent acquisitions/divestitures	Organic Growth
Endoscopy	\$ 533	486	10 %	1 %	8 %
Urology and Pelvic Health	384	359	7 %	1 %	6 %
Cardiac Rhythm Management	512	478	7 %	11 %	(4)%
Electrophysiology	86	81	7 %	5 %	2 %
Neuromodulation	221	222	— %	1 %	(1)%
Interventional Cardiology	744	700	6 %	1 %	5 %
Peripheral Interventions	452	358	26 %	17 %	9 %
Specialty Pharmaceuticals [†]	—	23	n/a	n/a	n/a
Total Company	\$ 2,932	\$ 2,707	8 %	4 %	4 %

[†] In the third quarter of 2019, we presented Interventional Medicine and Specialty Pharmaceuticals together as "BTG Acquisition" and outside of our operating and reportable segments net sales. Following the integration of BTG, we now include Interventional Medicine business within our Peripheral Interventions operating segment, within the Cardiovascular reportable segment. On March 1, 2021, we completed the sale of the Specialty Pharmaceuticals business. Specialty Pharmaceuticals net sales were substantially U.S. based and presented as a stand-alone operating segment alongside our Medical Device reportable segments.



Appendix C - Additional Reconciliations

Q4 and Full Year 2021 Estimated Net Sales Growth vs. 2019	Q4 2021 Estimate vs. Q4 2019		Full Year 2021 Estimate vs. Full Year 2019	
	(Low)	(High)	(Low)	(High)
Reported sales growth	5 %	9 %	10 %	11 %
Less: Impact of foreign currency fluctuations & certain acquisitions/divestitures	1 %	1 %	5 %	5 %
Organic sales growth	<u>4 %</u>	<u>8 %</u>	<u>5 %</u>	<u>6 %</u>

Coronary Therapies Net Sales Growth vs. 2020	Three Months Ended September 30
Net sales growth, as reported	9 %
Less: Impact of foreign currency fluctuations	1 %
Net sales growth, operational	<u>8 %</u>

China Net Sales Growth vs. 2020	Three Months Ended September 30
Net sales growth, as reported	22 %
Less: Impact of foreign currency fluctuations	8 %
Net sales growth, operational	<u>14 %</u>



BSX: Acronym Reference Guide

BPH	Benign Prostatic Hyperplasia
CRM	Cardiac Rhythm Management
DCB	Drug-Coated Balloon
ECG	Electrocardiogram
ICM	Insertable Cardiac Monitor
LAAC	Left Atrial Appendage Closure
PE	Pulmonary Embolism
SBRT	Stereotactic Body Radiotherapy
S-ICD	Subcutaneous Implantable Defibrillator
SCS	Spinal Cord Stimulation
TAVR	Transcatheter Aortic Valve Replacement