



Q4 2021 Highlights

February 2, 2022



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 first quarter and full year 2022; 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 Form 10-K and Forms 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 fourth quarter 2021 performance and developments and does not purport to be a complete summary of thereof. Accordingly, we encourage you to read our Earnings Release for the quarter ended December 31, 2021 located in the investor section of our website at www.bostonscientific.com and our Annual Report on Form 10-K for the year ended December 31, 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.



Q4 2021 Highlights

Financial Results

- **Net sales growth:**
 - +15.4% as reported, +16.9% operational*, +15.1% organic* Y/Y
- **Earnings per share:**
 - GAAP: \$0.06 vs. \$0.14 Q4:20
 - Adjusted*: \$0.45 vs. \$0.23 Q4:20
- **Gross margin:**
 - GAAP: 68.9%, +580 bps Y/Y
 - Adjusted*: 70.9%, +600 bps Y/Y
- **Operating margin:**
 - GAAP: 5.8%, +390 bps Y/Y
 - Adjusted*: 26.2%, +790 bps Y/Y
- **Q1 2022 guidance:**
 - GAAP net sales growth vs. Q1 2021: 5% - 8%
 - GAAP EPS: \$0.16 - \$0.20
 - Organic* net sales growth vs. Q1 2021: 5% - 8%
 - Adjusted EPS*: \$0.38 - \$0.40
- **FY 2022 guidance:**
 - GAAP net sales growth vs. 2021: 6% - 8%
 - GAAP EPS: \$0.94 - \$1.04
 - Organic* net sales growth vs. 2021: 6% - 8%
 - Adjusted EPS*: \$1.73 - \$1.79

Operational Highlights

- Initiated the **MODULAR ATP** clinical trial to evaluate the safety, performance and effectiveness of the mCRM™ Modular Therapy System, a dual track study intended to work together to coordinate therapy: the **EMBLEM™ MRI Subcutaneous Implantable Defibrillator System** and the **EMPOWER™ Modular Pacing System**, designed to be the first leadless pacemaker capable of delivering bradycardia pacing support and ATP.
- Presented positive late-breaking two-year clinical trial data on the COMBO randomized control trial at the 2022 NANS meeting demonstrating the durable effectiveness of the **WaveWriter™ Spinal Cord Stimulator (SCS) System**.
- Completed acquisition of Devoro Medical Inc., developer of the **WOLF Thrombectomy® Platform**, complementing the company's full suite of interventional strategies for thromboemboli.
- Commenced limited market release and completed the first in-human use cases of the **AXIOS™ Stent** in China.
- 2022 BCLC prognosis and treatment strategy guidelines for hepatocellular carcinoma (HCC) updated to include transarterial radioembolization (Y-90) which encompasses **TheraSphere™ Y-90 Glass Microspheres**, for very early stage (0) and early stage (A) patients.



WW Net Sales by Segment and Business

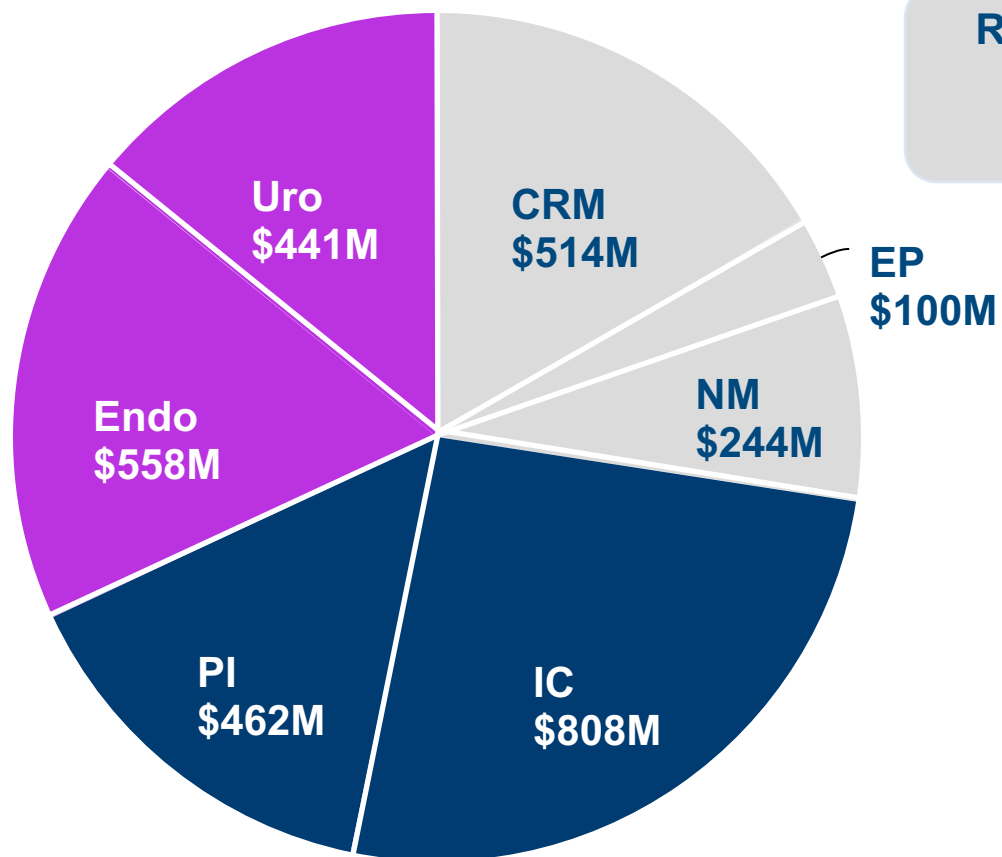
Q4 2021 Reported Revenue: \$3,127M

Revenue by Business; Segment Percentage of Total Sales

MedSurg
32%

**Rhythm and
Neuro**
27%

Cardiovascular
41%





WW Net Sales Detail

Three Months Ended December 31, 2021 and 2020

(in millions)	Q4 2021	Q4 2020	As Reported Basis	Year-over-Year Change			Organic Basis
				Less: Impact of Foreign Currency Fluctuations	Operational Basis	Less: Impact of Recent Acquisitions / Divestitures	
ENDOSCOPY \$	558	\$ 515	8.3 %	(1.5)%	9.8 %	— %	9.8 %
UROLOGY AND PELVIC HEALTH	441	376	17.2 %	(0.8)%	18.0 %	9.2 %	8.7 %
MEDSURG	999	892	12.1 %	(1.2)%	13.3 %	3.9 %	9.4 %
CARDIAC RHYTHM MANAGEMENT	514	451	14.0 %	(1.5)%	15.5 %	11.0 %	4.5 %
ELECTROPHYSIOLOGY	100	85	18.1 %	(2.8)%	20.9 %	5.3 %	15.6 %
NEUROMODULATION	244	232	5.2 %	(0.6)%	5.8 %	— %	5.8 %
RHYTHM AND NEURO	858	767	11.8 %	(1.4)%	13.2 %	7.0 %	6.1 %
INTERVENTIONAL CARDIOLOGY	808	585	38.2 %	(1.9)%	40.1 %	— %	40.1 %
PERIPHERAL INTERVENTIONS	462	429	7.6 %	(1.4)%	9.0 %	— %	9.0 %
CARDIOVASCULAR	1,270	1,014	25.3 %	(1.7)%	27.0 %	— %	27.0 %
MEDICAL DEVICES	3,127	2,673	17.0 %	(1.4)%	18.4 %	3.3 %	15.1 %
SPECIALTY PHARMACEUTICALS	—	36	(100.0)%	— %	(100.0)%	(100.0)%	— %
WORLDWIDE NET SALES	\$ 3,127	\$ 2,708	15.4 %	(1.4)%	16.9 %	1.8 %	15.1 %

EMERGING MARKETS NET SALES	398	306	30.2 %	(1.4)%	31.6 %
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EMERGING MARKETS NET SALES PERCENTAGE OF TOTAL BSC	13 %	13 %
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MEDICAL DEVICES NET SALES		
UNITED STATES SALES PERCENTAGE OF MEDICAL DEVICE NET SALES	58 %	57 %
INTERNATIONAL SALES PERCENTAGE OF MEDICAL DEVICE NET SALES	42 %	43 %



WW Net Sales Detail

Year Ended December 31, 2021 and 2020

(in millions)	YTD 2021	YTD 2020	As Reported Basis	Year-over-Year Change				
				Less: Impact of Foreign Currency Fluctuations	Operational Basis	Less: Impact of Recent Acquisitions / Divestitures	Organic Basis	
ENDOSCOPY \$	2,141	\$ 1,780	20.3 %	1.3 %	18.9 %	— %	18.9 %	
UROLOGY AND PELVIC HEALTH	1,583	1,286	23.1 %	1.0 %	22.1 %	2.8 %	19.2 %	
MEDSURG	3,724	3,066	21.4 %	1.2 %	20.2 %	1.2 %	19.0 %	
CARDIAC RHYTHM MANAGEMENT	2,019	1,704	18.5 %	1.4 %	17.1 %	9.5 %	7.7 %	
ELECTROPHYSIOLOGY	365	287	27.4 %	1.6 %	25.8 %	2.3 %	23.5 %	
NEUROMODULATION	909	761	19.5 %	0.9 %	18.6 %	— %	18.6 %	
RHYTHM AND NEURO	3,293	2,752	19.7 %	1.3 %	18.4 %	6.1 %	12.3 %	
INTERVENTIONAL CARDIOLOGY	3,038	2,299	32.2 %	1.5 %	30.7 %	0.0 %	30.7 %	
PERIPHERAL INTERVENTIONS	1,820	1,577	15.4 %	1.2 %	14.2 %	— %	14.2 %	
CARDIOVASCULAR	4,858	3,876	25.3 %	1.4 %	23.9 %	0.0 %	23.9 %	
MEDICAL DEVICES	11,875	9,694	22.5 %	1.3 %	21.2 %	2.1 %	19.1 %	
SPECIALTY PHARMACEUTICALS	13	219	(93.9)%	0.1 %	(94.0)%	(49.6)%	(44.4)%	
WORLDWIDE NET SALES	\$ 11,888	\$ 9,913	19.9 %	1.3 %	18.7 %	(0.3)%	18.9 %	

EMERGING MARKETS NET SALES	1,429	1,138	25.5 %	3.2 %	22.3 %
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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	58 %	59 %
INTERNATIONAL SALES PERCENTAGE OF MEDICAL DEVICE NET SALES	42 %	41 %



MedSurg Performance Summary

Measure (\$ in millions)	Q4 2021	Q4 2020	Change Y/Y
Reported Revenue	\$999M	\$892M	+12.1%
Operating Income	\$366M	\$340M	+8%
Operating Income Margin	36.6%	38.2%	-160 bps

Q4 + FY 2021 Highlights

- **Endoscopy: Global revenue +8.3% as reported, +9.8% operational*/organic***
 - Strong growth across all regions and franchises fueled by the market leading portfolio and innovative product launches, propelling the Endoscopy business to achieve full year 2021 sales of over \$2B.
 - Excited about the growth opportunity across our Single-Use-Imaging portfolio including Spyglass™ DS, EXALT™ Model D, EXALT™ Model B, and SpyGlass™ Discover.
- **Urology and Pelvic Health: Global revenue +17.2% as reported, +18.0% operational*, +8.7% organic***
 - Strong growth within the quarter led by the Prostate Health franchise with continued strength in both Rezūm™ and SpaceOAR™; pleased with the 2022 improved reimbursement for the ASC and hospital out-patient setting for Rezūm™.
 - Continue to progress with integration efforts of our Lumenis acquisition and excited about our category leading Urology portfolio with its differentiated laser technology in 2022 and beyond.



Rhythm and Neuro Performance Summary

Measure (\$ in millions)	Q4 2021	Q4 2020	Change Y/Y
Reported Revenue	\$858M	\$767M	+11.8%
Operating Income	\$131M	\$142M	-8%
Operating Income Margin	15.3%	18.6%	-330 bps

Q4 + FY 2021 Highlights

- **Cardiac Rhythm Management: Global revenue +14.0% as reported, +15.5% operational*, +4.5% organic***
 - Q4 Core CRM performance likely in line with market with our High Voltage franchise growth anticipated to be in line with market, aided by sequential improvement in S-ICD, and our low voltage franchise growth in line with market.
 - Preventice business grew 20% on a FY:21 pro forma basis, enabled by our differentiated portfolio and strong execution.
- **Electrophysiology: Global revenue +18.1% as reported, +20.9% operational*, +15.6% organic***
 - Double digit, full year growth versus 2020 driven by above market international growth, fueled by the innovative portfolio including POLARx™, STABLEPOINT™, and Farapulse™.
 - Our Farapulse™ launch in Europe continues to go well, with physicians excited about the safety and ease of use of the technology.
- **Neuromodulation: Global revenue +5.2% as reported, +5.8% operational*/organic***
 - Continue to gain share despite COVID impacting procedure volumes, with strong demand for Wavewriter Alpha™ SCS system and ongoing clinical evidence resulting in a full year SCS growth rate of over 20% vs. 2020.
 - Within Brain, while COVID was a factor, we continue to enhance our portfolio and are expanding our Vercise Genus offering in 2022 in partnership with Brainlab.



Cardiovascular Performance Summary

Measure (\$ in millions)	Q4 2021	Q4 2020	Change Y/Y
Reported Revenue	\$1,270M	\$1,014M	+25.3%
Operating Income	\$330M	\$68M	+384%
Operating Income Margin	26.0%	6.7%	+1,930 bps

Q4 + FY 2021 Highlights

- **Interventional Cardiology: Global revenue +38.2% as reported, +40.1% operational*/organic***
 - Achieved the highest quarterly sales results for ACURATE neo2™, SENTINEL™, and the Safari guidewire. ACURATE neo2™ continues to perform well, resulting in Q4 market share of over 10%, approaching ~20% share in open accounts.
 - Strength in full year performance with broad and innovative Complex PCI portfolio, including the recent launch of our AVVIGO™ II guidance system in the U.S.
 - Watchman franchise achieved full year actual sales of \$829M, growing 68% vs 2019 driven by our differentiated FLX device, ongoing clinical evidence and direct-to-patient efforts focused on driving therapy awareness and market expansion.
 - In Q4:20, operating margin was impacted by the discontinuation of the Lotus program (+123M) and the cost of converting the Watchman franchise to consignment (+103M). Additionally, Q4:21 sales include a 2200 basis point tailwind from the Watchman sales return reserve taken in Q4:20 related to the conversion to consignment which was contemplated in our guidance.
- **Peripheral Interventions: Global revenue +7.6% as reported, +9.0% operational*/organic***
 - Therasphere™ grew over 20% in 2021 supported by ongoing clinical evidence including EPOCH, the first positive phase III SIRT trial, studying the use of Therasphere as a second line therapy, in patients with liver dominant mCRC, that have failed first line chemotherapy
 - Drug-eluting portfolio exceeded our sales goal of \$150M for 2021, fueled by technology differentiation, ongoing clinical evidence and globalization efforts for Eluvia™ and Ranger™.
 - Closed the acquisition of Devoro Medical WOLF Thrombectomy® Platform; we are enthusiastic about the expected launch of our arterial and venous offering in the second half of 2022.



Q4 & FY 2021 Net Sales vs. 2020 and 2019

	Q4:21 Sales	FY:21 Sales ⁽¹⁾	Organic* Growth			
			vs Q4:20	vs FY:20	vs Q4:19	vs FY:19
Endoscopy	\$558M	\$2,141M	10%	19%	12%	12%
UroPH	\$441M	\$1,583M	9%	19%	10%	11%
CRM	\$514M	\$2,019M	4%	8%	(2)%	(6)%
EP	\$100M	\$365M	16%	23%	14%	7%
NM	\$244M	\$909M	6%	19%	(7)%	-%
IC	\$808M	\$3,038M	40%	31%	7%	7%
PI	\$462M	\$1,820M	9%	14%	14%	9%
Total Company	\$3,127M	\$11,888M	15%	19%	7%	6%
Guidance Range <i>Disclosed October 27, 2021</i>			12% - 16%	18% - 19%	4% - 8%	5% - 6%

(1) FY21 sales includes \$13M of BTG Specialty Pharmaceuticals sales divested March 1, 2021.

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.

Q4 2021 organic growth vs. 2020 excludes:

- Preventice Solutions, Inc., acquired March 1, 2021
- BTG Specialty Pharmaceuticals, divested Mar 1, 2021
- Farapulse, Inc., acquired August 6, 2021
- Lumenis LTD., acquired September 1, 2021

Q4 2021 organic growth vs. Q4 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 6, 2021
- Lumenis LTD., acquired September 1, 2021

FY 2021 organic growth vs. FY 2019 excludes all of the above and Vertiflex, acquired June 2019



Living Our Values: ESG Update

2022 Catalyst Award

2022 CATALYST AWARD

Winner

Boston Scientific was honored with the 2022 Catalyst Award, the premier recognition of organizational diversity, equity and inclusion (DE&I) initiatives that drive representation and inclusion for women. To learn more, [visit our newsroom](#)

JUST Capital and CNBC America's Most JUST Companies

"This recognition reflects the commitment of our employees to fulfill our mission to transform lives with innovative medical solutions, and to make a lasting positive impact on the health of our global community and planet."

Mike Mahoney,
Chairman and CEO

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[visit our newsroom](#)



Carbon Disclosure Project Score



A- Score
Climate Change

Boston Scientific is proud to have received an A- score (Climate Change) from the Carbon Disclosure Project. Our increased disclosures on climate risks coupled with best practices associated with environmental leadership, such as progress toward ambitious and meaningful targets, led to an improved CDP score.

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Glassdoor Best Places to Work in 2022

2021 Dow Jones Sustainability Index North America

Newsweek's 100 Most Loved Workplaces

Income Statement Information

Non-GAAP Reconciliation

Three Months Ended December 31, 2021 (unaudited)



	GAAP Results	Amortization Expense	Intangible Asset Impairment Charges	Acquisition / Divestitures-Related 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
<i>In millions, except per share data</i>											
Net sales	\$ 3,127	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,127
Cost of products sold	971	—	—	32	20	—	—	9	—	—	911
Gross profit	2,155	—	—	(32)	(20)	—	—	(9)	—	—	2,216
<i>Gross margin</i>	68.9 %										70.9 %
Selling, general and administrative expenses	1,153	—	—	58	16	—	—	—	—	—	1,079
<i>SG&A margin</i>	36.9 %										34.5 %
Research and development expenses	320	—	—	8	—	—	—	5	—	—	307
<i>R&D margin</i>	10.2 %										9.8 %
Royalty expense	11	—	—	—	—	—	—	—	—	—	11
<i>Royalty expense margin</i>	0.4 %										0.4 %
Amortization expense	192	192	—	—	—	—	—	—	—	—	—
Intangible asset impairment charges	197	—	197	—	—	—	—	—	—	—	—
Contingent consideration expense (benefit)	(18)	—	—	(18)	—	—	—	—	—	—	—
Restructuring charges (credits)	23	—	—	—	23	—	—	—	—	—	—
Gain/loss on divestitures	(30)	—	—	(30)	—	—	—	—	—	—	—
Litigation-related charges (credits)	128	—	—	—	—	128	—	—	—	—	—
	1,975	192	197	19	39	128	—	5	—	—	1,396
Operating Income (loss)	180	(192)	(197)	(50)	(58)	(128)	—	(14)	—	—	819
<i>Operating margin</i>	5.8 %										26.2 %
Other income (expense):											
Interest expense	(87)	—	—	—	—	—	—	—	—	—	(87)
Other, net	26	—	—	57	—	—	(2)	—	—	—	(28)
Income (loss) before taxes	120	(192)	(197)	7	(58)	(128)	(2)	(14)	—	—	704
Income tax expense (benefit)	26	(13)	(26)	2	(7)	(29)	(1)	(1)	46	16	38
Net Income (loss)	94	(180)	(171)	4	(51)	(98)	(2)	(13)	(46)	(16)	667
Preferred stock dividends	(14)	—	—	—	—	—	—	—	—	—	(14)
Net Income (loss) available to common stockholders	\$ 80	\$ (180)	\$ (171)	\$ 4	\$ (51)	\$ (98)	\$ (2)	\$ (13)	\$ (46)	\$ (16)	\$ 653
Net Income (loss) per diluted common share	\$ 0.06	\$ (0.13)	\$ (0.12)	\$ —	\$ (0.04)	\$ (0.07)	\$ (0.00)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ 0.45
Weighted average diluted shares outstanding	1,436.2	1,436.2	1,436.2	1,436.2	1,436.2	1,436.2	1,436.2	1,436.2	1,436.2	1,436.2	1,436.2

For the three months ended December 31, 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 consolidated statements of operations, for purposes of calculating net income available to common stockholders.



Income Statement Information

Non-GAAP Reconciliation

Year Ended December 31, 2021 (unaudited)

Boston
Scientific

<i>In millions, except per share data</i>	GAAP Results	Amortization Expense	Intangible Asset Impairment Charges	Acquisition / Divestitures-Related 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	\$ 11,888	—	0	0	0	0	0	0	0	0	\$ 11,888
Cost of products sold	3,711	—	0	65	79	0	0	32	0	0	3,535
Gross profit	8,177	—	—	(65)	(79)	—	—	(32)	—	—	8,353
<i>Gross margin</i>	68.8 %										70.3 %
Selling, general and administrative expenses	4,359	—	0	138	72	0	0	—	0	0	4,149
<i>SG&A margin</i>	36.7 %										34.9 %
Research and development expenses	1,204	—	0	42	—	0	0	16	0	0	1,145
<i>R&D margin</i>	10.1 %										9.6 %
Royalty expense	49	—	0	0	0	0	0	0	0	0	49
<i>Royalty expense margin</i>	0.4 %										0.4 %
Amortization expense	741	741	0	0	0	0	0	0	0	0	—
Intangible asset impairment charges	370	—	370	—	0	0	0	0	0	0	—
Contingent consideration expense (benefit)	(136)	—	0	(136)	0	0	0	0	0	0	—
Restructuring charges (credits)	40	—	0	0	40	0	0	0	0	0	—
Gain/loss on divestitures	(78)	0	0	(78)	0	—	0	0	0	0	—
Litigation-related charges (credits)	430	0	0	0	0	430	0	0	0	0	—
	6,978	741	370	(34)	112	430	—	17	—	—	5,343
Operating Income (loss)	1,199	(741)	(370)	(31)	(191)	(430)	—	(49)	—	—	3,010
<i>Operating margin</i>	10.1 %										25.3 %
Other income (expense):											
Interest expense	(341)	0	0	—	0	0	0	0	0	0	(341)
Other, net	218	0	0	482	0	0	(181)	0	0	0	(83)
Income (loss) before taxes	1,076	(741)	(370)	450	(191)	(430)	(181)	(49)	—	—	2,587
Income tax expense (benefit)	36	(65)	(51)	(2)	(22)	(98)	(43)	(4)	132	(5)	196
Net Income (loss)	\$ 1,041	\$ (676)	\$ (318)	\$ 453	\$ (169)	\$ (331)	\$ (137)	\$ (45)	\$ (132)	\$ 5	\$ 2,391
Preferred stock dividends	(55)										(55)
Net Income (loss) available to common stockholders	985	\$ (676)	\$ (318)	\$ 453	\$ (169)	\$ (331)	\$ (137)	\$ (45)	\$ (132)	\$ 5	\$ 2,336
Net Income (loss) per diluted common share	\$ 0.69	\$ (0.47)	\$ (0.22)	\$ 0.32	\$ (0.12)	\$ (0.23)	\$ (0.10)	\$ (0.03)	\$ (0.09)	\$ —	\$ 1.63
Weighted average diluted shares outstanding	1,433.8	1,433.8	1,433.8	1,433.8	1,433.8	1,433.8	1,433.8	1,433.8	1,433.8	1,433.8	1,433.8

For the year ended December 31, 2021, the effect of assuming the conversion of 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 consolidated statements of operations, for purposes of calculating net income available to common stockholders.



Balance Sheet & Cash Flow Metrics

Days Sales Outstanding (DSO)

Dec 2021	Sept 2021	Jun 2021	Mar 2021	Dec 2020
52	52	50	53	52

Adjusted Free Cash Flow*

Q4 2021	Q4 2020	FY2021
\$425M	\$552M	\$2,192M

Days Inventory on Hand (DIOH)

Dec 2021	Sept 2021	Jun 2021	Mar 2021	Dec 2020
152	164	138	142	124

Capital Expenditures

Q4 2021	Q4 2020	FY2021
\$266M	\$159M	\$554M



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 - Net Sales Detail

Three Months Ended December 31, 2021 and 2020

(in millions)	Q4 2021	Q4 2020	Year-over-Year Change		
			As Reported Basis	Less: Impact of Foreign Currency	Operational Basis
MEDSURG SEGMENT:					
ENDOSCOPY					
UNITED STATES	\$ 320	\$ 285	12.4 %	— %	12.4 %
INTERNATIONAL	238	230	3.3 %	(3.3)%	6.6 %
WORLDWIDE	\$ 558	\$ 515			
UROLOGY AND PELVIC HEALTH					
UNITED STATES	\$ 303	\$ 268	12.9 %	— %	12.9 %
INTERNATIONAL	138	108	27.8 %	(2.8)%	30.6 %
WORLDWIDE	\$ 441	\$ 376			
RHYTHM AND NEURO SEGMENT:					
CARDIAC RHYTHM MANAGEMENT					
UNITED STATES	\$ 312	\$ 254	22.7 %	— %	22.7 %
INTERNATIONAL	202	197	2.8 %	(3.3)%	6.1 %
WORLDWIDE	\$ 514	\$ 451			
ELECTROPHYSIOLOGY					
UNITED STATES	\$ 32	\$ 32	1.7 %	— %	1.7 %
INTERNATIONAL	68	53	28.0 %	(4.4)%	32.4 %
WORLDWIDE	\$ 100	\$ 85			
NEUROMODULATION					
UNITED STATES	\$ 193	\$ 184	4.7 %	— %	4.7 %
INTERNATIONAL	51	47	7.2 %	(3.1)%	10.3 %
WORLDWIDE	\$ 244	\$ 232			
CARDIOVASCULAR SEGMENT:					
INTERVENTIONAL CARDIOLOGY					
UNITED STATES	\$ 390	\$ 240	62.5 %	— %	62.5 %
INTERNATIONAL	418	344	21.3 %	(3.3)%	24.5 %
WORLDWIDE	\$ 808	\$ 585			
PERIPHERAL INTERVENTIONS					
UNITED STATES	\$ 248	\$ 239	3.7 %	— %	3.7 %
INTERNATIONAL	214	190	12.6 %	(3.1)%	15.7 %
WORLDWIDE	\$ 462	\$ 429			
SPECIALITY PHARMACEUTICALS:					
UNITED STATES	\$ —	\$ 29	(100.0)%	— %	(100.0)%
INTERNATIONAL	—	7	— %	— %	— %
WORLDWIDE	\$ —	\$ 36			



Appendix A - Net Sales Detail

Year Ended December 31, 2021 and 2020

(in millions)	YTD 2021	YTD 2020	Year-over-Year Change		
			As Reported Basis	Less: Impact of Foreign Currency	Operational Basis
MEDSURG SEGMENT:					
ENDOSCOPY					
UNITED STATES	\$ 1,222	\$ 1,000	22.2 %	— %	22.2 %
INTERNATIONAL	919	780	17.8 %	3.1 %	14.7 %
WORLDWIDE	\$ 2,141	\$ 1,780			
UROLOGY AND PELVIC HEALTH					
UNITED STATES	\$ 1,120	\$ 918	21.9 %	— %	21.9 %
INTERNATIONAL	463	368	25.9 %	3.5 %	22.4 %
WORLDWIDE	\$ 1,583	\$ 1,286			
RHYTHM AND NEURO SEGMENT:					
CARDIAC RHYTHM MANAGEMENT					
UNITED STATES	\$ 1,214	\$ 992	22.4 %	— %	22.4 %
INTERNATIONAL	805	712	13.1 %	3.3 %	9.8 %
WORLDWIDE	\$ 2,019	\$ 1,704			
ELECTROPHYSIOLOGY					
UNITED STATES	\$ 128	\$ 118	8.6 %	— %	8.6 %
INTERNATIONAL	237	169	40.6 %	2.8 %	37.8 %
WORLDWIDE	\$ 365	\$ 287			
NEUROMODULATION					
UNITED STATES	\$ 713	\$ 610	16.9 %	— %	16.9 %
INTERNATIONAL	196	151	29.9 %	4.7 %	25.2 %
WORLDWIDE	\$ 909	\$ 761			
CARDIOVASCULAR SEGMENT:					
INTERVENTIONAL CARDIOLOGY					
UNITED STATES	\$ 1,508	\$ 981	53.6 %	— %	53.6 %
INTERNATIONAL	1,530	1,317	16.2 %	2.6 %	13.6 %
WORLDWIDE	\$ 3,038	\$ 2,299			
PERIPHERAL INTERVENTIONS					
UNITED STATES	\$ 996	\$ 888	12.2 %	— %	12.2 %
INTERNATIONAL	824	689	19.6 %	2.8 %	16.7 %
WORLDWIDE	\$ 1,820	\$ 1,577			
SPECIALTY PHARMACEUTICALS:					
UNITED STATES	\$ 10	\$ 193	n/a	n/a	n/a
INTERNATIONAL	4	27	n/a	n/a	n/a
WORLDWIDE	\$ 13	\$ 219			



Appendix A - Net Sales Information

Net Sales Growth

Total BSC Revenue Growth	Year Ended December 31,					5-Year Average
	2021	2020	2019	2018	2017	
Percentage change in net sales, as reported	19.9 %	(7.7)%	9.3 %	8.6 %	7.9 %	8 %
Less: Impact of foreign currency fluctuations	1.3 %	0.1 %	(1.8)%	0.6 %	0.1 %	
Percentage change in net sales, operational	18.7 %	(7.8)%	11.1 %	8.0 %	7.8 %	8 %
Less: Impact of recent acquisitions and divestitures	(0.3)%	3.5 %	3.8 %	0.8 %	1.2 %	
Percentage change in net sales, organic (a)	18.9 %	(11.3)%	7.3 %	7.2 %	6.6 %	6 %

(a) Organic net sales 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.

Amounts may not add due to rounding. Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.



Appendix B

Income Statement Information



Appendix B - Income Statement Information

Margins

Adjusted Gross Margin	Three Months Ended		
	12/31/2021	12/31/2020	Basis Points Change
Gross Margin, as reported	68.9 %	63.1 %	580
Less: Non-GAAP adjustments	(2.0)%	(1.8)%	
Adjusted Gross Margin	70.9 %	64.9 %	600

Adjusted Operating Margin	Three Months Ended		
	12/31/2021	12/31/2020	Basis Points Change
Operating Margin, as reported	5.8 %	1.9 %	390
Less: Non-GAAP adjustments	(20.4)%	(16.4)%	
Adjusted Operating Margin	26.2 %	18.3 %	790

Adjusted SG&A Margin	Three Months Ended		
	12/31/2021	12/31/2020	Basis Points Change
SG&A Margin, as reported	36.9 %	37.9 %	(100)
Less: Non-GAAP adjustments	2.4 %	1.9 %	
Adjusted SG&A Margin	34.5 %	36.0 %	(150)

Adjusted R&D Margin	Three Months Ended		
	12/31/2021	12/31/2020	Basis Points Change
R&D Margin, as reported	10.2 %	10.6 %	(40)
Less: Non-GAAP adjustments	0.4 %	0.5 %	
Adjusted R&D Margin	9.8 %	10.1 %	(30)



Appendix B - Income Statement Information

Margins

Adjusted Gross Margin	Year Ended		
	12/31/2021	12/31/2020	Basis Points Change
Gross Margin, as reported	68.8 %	65.0 %	380
Less: Non-GAAP adjustments	(1.5)%	(2.1)%	
Adjusted Gross Margin	70.3 %	67.1 %	320

Adjusted Operating Margin	Year Ended		
	12/31/2021	12/31/2020	Basis Points Change
Operating Margin, as reported	10.1 %	(0.8)%	1,090
Less: Non-GAAP adjustments	(15.2)%	(20.1)%	
Adjusted Operating Margin	25.3 %	19.3 %	600

Adjusted SG&A Margin	Year Ended		
	12/31/2021	12/31/2020	Basis Points Change
SG&A Margin, as reported	36.7 %	38.2 %	(150)
Less: Non-GAAP adjustments	1.8 %	1.4 %	
Adjusted SG&A Margin	34.9 %	36.8 %	(190)

Adjusted R&D Margin	Year Ended		
	12/31/2021	12/31/2020	Basis Points Change
R&D Margin, as reported	10.1 %	11.5 %	(140)
Less: Non-GAAP adjustments	0.5 %	0.9 %	
Adjusted R&D Margin	9.6 %	10.6 %	(100)

Appendix B - Income Statement Information

QTD 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. 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), certain litigation-related net charges (credits), certain investment portfolio net losses (gains) and 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 consolidated statements of operations and are included in the reconciliation below.

SEGMENT NET SALES (dollars in millions)	Q4 2021	Q4 2020
MedSurg	\$ 999	\$ 892
Rhythm and Neuro	858	767
Cardiovascular	1,270	1,014
Total net sales of reportable segments (Medical Devices)	\$ 3,127	\$ 2,673
All other (Specialty Pharmaceuticals)	—	36
Consolidated net sales	3,127	2,708

SEGMENT OPERATING INCOME (dollars in millions)	Q4 2021	% of Sales	Q4 2020	% of Sales	YoY Change (%)	YoY Change (bps)	Less: Fx Impact	YoY Change, excl. Fx
MedSurg	\$ 366	36.6 %	\$ 340	38.2 %	(1.6)%	-160	0.1%	(1.6)%
Rhythm and Neuro	131	15.3 %	142	18.6 %	(3.3)%	-330	—%	(3.3)%
Cardiovascular	330	26.0 %	68	6.7 %	19.3 %	1930	—%	19.3%
Total operating income of reportable segments (Medical Devices)	828		551					
All other (Specialty Pharmaceuticals)	—		19					
Unallocated amounts:								
Corporate expenses, including hedging activities	(9)		(75)					
Goodwill and other intangible asset impairment charges, acquisition/divestiture-related net charges (credits), restructuring and restructuring-related net charges (credits), certain litigation-related net charges (credits) and EU Medical Device Regulation (MDR) implementation costs	(447)		(251)					
Amortization expense	(192)		(194)					
Operating income (loss)	\$ 180		\$ 50					

Appendix B - Income Statement Information

YTD 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. 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), certain litigation-related net charges (credits), certain investment portfolio net losses (gains) and 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 consolidated statements of operations and are included in the reconciliation below.

SEGMENT NET SALES (dollars in millions)	YTD 2021	YTD 2020
MedSurg	\$ 3,724	\$ 3,066
Rhythm and Neuro	3,293	2,752
Cardiovascular	4,858	3,876
Total net sales of reportable segments (Medical Devices)	\$ 11,875	\$ 9,694
All other (Specialty Pharmaceuticals)	13	219
Consolidated net sales	\$ 11,888	\$ 9,913

SEGMENT OPERATING INCOME (dollars in millions)	YTD 2021	% of Sales	YTD 2020	% of Sales	YoY Change (%)	YoY Change (bps)	Less: Fx Impact	YoY Change, excl. Fx
MedSurg	\$ 1,399	37.6 %	\$ 1,079	35.2 %	2.4 %	240	0.2%	2.1%
Rhythm and Neuro	\$ 607	18.4 %	\$ 439	15.9 %	2.5 %	250	0.5%	2.0%
Cardiovascular	\$ 1,448	29.8 %	\$ 661	17.1 %	12.7 %	1270	0.3%	12.4%
Total operating income of reportable segments (Medical Devices)	3,454		2,179					
All other (Specialty Pharmaceuticals)	4		143					
Unallocated amounts:								
Corporate expenses, including hedging activities	(447)		(405)					
Goodwill and other intangible asset impairment charges, acquisition/divestiture-related net charges (credits), restructuring and restructuring-related net charges (credits), certain litigation-related net charges (credits) and EU Medical Device Regulation (MDR) implementation costs	(1,070)		(1,208)					
Amortization expense	(741)		(789)					
Operating income (loss)	\$ 1,199		\$ (80)					



Appendix C

Additional Non-GAAP Reconciliations



Appendix C - Additional Reconciliations

Adjusted Free Cash Flow

<i>in millions</i>	Three Months Ended		Twelve Months Ended	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Adjusted Free Cash Flow				
Operating cash flow, reported	\$ 478	\$ 673	\$ 1,870	\$ 1,508
Less: Purchases of property, plant and equipment and internal use software	266	159	554	376
Add: Proceeds on disposals of property, plant and equipment	5	6	14	12
Free Cash Flow	217	520	1,330	1,144
Plus: Restructuring and restructuring-related payments	40	32	172	110
Plus: Acquisition-related payments	60	39	199	202
Plus: EU medical device regulation payments	14	9	49	29
Plus: Special tax payments (refunds/credits)	6	(95)	1	76
Plus: Litigation-related settlements	88	47	441	420
Adjusted Free Cash Flow	\$ 425	\$ 552	\$ 2,192	\$ 1,980



Appendix C - Additional Reconciliations

Q4 2021 vs. Q4 2019 Net Sales	Q4 2021	Q4 2019 [†]	Reported Growth	Less: Impact of foreign currency fluctuations & recent acquisitions/divestitures	Organic Growth
Endoscopy	\$ 558	499	12 %	— %	12 %
Urology and Pelvic Health	441	379	16 %	7 %	10 %
Cardiac Rhythm Management	514	473	9 %	11 %	(2)%
Electrophysiology	100	84	19 %	6 %	14 %
Neuromodulation	244	261	(7)%	— %	(7)%
Interventional Cardiology	808	748	8 %	1 %	7 %
Peripheral Interventions	462	403	15 %	— %	14 %
Specialty Pharmaceuticals [†]	—	58	(100)%	(100)%	— %
Total Company	\$ 3,127	\$ 2,905	8 %	1 %	7 %

2021 vs. 2019 Net Sales	2021	2019 [†]	Reported Growth	Less: Impact of foreign currency fluctuations & recent acquisitions/divestitures	Organic Growth
Endoscopy	\$ 2,141	1,894	13 %	1 %	12 %
Urology and Pelvic Health	1,583	1,413	12 %	1 %	11 %
Cardiac Rhythm Management	2,019	1,939	4 %	10 %	(6)%
Electrophysiology	365	329	11 %	4 %	7 %
Neuromodulation	909	873	4 %	4 %	— %
Interventional Cardiology	3,038	2,816	8 %	1 %	7 %
Peripheral Interventions	1,820	1,392	31 %	21 %	9 %
Specialty Pharmaceuticals [†]	13	81	(84)%	(84)%	— %
Total Company	\$ 11,888	\$ 10,735	11 %	5 %	6 %

[†] 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

Adjusted Tax Rate	Three Months Ended 12/31/2021	Year Ended 12/31/2021
Tax Rate, as reported	21.4 %	3.3 %
Less: Non-GAAP adjustments	16.1 %	(4.3)%
Adjusted Tax Rate	5.3 %	7.6 %
Less: Discrete tax items		(1.2)%
Operational Tax Rate		8.8 %

Adjusted Operating Margin	2H:2021
Operating Margin, as reported	9.5 %
Less: Non-GAAP adjustments	(16.4)%
Adjusted Operating Margin	25.9 %

Estimated Operating Margin	FY 2022	
	(low)	(high)
Operating Margin, as reported	16.8 %	17.9 %
Less: Non-GAAP adjustments	(9.2)%	(8.5)%
Adjusted Operating Margin	26.0 %	26.4 %

Estimated Tax Rate	FY 2022	
Tax Rate, as reported	18 %	
Less: Non-GAAP adjustments	6 %	
Adjusted Tax Rate	12 %	
Less: Discrete tax items	(1)%	
Operational Tax Rate	13 %	



Appendix C - Additional Reconciliations

	Twelve Months Ended
Japan Net Sales Growth 2021 vs. 2020	December 31
Net sales growth, as reported	4 %
Less: Impact of foreign currency fluctuations	(3)%
Net sales growth, operational	7 %

	Three Months Ended	Twelve Months Ended
China Net Sales Growth 2021 vs. 2020	December 31	December 31
Net sales growth, as reported	45 %	31 %
Less: Impact of foreign currency fluctuations	4 %	9 %
Net sales growth, operational	41 %	22 %

	Twelve Months Ended
SCS Net Sales Growth 2021 vs. 2020	December 31
Net sales growth, as reported	23 %
Less: Impact of foreign currency fluctuations	— %
Net sales growth, operational	23 %



Appendix C - Additional Reconciliations

	Twelve Months Ended
AXIOS™ Stent Growth 2021 vs. 2020	December 31
Net sales growth, as reported	26 %
Less: Impact of foreign currency fluctuations	2 %
Net sales growth, operational	<u>24 %</u>

	Twelve Months Ended
WATCHMAN™ Net Sales Growth 2021 vs. 2019	December 31
Net sales growth, as reported	69 %
Less: Impact of foreign currency fluctuations	1 %
Net sales growth, operational	<u>68 %</u>

	Twelve Months Ended
Varithena™ Net Sales Growth 2021 vs. 2020	December 31
Net sales growth, as reported	46 %
Less: Impact of foreign currency fluctuations	— %
Net sales growth, operational	<u>46 %</u>

	Twelve Months Ended
TheraSphere™ Net Sales Growth 2021 vs. 2020	December 31
Net sales growth, as reported	22 %
Less: Impact of foreign currency fluctuations	(1)%
Net sales growth, operational	<u>23 %</u>



BSX: Acronym Reference Guide

BCLC	Barcelona Clinic Liver Cancer
CRM	U.S. Centers for Medicare and Medicaid Services
CRM	Cardiac Rhythm Management
DBS	Deep Brain Stimulation
HCC	Hepatocellular Carcinoma
mCRC	Metastatic Colorectal Cancer
NANS	North American Neuromodulation Society
SCS	Spinal Cord Stimulation
S-ICD	Subcutaneous Implantable Defibrillator