Welcome Video:

Life, it doesn't always unfold the way we imagine, but we all aspire to experience more of it, more time to connect with loved ones. We're dancing, more playing, more celebrating, more living. Everything we do at Boston Scientific is so that patients can experience more. From our beginning, we've held a bold belief that meaningful innovation could transform medicine and add more to patients' lives. But creating profound advancements in clinical practice requires more than technology alone. It requires insight, courage, and the kind of collaboration that's rooted deep in our DNA. Together we are advancing science for patients for life.

VOG:

Please welcome Lauren Tangler.

Lauren Tengler:

Wow. Well, thank you for that. Welcome everyone. We are so excited about all of you being here today, both in the room and online. We have a great program for you today, and I'm really excited for our leaders to tell you more about our purpose here at Boston Scientific. But before we begin, we do have a few housekeeping items.

We will be making forward-looking statements, so typical safe Harbor applies. We will be talking about a lot of products that are not yet available in all geographies, and you can find that list here. We do have some financial disclaimers. I'll just note two. First, all market estimates unless otherwise noted are internal Boston Scientific estimates. And second, you will notice some asterisks throughout the presentation, which denote non-GAAP measures. So things like organic revenue

growth, adjusted operating margin, adjusted EPS, adjusted free cash flow amongst others.

And then finally, our agenda. We have a great program. Like I said, we're going to kick off with Mike, go into MedSurg, followed by Q&A and a short break. Then we'll finish up the day with cardiovascular, including finance and final Q&A. Our presentation and slides will be posted at the end of the day, well, at the conclusion of the program. And then also our replay will be available within 24 hours. So without further ado, I'd like to welcome to the stage Mike Mahoney, chairman and chief executive officer.

Mike Mahoney:

Thanks, Lauren. Wow. Very nice room. Oh, that was the Boston Scientific clappers. Thank you. That was very nice of you. Welcome everybody. Good morning. I'd like to welcome those of you who showed up in person, our shareholders that are online, and a quick shout out to our IR team for all the hard work, Lauren and Allie that you put into this great event. It's such an honor to help lead Boston Scientific around the world with our leadership team here. And I get the privilege to travel a lot, see a bunch of customers, spend time with all of our facilities and see Boston Scientific and our culture on a daily basis. And so I'm glad that you get to see a little bit of that from us today beyond just a typical earnings call and so forth to get to know our company and our team a bit more because I think it's a really special place.

And as you know, we aspire to be the very best. We think we've been one of the best the last three years, and our goal is to do that for the next five years for our shareholders, for our customers of Advanced Science for Life. That's what today's about.

I think it's really difficult as an investor likely to dig into culture or people because you can't really put a number on it. I think it is one of the sweet sauces and special ingredients of Boston Scientific. And today you're going to meet, not meet, but many of them, you'll see these leaders present and this is just a snapshot of the depth of talent that we have around the world. We take talent management and succession planning very seriously at the company. I think we do it extraordinarily well, and we do certainly bring in external talent from time to time.

But our leaders are domain experts in their fields. They're extremely motivated to strengthen their businesses and importantly, they live the Boston Scientific values

every day. And they also think about their division or function, but they always put Boston Scientific first and how can we best maximize our innovation and financial performance as a team. And so I'm excited to get to meet many of these folks today.

Lots of companies have mission vision statements. I'm biased because I like fishing. That's the only reason why. But advancing science for life is such a, I love that phrase because I can remember it and it's really what we do every day. Now that I've had parents who have had lots of our products, a few competitor products, it's a privilege and honor to work in this industry and to really advance science for life. And I think it's a motivator that drives engagement with our team. And I think employee engagement is likely one of the biggest differentiators that you can have as a company, as you continue to get larger and larger.

Of these values, of course, we care about impacting patients. It's approaching 50 million patients per year. We want to make that number much bigger over this LRP period. And we do all kinds of great things with our values on global collaboration, diversity, meaningful innovation. You're going to hear a lot about meaningful innovation for the next five hours. But I do want to call out. We want to be a great to work, but we're committed to winning, to leading in this industry. And that's why high performance is on there in the winning spirit of daring to try, trying new things and really pushing Boston Scientific to be the best.

For those who follow us closely, this is not a new slide, but hopefully a good reference for you. This is our first half results through 2025 through June, and it shows you our full year guide that we did on our second quarter earnings call. And so we're really proud of the performance that we're seeing in 2025. As you recall, our guide for the full year is 14 to 15% organic growth off of a 16% organic comparison in 2024. And as we do every year since 2014, some companies increased dividends a little bit, Boston Scientific drives leverage double-digit EPS growth. That's what we do. And this year we anticipate that range per the last guidance of 18 to 19%.

On the left, many of you know these, are our eight business units that are organized across our MedSurg businesses, led by Art Butcher, our cardiovascular led by Joe Fitzgerald and many of the BU presidents and chief medical officer are here today to unpack the exciting, in most cases, category leading divisions around the globe.

On the right side is our regional breakdown. Quick shout out, I want to do a quick shout out to Sam Conaway actually, who leads our US cardiology team, given the

impressive growth of cardiology overall, but also the US in particular. But you see, we have terrific results in AsiaPac, excellent growth in China, despite the complexities in China, Art Butcher will talk a bit more about that, and our EMEA team doing a heck of a job in a challenging environment in Europe, but we continue to see great work out of our European teams and Latin America.

So what to expect. This is my fancy build slide. I have one bullet, then it's going to build, it's going to be really exciting for you to see this. My 1980s PowerPoint came into play here. But I just wanted to frame this up and this seems like an obvious thing to say, but we take investor day seriously. I know all companies take it seriously, but when we take it seriously, it means we're actually going to deliver on these results. And if you look at backwards over the past six investor days, we have always delivered our investor day targets. And more often than not, beat our investor day targets. So when we talk about investor day, it's not some aspiration that doesn't have balanced upsides and downsides scenarios. It's actually a plan that we intend to at least meet, if not beat. And I think our history of doing that over many, many years gives shareholders hopefully confidence, same confidence that I share.

Here's when we frame out high level, and Jon Monson will talk more about our financials in his last section. So you have to hold to the very end to see that. So over this next three-year period, we decided to provide, rather than arrange a 10-plus percent. Historically, we've given ranges. Oftentimes we've met or exceeded those ranges, so therefore pretty irrelevant pretty quickly. So this time we said, you know what? We're going to give 10-plus percent as our organic growth, outpacing our market CAGR of 9%. As we always do, continue to improve operating income margins, target 50 basis points per year. We'll do more than that in 2025. And again, as we always plan to do and have done, levered strong double-digit EPS growth. Over that ten-plus percent, you'll see levered EPS growth.

The key enablers, the values of the company, our global team, the most important job that I have in the company, lots of things to worry about, the culture of the company, the talent and our innovation ecosystem. Those are the most important things that I spend my time on. Really proud of that. You're going to hear a lot about category leadership, which we've talked about for many years. What that means is we want to be the preferred supplier company partner to our customers in that physician call point. We don't try to be the broadest company in the industry. We could, but we'd prefer to be the most meaningful to physician call points with a broad portfolio, unique innovation in there and our team's

incredibly savvy at finding adjacencies that have some type of leverage, either be SG&A leverage, R&D or operations to continue to expand the call points and value props that we're in.

We have a relentless focus on innovation and diversification in the high-growth markets, and that's what this day is mainly about. We have an excellent operations team who flies under the radar. They don't get to go to investor meetings. They work every day, they do great work. Our operations supply team to stay ahead of the growth of the company with excellent quality supply capabilities are terrific and we respect those teams and honor them all the time.

We also, and you'll hear from Jon, have a pretty disciplined capital allocation strategy. As you know, we're very focused on tuck-in M&A and we'll talk about that a bit more. So that's the high-level three-year financial outlook that Jon will detail and the enablers.

And again, I show this historical stuff because sometimes I think part of it is what can you expect from Boston Scientific? So what you can expect is that we're going to continue to outgrow our weighted average market growth rate. And here you see a nice historical track record of the company as we've gotten stronger and stronger while investing more and more and more over the next five years.

I'm proud that it took us five years, 2020 to 2025 to go from 10 billion to 20 billion, and we're going to get the next 10 billion from 20 billion to 30 billion in a shorter time period than we did from 10 to 20.

Beyond the top line growth, here we go, beyond the top line growth, again, proud of this track record, in this LRP period, we plan to improve operating income margins. Again, an average of 50 bits per year. Again, as something that we've done every year since 2014, drive double-digit, leverage EPS growth. And again, you see the track record here on the margins. Jon will talk about it. We used to view 30% as our aspirational operating income margin target. That is very much in our radar now given the progress that the company's made, and we'll continue to update those. But that 30% goal is clearly on the horizon for us.

Also proud of the free cash flow conversion. We used to sit with you and you'd be a bit frustrated with our free cash flow conversion being quite a bit under our peer group. A lot of improvements in this area. And I'd say we're right in the pack of our peer group in this area.

And this slide, what I'm also proud of, maybe this is a personal thing, we've done about 50 M&A transactions since I've been here. And we have the largest venture portfolio in all of Mantech now with about 45 venture bets. But there hasn't been

one instance where in that quarter or that year we've taken down our operating income margin goals or our EPS targets to absorb a deal that we've done. So we don't ask our shareholders to pay for what you might perceive as risky investments. We find ways to make tradeoffs in the company that are smart, leveraging our ecosystem to make sure we don't deviate from our commitments to you financially by pulling down our EPS or pulling down our margin targets for the year. Now, I think our history of doing that is another good sign for the future.

Okay. Our innovation ecosystem, pretty cool word I guess, is an easy slide to replicate I think for most companies. Most companies would say, "Yeah, we do R&D, we do venture capital, we do M&A, and we have clinical." So it seems like a basic slide, but I think how we drive our innovation ecosystem, the processes that we have, this ecosystem and the frequency it needs to be reviewed, looked at, challenged by a broader team and agility that we need to drive this ecosystem I think is very unique to Boston Scientific. This ecosystem has to be within the DNA of the company, has to be embedded within our leaders, our R&D leaders and our global teams. An innovation ecosystem cannot take place by committee. It has to happen within the businesses and the DNA of the culture of the company and fertilized or given even more aspiration by the leadership team.

But this ecosystem works for Boston. And again, our teams are focused on third quarter '25, but equally as focused on making Boston Scientific special five years from now, leveraging venture capital, which you heard about M&A, which you know about our R&D, which you're going to see a lot of today and the clinical evidence to continue to expand our TAM.

Not a great slide, but I created it. But this is just a bunch of bullets, but again, this is an updated slide from what I showed in January on how we think about the next five years. You're going to see a lot of things at the company today, but we have putting so much investment into making Boston Scientific special for the long-term, for long-term investors in our five years out, and you'll see some of that. But here's the snapshot of the programs that exist today. This is not a dream list, but either exist through our organic R&D efforts that in many cases have already been taking place for many years, or we have significant financial bets with our venture investments. Many of those venture bets we already have options to acquire other kind of rights with that. So we spend a lot of time on the ecosystem, and here's a snapshot of things really almost beyond this LRP period that will continue to make Boston Scientific unique.

This slide's a nightmare for me because I'm colorblind. Rumor has it, if you look at existing markets, I believe are in blue, whatever the next color is, green or teal is zero to $3 billion TAM expansion. I think the next color they say is purple, which shows a three to $5 billion TAM expansion. And the dotted lines show our VC investments. So what we've tried to do for you here is lay out some of the major programs at Boston Scientific that show you the power of our innovation ecosystem, the power of our clinical teams when we advance our clinical science to develop much stronger, bigger TAMs that you'll hear about from Joe Fitzgerald in particular in cardiovascular, and also the $50 billion TAM expansion that we see in front of us based on current investments that are going on in the company. So I think hopefully this gives you the confidence that I feel that I have that Boston Scientific will continue to highly differentiate itself from our peer group based on meaningful innovation and a great passion for this business.

Here's my wrap up slide. Advancing science for life is always the foundation. It drives employee engagement. We have a highly engaged, strong, talented leadership team who cares deeply about their teams. They're open-minded to new ideas, they're not afraid to try new things, and they're humble. We also have a team that thinks about Boston Scientific first. And I think when you combine a strong culture, a strong talent, a deep focus on innovation and doing the right things for the long term, we will uniquely deliver differentiated performance again over the next five years versus our peer group and reward our shareholders.

So thank you very much. I look forward to the Q&A session 19 hours from now at the very end. But with that, I'd like to turn it over to our talent leader, Art Butcher, who leads our MedSurg and our AsiaPac businesses. Thank you.

Art Butcher:

Hey Mike. Thanks Mike. And good morning everybody. I'm Art Butcher, group president for MedSurg, as well as our AsiaPac businesses. I'm very pleased this morning to be able to share with you some perspective on the incredible opportunities we have internationally in our highly under-penetrated international markets. We'll focus also on some of the key capabilities that we're developing within the regions now that are helping to accelerate global growth.

I want to do a particular spotlight on our China business where we're delivering outsized and differentiated growth. And I want to share with you how we're going to continue that momentum in China. And then I'll wrap up with a quick introduction to our MedSurg businesses and the category leadership strategies that we're employing there. And then you'll get to hear from our great MedSurg

leaders about the bright prospects for our MedSurg businesses. So let's start by taking a look at the $30 billion plus international market that we serve.

So between EMEA, APAC and Latin America, these geographies represent about 35% of our revenue in 2025. We think it should be higher. And with the teams that we have globally highly engaged to drive these businesses, we're aiming to outpace these markets and grow the percentage of international revenue at Boston Scientific. Historically, these markets grow seven to 8%, and Boston Scientific has been able to grow at pace with them or outpace them. And with the plan that we have in place that you're going to hear about today, we're highly confident that we can continue to outpace these important international markets.

They're not just sources for growth though for the company. At the scale that we've achieved, we now are getting great capabilities that come up in the regions that are supporting higher performance for the company globally. And that's a real resource and competitive advantage for Boston Scientific.

So starting with research and development, we used to do almost all of our research and development in the United States, but several years ago we made the plan for strategy to move our R&D into the plants around the world. So they're closer to production. This strategy is working, it just makes everything go faster in terms of product development, having the R&D engineers close to the process engineers. So we're going to keep that going.

Manufacturing, we continue to grow our manufacturing footprint globally. Last year, or not last year, in the last few years, we opened up new plants in China, in Costa Rica and in Malaysia, and we're specializing in those plants. And that specialized operations allows us to develop really advanced processes more quickly around the different technologies that we have across the company. And we're infusing AI and automation throughout our manufacturing network, and that's allowing us to grow faster and faster.

In terms of functions, we're putting functional centers of excellence in the geographies where they make the most sense, where the talent is there for us to leverage. For example, in India and China, we now have large presences in our finance function and our global business services function with over 400 employees in India and China, economically driving efficiency throughout the whole company.

And distribution, our aim is to continue to bring distribution closer to the end customer. So in the last few years, we've opened up distribution centers in

Malaysia, in China, in Korea, so that we can better serve our customers and reach more patients.

So bottom line, these enhanced capabilities in combination with our great portfolio, pipeline and team are allowing us to outgrow these important international markets throughout the long-range plan.

So speaking of outgrowing an important international market, let's transition to China. China is now the second-largest single medical device market in the world. So it's a very important market for Boston Scientific, and we're committed to this market. In 2025, we'll do well over a billion dollars in revenue. And in the last five years, we've more than doubled our revenue in China. Not many companies can say that. More than doubled our revenue and our employee base in China, substantially outpacing our competition and the markets. Now, I'm responsible for China, and in that responsibility, I'm in China three or four times a year. And I'm proud to say that the leadership team that you'll hear from today also visits China multiple times every year. That's one of the reasons. And when we go, we can see the momentum and we can see the opportunity. But when we come back, a lot of people often ask us, how are you able to deliver such differentiated results versus competition in China?

So I want to take a couple minutes and just give you three things to remember that I think are different about Boston Scientific.

Number one is our incredibly talented and tenured team. Our leadership team in China is very connected to the leadership team, the global leadership team that you're going to hear from here today. They talk frequently, and our team visits there. But at the same time as being connected and aligned, they're also empowered to be able to make decisions quickly so they don't have to fight through multiple layers of bureaucracy to explain how quickly things are changing in China. They have the power to make decisions. So connected, aligned, and empowered is a huge differentiator for Boston Scientific in China.

The second point I would want you to know about our China strategy is around our localization strategy. So while many of our competitors have been pulling back from China, because it is a dynamic and complex and sometimes challenging market, I get it, but we have taken a different stance. While they have pulled back, we have leaned in and advanced. So over the last several years, we have invested and we now have equity positions in multiple local, innovative China companies that support and augment our global portfolio. So having this combined portfolio that leverages the China innovation ecosystem as well as our

global innovation ecosystem that Mike just outlined is another huge competitive advantage. And it's a competitive advantage when we have to bid on some of these very aggressive tenders. And this portfolio is also proving to be valuable even outside of China and augmenting our portfolio globally.

So speaking of competitive tenders, I think everybody in this room has heard about VBP, volume-based purchasing, which is a big challenge and it has caused many of our competitors to pull back from China. I would submit VBP as a third point in our China strategy that is differentiating. So we now have five years of experience with VBP, starting with the DES VBP that some of you all will remember in 2020.

Our team has learned a ton about how to survive and thrive in the VBP environment. And what we're able to do, we're able to absorb some of the price pressures that happen with VBP, but we also get expanded access to much larger parts of the China healthcare system. And with that access, we pull through the rest of our global portfolio and our localized hybrid portfolio. Boston Scientific's ability to do this successfully has proven to be unique to us, and I think that is one of the things that is allowing us to demonstrate such remarkably differentiated performance.

So bottom line, based on that strategy, which has proven to be resilient, we're committed to delivering mid-teens growth in China through the LRP.

Now, let me shift gears for a minute and talk about our category leadership MedSurg businesses. Together, neuromodulation, urology and endoscopy compete in a robust $20 billion global market that's growing 7% through the LRP. And based on the very robust pipeline, as well as our strong category leadership portfolio and the teams you're going to hear from today, we're committed to growing above market across our MedSurg businesses through the LRP as well.

Now, each of these businesses has broad category leadership portfolios and large global teams. They operate as separate business units, but they benefit from synergies of aligned capabilities. And I just want to touch on three of those quickly. For example, in R&D and manufacturing, and there are many, but I'm just going to touch on a couple here, urology and endoscopy benefit greatly from a shared R&D and manufacturing presence in our imaging portfolio. You may be familiar with products like SpyGlass DS, EXALT Model D, SpyGlass Discover, LithoVue, LithoVue Elite, all of these products share a lot of expertise, manufacturing know-how that allows us to benefit from economies of scale, driving down cost and advancing our innovation.

In our direct to patient skill sets, a lot of the products in MedSurg benefit from direct to patient marketing, and we share best practices across our MedSurg businesses. So this allows us to reach and activate more patients in highly underserved categories like Parkinson's disease, erectile restoration, overactive bladder, obesity. You're going to hear about all of that today. So that shared skill set allows us to accelerate in these markets where we can really provide life-changing therapy to many patients who aren't aware of these therapies yet.

And last is strategic portfolio sourcing. Mike mentioned our supply chain team. Our global supply chain and sourcing team is world-class in sourcing complex componentry and raw materials. And we've been heavily focused on this in the environment over the last few years that's been inflationary to be able to continue to bring down cost of goods as we grow.

So bottom line, with these capabilities and with the teams that you're going to hear from, with the category leadership positions that we already have and the robust pipeline that we're about to deliver, we are really excited to be able to commit to above market growth in MedSurg throughout the LRP. And now I'm really excited for you to hear from the leaders of these businesses. And we'll start with Jim Cassidy, our president of the Neuromodulation Business. Jim.

Jim Cassidy:

Thanks Art.

Art Butcher:

You're welcome.

Jim Cassidy:

So excited to kick us off with neuromodulation. It's a dynamic space and there are big unmet needs, and we see those needs only growing as patients live longer or more active and want better quality of life. And these therapies just do such a great job of enabling that. We are currently in two categories. We operate in chronic pain and in movement disorders, and our goal is to grow at high single digits over the LRP, driven by the breadth of our portfolio, the depth of our R&D pipeline, which I'll spend some time on, and our strategic use of BD, and really the combination of homegrown creative R&D.

A great example from this month is we published our five-year data in JAMA Neurology on our DBS platform. That homegrown R&D coupled with complementary category enhancing BD, our Brainlab partnership and BrainSim,

and our leave and acquisition in chronic pain, that combination has really set us apart and made us different.

So if you look at our markets, first three here are interventional pain. They add up to three billion. There's a range of tailwinds here from a demographic standpoint to really the rise of percutaneous therapies over and above surgical therapies. And our aim is to be the number one partner in interventional pain therapies. We've got a unique position with a leadership spot in SCS where we've got a differentiated platform and a reinvigorated pipeline. We're pioneering Intracept, which is really the most exciting therapy in interventional pain today. And then we've got a robust RFA platform...

... today, and then we've got a robust RFA platform, which is the bread and butter of pain specialists around the country. So this breadth, I think makes a difference when it comes to customer access, when it comes to market development, contracting, just overall scale at the customer call point. And that's a big part of our strategy on the interventional pain side.

And then rounding out the slide is brain stem, it's a billion-dollar space. Parkinson's and other movement disorders, it's under-penetrated, life-changing therapies. And we've really innovated in this category to simplify the workflow, but also to improve overall outcomes. So as I look across the slide, there's a lot of room for growth. And what I'd want to do is spend time on our three big growth drivers within neuromodulation over the LRP.

And I'll start with SCS, our SCS cadence. A lot has changed in SCS over the past decade. What has not changed is that every patient goes home with a fixed waveform or waveforms, right? So that's the same frequency, the same pulse width, doesn't matter which therapy, whether it's high-frequency or ECAP-based closed-loop, that stimulus, that consistent stimulus has a challenge. You see the same stimulus over and over again. It's like getting up every morning and doing the same treadmill workout every morning, you get used to it.

So we've been looking over the past decade of ways to shift up that stimulus and vary it and mix it up really on a pulse-by-pulse basis so that you've got this concept of a pulse pattern, and we've published on that over the past five years. So this is like your treadmill that's moving incline and going faster and slower, so you can't get used to it and you're kind of surprised in some way what's going on. And you kind of ask what's the point of that?

And what we've seen, and this is what's been interesting to us and powerful with this pulse patterns approach, is three things. One, increased overall fiber

recruitment, which is enhancing pain inhibition. The second is dramatic reductions in energy consumption, almost as you kind of vary the stimulus, you need less. And then thirdly, patient preference. As patients are given options between pulse patterns and other therapies, they prefer pulse patterns.

So we're excited to launch our mosaic study imminently. That data should be presented in '27. And in conjunction with that, we'll launch our next generation platform. And I think these pulse patterns will play a bigger role, not just in pain but on the brain side. And it's early days, but they could be transformative for neuromodulation therapies into the future.

Second big growth driver is the Intracept therapy. This is a therapy that's targeted at chronic low back pain patients. These are folks that have inflammation around the disc. It's an ablative therapy. It's a special therapy because it's minimally invasive, non-surgical, there's no implant. It's one and done. You've got five years of control data. You've got great real-world data. So it's super early innings, we've treated 50,000 patients with this therapy. There are 5 million patients conservatively estimated in the US that could benefit from this therapy. If you talk to customers, pain specialists, this is the breakthrough therapy of their careers, and I think it's because what it does for patients that have few options.

So we are accelerating our investment in this category and in multiple different ways. On the pipeline, we have three next-generation products in development. We've just launched one that's in limited release as we speak. We have a next-generation generator that will launch in the next 12 to 18 months. We are looking to expand the indication and go up the vertebral column above L3. So a lot happening on the pipeline.

Focus on the market development as well. We've doubled the number of commercial covered lives since the last time we were all together. Over 50% of commercial lives are now covered on the therapy. We've launched a large global registry called the IMPROVE study that will further our real-world evidence for the category.

And then lastly, global expansion. And this is going to be a great therapy in international markets. We've launched in Europe, we're plotting out further expansion of the therapy.

So it's a 200-million-dollar category, but it's so early. And as we train more clinicians, as we further the commercial coverage and drive overall awareness, this is going to be a growth driver for many years to come.

And then lastly on the brain stem side, so we've just launched two brain technologies over the past six to nine months and there's a battle that's going on in brain stem right now. And the question is how do you get the best outcomes for patients? Do you target the right brain anatomy or do you track the right brain signal?

And I think what's important to remember is that when you target the right brain anatomy, you get phenomenal results in DBS. And all it takes when you're in the brain is like movement of a width of a fingernail and you can go from a bad outcome to a outstanding outcome. So our efforts have been around ensuring that we target the right brain anatomy.

And that's what you see in these two technologies. You've got the Cartesia X lead, which is doubling the stimulation points on an individual lead. It's the first and only lead with this level of resolution. It makes it easier to place the lead, it makes it easier to program the lead. You've got fundamentally more shots on goal so that you're able to target the right brain anatomy.

And then the second technology here is the alumina algorithm. And it is a painstaking process to program a DBS patient. It has gotten easier over the years. And this algorithm, it really allows you to just basically, you say where you want to stimulate in the brain and this takes care of all the rest. So we're seeing dramatic improvements in the time it takes to program patients, even above and beyond the image-guided element. Five to 10 minutes now to program patients. And outcomes that are as good or better than what we see from expert programmers.

So this technology is just saving a bunch of time for movement disorder neurologists. And it fits into our broader strategy of simplifying DBS, providing more access to DBS by freeing up surgical time, freeing up neurology time so this incredible therapy can get to more patients.

So I'll close where I started, big unmet needs in this category. We are focused on leading in interventional pain with our portfolio breadth, but also with a reinvigorated SCS pipeline and a huge opportunity with Intracept. We have a highly differentiated DBS platform that's simplifying things, making things better for patients, neurologists, and surgeons. And on a go-forward basis, that combination, a combination of homegrown R&D with complementary BD that's category enhancing is our focus and we expect and we hope to be able to treat more patients with these lifesaving therapies through that approach.

So with that, I want to thank you for your attention this morning and I want to introduce Meghan Scanlon, who is our president of urology.

PART 1 OF 8 ENDS [00:32:04]

Meghan Scanlon:

Thanks, Jim.

Jim Cassidy:

All right.

Meghan Scanlon:

Okay. We're going to talk about urology now for the next 10 to 15 minutes. And as Jim introduced me, I'm Meghan Scanlon. I am very fortunate, along with thousands of other employees around the world, to serve this very large dynamic and complex market, both for physicians and most importantly for patients.

So the urology market is estimated to be a 7-billion-dollar market, growing approximately 7% over the LRP. We expect, over the LRP, we will deliver high single-digit growth. And for us, this really continues to be fueled by taking an extensive portfolio and driving it around the world with exceptional commercial execution in what remain to be highly under-penetrated markets. Every one of you, either yourselves or you know somebody who is dealing with a urologic condition, most likely.

Now, we are the broad category leader in urology. We have the broadest product portfolio of anybody in the marketplace today. And we also have a very diversified business across a number of urology subspecialties, which I'll show you on the next slide.

So for us, execution across the LRP really has to be fueled by three things. Focused innovation, right? Mike talked a lot about meaningful innovation and I'm going to give you a double-click into some of that today. We also have investments in patient activation which aren't mentioned. When we are trying to reach patients who are suffering from OAB, other forms of incontinence, erectile dysfunction, we have a real obligation and opportunity to unlock these markets with continued investment in how we educate patients. And then lastly, globalizing our business. We are still wildly under-penetrated in international markets and that remains a huge runway for us with the portfolio we have today and the portfolio to come.

Now, it doesn't stop there. Mike highlighted a bunch of venture capital bets that we have placed across Boston Scientific. Urology is no different. He highlighted a couple of categories where we've made some venture bets, notably urologic cancer and then prostate therapies. Those are the future bets that also tee up really nice M&A opportunities for us in the future.

Okay. So here's the market we serve. I'm not going to unpack this in all of its beautiful glory. There are four subspecialties, endourology, prostate cancer, prosthetic urology, and pelvic health. And you'll see across the top, these are the size of the markets and the approximate growth rates.

My takeaway that I want you to take from this slide is as follows. We serve diversified markets, so lots of diversified growth opportunities. But we also have a very diversified portfolio across each of these subspecialties and we're only showcasing a smattering of the products that sit in each of these categories. Lastly, down below, you also see a diversified source of innovations and just an inkling of what our pipeline looks like across the urology markets, both near-term as well as through and beyond the LRP. So diversification and breadth is really I think two of the takeaways about our urology business that I would like you to take from this slide.

So I'm going to double-click only into two of the urology subspecialties today. One is endourology and the other is pelvic health. So endourology, hopefully, for those of you who have participated in this IR day before, this seems a little familiar. This is our StoneSmart ecosystem that aims to create a connected environment to redefine how flexible uroscopy is done.

Now, why are we working on this? We're the category leaders in stone today. And investing in redefining the way endourology procedures are done allows us to strengthen that category leadership, but also unlock additional value in meaningful innovations that we can sell at higher ASPs.

Okay. The aim of it is twofold. First and most importantly, patient-focused, increasing stone-free rates. With unlocks in innovation, physicians can now do a lot more complex surgeries in minimally invasive fashion versus having to go percutaneously into the kidney. Second though, as they tackle these more complex procedures, the cognitive burden on the physician and the staff is very real. So we aim to reduce that cognitive burden through the StoneSmart ecosystem that's shown here on the right.

So I'll unpack briefly the three pillars. So LithoVue Elite is a technology we launched in 2023. This is the first pressure-sensing disposable ureteroscope

available in the market. And over the last couple of years, it's seen really strong adoption. Now, importantly, we just published real-world data comparing hundreds of patients who have been treated where the physicians were able to use pressure-sensing scope, LithoVue Elite, to physicians who were just using disposable ureteroscopes. And we showed a statistically significant reduction, by about half in post-operative infections out to 30 days. This is the first evidence of its kind, which is really reinforcing why we invested in this technology.

But second, Asurys. Asurys is now available in some markets in Latin America and Canada, and it currently sits with the FDA for review. As we've gotten the connection of LithoVue Elite and Asurys into the hands of physicians, what they're now allowed to do, this is a fit-for-purpose fluid management system built for urology procedures. They set a level of a pressure they do not want to exceed and they let the fluid management system do the rest.

And I was talking to one of our physicians in Canada who had the opportunity to finally use this connected ecosystem and he just sort of said to me with this almost like, "It just works." And that is one of the best compliments you can get as an innovation team. So for him and his staff, it just alleviated so much of the dial turning and fussing about that can happen during your uroscopy procedures.

And then lastly, we have our MOSES laser platform, which came to us via the Lumenis Acquisition in 2021. And next year, we're going to be introducing some of the first intelligent functionality from that platform.

So that three-pillared ecosystem, combined with seven other launches in endourology over the LRP, further fueled by AI innovations and iterations that allow us to kind of unlock this interconnected ecosystem, is what we believe will continue to help us drive that expanded category leadership and capturing the value from those meaningful innovations. All right, so there we go with stone.

I'm going to take the rest of my time with you to unpack pelvic health. So incontinence is an enormous market opportunity. You see just with OAB alone, we have 46 million patients who are suffering from OAB. 21 million adults suffer from fecal incontinence. This is just in the United States. So usually, you can at least 2 or 3x it for the global reach.

But incontinence is not all created equal. There's sort of two reasons for incontinence. One is mechanical, right? You've carried humans, birthed those humans, and you also get older. Your pelvic floor can weaken. Or you've had surgeries that may have actually caused some weakening of the pelvic floor. So

that's the mechanical solutions where we have slings and we have our bulking agent that came with the Axonics acquisition.

But then there's the neurological causes for incontinence. This is really when your bladder and your brain are just not communicating effectively. And we need to intercept that and kind of cause the system to start working again. So when we look at the Axonics business, big opportunity for us to unlock the significant investment in our urology business with the acquisition of Axonics last year.

So there's really three things that we're looking to drive our growth and acceleration in this space, and our strategic thesis for the opportunity here has never been stronger. First, innovation. I have one example here, which is an external trialing system. You're like, "What the heck does that mean, Meghan?" Well, today, when patients are assessing whether they want to move to a permanent implant, there's a trial that they undergo. And oftentimes, what that means is they'll place the leads in the small of the back to be able to stimulate the sacral nerve and those leads sit external. And the way that they are sort of contained means the patient cannot shower during the critical three to five day trial period.

We have a submission with the FDA right now for re-envisioning that external trial system where you can actually now put it in a watertight fashion on the lower back of the patient so that trial doesn't become an impediment to engaging in the therapy. Because oftentimes, when patients are told they're not going to be able to shower for five days, I don't know about you, that can be a bit of a hurdle for them choosing this therapy.

Second, focused globalization. So the Axonics business that we acquired is like 93% revenue from the United States. The opportunity for both Bulkamid and for the sacral nerve modulation portfolio is vast. We are under MDR review for the F15 in Europe. We already have the R20 there. So we're looking forward to getting that full SNM portfolio into the European market. And we recently got reimbursement for both technologies in Australia and that team is off to the races.

And then lastly, evidence. So we estimate about 80% of patients who get SNM therapy tend to be women. And that's not because it's just women who have OAB. Men suffer from OAB a lot. And I think sometimes men are treated for BPH symptoms, they don't know why they're not getting better after that procedure. And it's because the underlying OAB was probably unrecognized and undertreated. We have a clinical trial underway to generate that evidence. It's

already indicated, but to generate that evidence to unlock this market more so we can educate patients and physicians.

Now, 2025 has been a year of transition for us with this acquisition. We combined the bag with our slings and our Bulkamid technologies into a pelvic floor dedicated selling organization. And we continue to maintain simply an enormous footprint of sales representatives, clinical specialists, and field marketing experts to activate and unlock this market. And there's really four things I want to highlight to you, which are our focus areas to drive acceleration in this area.

The 450 people that sit in the United States alone are meant to provide exceptional clinical support and experience to physicians and patients. We have only made that team bigger since the acquisition.

Second, patient activation, we've talked about this a lot. Huge opportunity for DTP. Axonics had some great capabilities here, Boston Scientific has done this really well across cardiology and med-surg and urology, and we will continue to pour investment into this area.

Health economics and market access. Health economics, what we call HEMA, it's a superpower in Boston Scientific and urology is no different. So pointing this expertise and capability to the pelvic health market and OAB in particular to expand our geographic coverage but also really work with the prior auth complexities that sometimes can exist, which can be an impediment to patient care.

And then lastly, professional education. So we have the broadest urology portfolio. That's really attractive for residents and fellows to come get their education from Boston Scientific. We've invested in mobile labs that literally will pull up into the literal backyard of hospitals to allow residents and fellows to come out and get hands-on training from BSC and our faculty.

So for us, the 14,000 urologists out there in the United States, not all of them are always directing OAB patients to the right specialist. And when we first came into this market, I was operating under the thesis that the big impediment to OAB and unlocking the market was educating patients. And yes, that exists, right? There are too many patients who suffer with incontinence and live in silence and/or shame and/or embarrassment, loosely the same thing, and that's why they're not getting treatment. However, there's also an issue of how do we activate and educate the physician population to speed along when patients share their symptoms, get them to the right treating physician quickly?

And this is the perfect segue, I want to share with you the story of Karen. I'm going to show you Karen's video in a second. Karen is a woman who had been suffering from incontinence that ultimately was urinary incontinence and fecal incontinence. She suffered for that for 10 years. And she was telling her primary care physicians about her symptoms, but she was being treated mostly with medication. And it wasn't until she finally made it to the right urologist, that urologist slid the patient brochure for SNM across the table to her and she started to cry. Right? We in Boston Scientific, we have a magical opportunity to unlock that disconnect, and so let's take a listen to Karen.

Axonics R20 SNM Patient Video:

I used to get up early in the morning and go for a run and I stopped doing that because I couldn't get out of the house. I had overactive bladder, which led to frequent incontinence. When I would need to use the bathroom was the dominant force in everything in my life.

When I got the device, normalcy just came back. All this noise went away and I just wanted to do everything all at once. And it seems basic to just live a life, but it's not basic. It's huge. I'm able to be active, I'm able to care for my neighbors. Really now, I want to do everything I can for as long as I can. I'm back. I don't know how else to describe it, but I'm back baby.

My name is Karen. I got my freedom back two years ago when I get the Axonics device. I'm able to care for myself, care for my neighbors, take care of my dogs, take care of my family. And that's what Axonics lets me do.

Meghan Scanlon:

And hopefully it sort of activates in you what motivates all of us in this beautiful urology business to come to work every day. I'll end where I began. You already read this slide, so I'm not going to unpack it.

But what's amazing to me about Karen is too often we talk about urology procedures as quality of life. What Karen said to me a couple of weeks ago, we had her come speak to our employees at our Everybody Makes An Impact Day, and Karen said, "It's not quality of life, it's about life." Her life changed meaningfully for the better. She lost weight, she reconnected with her community. And it's not just OAB patients who suffer from that, it's patients who suffer from urologic conditions all across the board, all across the world.

So with that, I will wrap up with Karen and I will turn it over to my colleagues in the endoscopy division. Introduce Adam Smith, the General Manager of Endo, and Dr. Brian Dunkin, it's Chief Medical Officer. Thanks, guys.

Brian Dunkin:

Thanks, Meghan. [inaudible 00:55:33].

Meghan Scanlon:

Thanks.

Adam Smith:

Good job. Good morning everyone. My name is Adam Smith, I'm the general manager for our global endoscopy business. I'm joined here today by Dr. Brian Dunkin, who serves-

Brian Dunkin:

Good morning.

Adam Smith:

... as our chief medical officer. We're pretty excited to talk to you today about endoscopy and what makes that division of Boston Scientific such a special business for us.

So you can see here from the slide, to start, we operate in an 8-billion-dollar market. That market's growing around 6% across the long range plan, so we will continue to outpace that market growth and we'll also deliver accretive operating margins back to Boston Scientific.

So we've got a few things to cover with you here today, but we have two primary objectives. The first one is, of course, we want to talk to you a little bit more about our portfolio. We operate in a very broad category, and that's certainly true for our portfolio. We cover a lot of different disease states, many different procedure types. So we'll try to clarify that for you and show you some of the areas that we're really focused on. And then secondly, we want to talk to you a little bit about our history in this category and why we see that as an advantage for us.

So before I get into the details on the portfolio, I thought it'd be helpful just to talk a little bit about how we approach our portfolio, our portfolio strategy. And

it's always been anchored in some highly preferred, physician preferred proprietary technologies. So these are one-of-one technologies that oftentimes support other devices in our portfolio that are oftentimes used in the same procedure. And then from that, that proprietary base, we're constantly looking to push into adjacent markets that will help us expand our field. So you'll start to see that theme in other parts of this presentation.

The second area was that history, and we want to talk a little bit about that because we've been in this category for over 40 years, so we have a deep understanding of this space. We know these patients, we know these disease states, we know these customers, and we've developed a tremendous amount of trust in this category through years of innovation and pushing this category forward. So we'll always remain humble about that past, but all that history gives us a lot of confidence in our right to win in this category, and we're hungry to push this field forward.

Okay, so this is the exciting slide. This is when we start talking about the actual technologies. And as I said already, we operate in a very broad category, so to try to simplify how we think about our endoscopy portfolio, let me just start with this. The vast majority of our devices in the endoscopy category are flexible instruments that pass through endoscopes and work in the GI tract. And it's as simple as that. And then we would include in the GI tract, the liver and the pancreas because we access those organs transorally through endoscopes. So again, if you start there, we're talking about flexible devices. They're single use, they go through an endoscope. We're in the GI tract.

You can further start to understand this category by segmenting them into these four areas you see on the screen here. So I'll touch briefly on a few of these, but all of them independently represent large parts of our portfolio and each of them are powerful in their own way.

The first one is pancreaticobiliary. And pancreaticobiliary is we're treating diseases of the gallbladder, of the pancreas, of the bile duct. And what's exciting about this category is we have created markets, we've had a long history of creating markets in this category. We introduced single-use scopes with SpyGlass over 20 years ago. So single-use scopes have become a far more accepted device in our world today, but we started this all the way back 20 years ago. That product's gone through numerous innovations throughout that period.

And then even more recently, we've introduced a new category with EXALT Model D. And then AXIOS is this revolutionary technology that Dr. Dunkin will talk

a little bit more about that's really changed the way numerous GI disease states are currently being treated.

So what's more exciting about pancreaticobiliary though is that we see numerous opportunities for continued advancement. Next year, we'll launch a capital platform that will allow us to introduce some enhanced imaging technologies with artificial intelligence into some of those single-use scopes. We believe that we can continue to differentiate scopes versus the more heavy capital burden scopes that are out there today that they'll displace because we're operating on faster innovation cycles than those capital platforms. So really exciting opportunities to continue to bring meaningful innovation to this category.

The next one is endoluminal surgery. And this is an exciting category and it's exciting for us, but it's more exciting for patients. Endoluminal surgery is literally disrupting the way general surgery is treating certain GI disease states. So Mike Mahoney started earlier with what you see up here. We are about advancing science for life. You heard Meghan talk about the patient with fecal incontinence and how that's changed her life. Endoluminal surgery might be the most clear example in the field of endoscopy around how we're advancing science for life. These are patients that were once going to the operating room to have surgical resections and they're now migrating into endoscopic therapies where we can spare that organ and they can get back to recovery faster. They can get out of the hospital sooner, they can get back to living their lives faster. So endoluminal surgery is a very exciting space for the field and for these patients.

And that migration out of the operating room into endoscopic therapies has primarily been enabled because we've developed better tools. We've got better cutting tools that are treated endoscopically. We've got better closure tools and even endoscopic suturing tools now. So you'll continue to see this field really advance.

I mentioned our interest in pushing into adjacencies. Endobariatrics is that current adjacency that we're very focused on right now. So endobariatrics is an endoscopic approach, it's a volume-reducing procedure of the stomach. Certainly don't need to talk to this group about the size and scope of the obesity market and the attractiveness of that opportunity, but we believe that and endoscopic approach here will play a role with the treatment of this population.

And then lastly is our core business. This is GI strictures and bleeds, infection prevention, a whole host of families of products that help support those and continue to deliver profitable growth back to the division.

So when you put all this together, like I said earlier, each of these represents powerful parts of the portfolio. When you put it together and you offer this in combination, it's a real advantage for our endoscopy business.

All right. So next slide here, I just want to talk a little bit about, we talked about the technology, we talked about the portfolio. This is really what differentiates us in this category. This is how we win in this space.

And I'll start with the gear imagery because it's intentional. Each one of these gears represents a different element of our go-to-market strategy, and they work in combination with one another to support our top priorities.

The first gear there is innovation. We talked a lot about that already. It's always been about innovation, it will always continue to be about innovation. We are well positioned to deliver meaningful innovation across all four of those categories.

But after you develop the technology, it doesn't stop there. We've got a history of physician education that drives procedural adoption. We've got investments in clinical programs that expand the indications. Our health economics team, you heard from Meghan, this is a superpower of the overall enterprise, but in endoscopy those health economics teams are working side-by-side with GI and surgical societies to ensure that appropriate reimbursement is in place to continue to expand adoption.

And then we've got these big commercial teams out there that are operating with this big portfolio, they're well-trained and they're delivering very diversified global revenue for us.

So when you get all these gears working together, that's exactly how we've established this market leadership. And when we get this market leadership in place, we've also been fortunate enough to put some very powerful long-term contracting strategies in place that really protect us from any sort of dynamic movements in the marketplace. So this is exactly how we've delivered that market leadership. It's exactly how we plan to keep it and how we plan to expand it.

So I'll turn it over to Dr. Dunkin to talk to us a little bit about some of the work we've done to create some categories in this space.

Brian Dunkin:

Thanks, Adam. And again, good morning to everybody. It's really a pleasure to be in front of you today.

Let me bring to life a little bit about what Adam was just talking about in that in the 40-plus years of Boston Scientific endoscopy, it's not just about bringing a new device to market, but it's about creating new markets, new clinical ways, less invasive ways to care-

... new clinical ways, less invasive ways to care for patients. And I'll use AXIOS as an example on this slide. So AXIOS is a specialized stent. It really allows an endoscopist, an endoscopic ultrasound physician to connect the intestinal tract, say the stomach, to another structure outside of the intestinal tract. That's revolutionary. That's a form of endoluminal surgery that Adam just talked about. And when we introduced AXIOS into the endoscopic ultrasound market, it transformed practice.

I'm a surgeon. Things that I used to do surgically we're now replaced with an endoscopic procedure. And so we introduced that kind of technology to market and then we wrapped it with all those things that you saw in that gear slide, not the least of which for AXIOS was in expanded indications. Started with that one indication, wrapped it in clinical evidence to prove to the clinical community that this was the way to go to use this device and then expand beyond there. Last year we got our fourth clinical indication for AXIOS, which was for gallbladder drainage to be used in the US. This year we've gotten our fifth expanded indication, and that is using AXIOS to relieve intestinal obstruction. That indication is achieved in Japan.

We're in the midst of a international multi-center trial to get data to support that regulatory clearance in the US, Europe, and other places as well. So an example of really developing a new market, a new way of working, expanding that through expanded indications. And then we don't rest on our laurels there. Next year we're bringing Revos to market. Revos is going to give endoscopic ultrasound physicians another new way to access the biliary tree, the access to liver essentially through the intestinal tract, and then extended even beyond Revos into further years.

So whether it's endoscopic ultrasound in AXIOS or it's in the pancreaticobiliary space with introducing single-use imaging, or the endoluminal surgery space where we're really disrupting general surgery and moving these procedures from the OR into the endoscopy suite to be done in a less invasive way. We have a strong track record of creating new ways of doing clinical work, new markets, and we'll continue to leverage that expertise as we move forward. And in fact, endo-

bariatrics is another example of building a new clinical way to work, a new market in endoscopy. And this is an exciting area to be.

We are in the midst of a virtual pandemic around the world in obesity. And having multiple options for treating patients with obesity, which has a complex multifactorial disease is very, very important. We're excited to enter into the endo-bariatrics space with OverStitch, which is an endoscopic suturing device that allows us to basically suture the stomach into a smaller configuration, so patients eat less and stay full longer. Or the intragastric balloon Orbera, which has the same impact on the stomach. Now a common question is, well, where does endo-bariatrics play in this world of GLP-1 type medications? And we would say that the short answer is it serves as a gap therapy. Really, it fills that gap between non-surgical intervention for obesity and surgical intervention for obesity.

And let me give you an example. If I was a patient suffering from obesity just five years ago and I went into my doctor's office and I said, I need medical advice on how to manage my obesity. I would've been given two options. Lifestyle modification, which is essentially diet and exercise, or surgery. And while lifestyle modification is foundational to any weight loss strategy, it as a standalone strategy is not effective. And that's been shown in many clinical settings. Surgery, very effective. The surgical community has worked hard to make surgery safe, but patients aren't opting for surgery. Less than 1% of eligible patients for bariatric surgery actually choose to have that intervention and go through with it. So this left a very large treatment gap between lifestyle modification and surgery.

Now, GLP-1 type medications come to market. They help to fill that gap and that's a very important contribution. They're going to help millions of patients. They're going to activate these patients to reengage with the healthcare community and say, tell me about these new interventions for treating obesity. So that's a good thing, but they're not a panacea. Over half of patients that start a GLP-1 type medications for the purpose of weight loss, stop it within 12 months, over 70% stop it within 24 months. And so there remains this treatment gap between non-surgical and surgical intervention, that's where endo-bariatrics plays a role, and we're excited about that opportunity.

And I'll say the things that you see on the lower part of this slide are those things that we wrap this technology portfolio around. Reimbursement. We were in front of the AMA advocating for a CPT category one code, which was granted and will kick in January of next year. And so that's helping to break down reimbursement hurdles to get access to this technology. And it's been exciting to see what's

already happening in that space. We have government coverage in the US with CMS. We have coverage by the NHS in the UK. We have commercial payers coming to the table and offering coverage even before the CPT code has kicked in, that shows you that they're looking for an alternative to the GLP-1 type medications. Society support. We have multiple publications now, position statements and white papers by both GI and surgery societies that are advising their members that an endo-bariatric approach is an effective approach for treating patients with obesity and then advising them on where it fits in as this gap therapy.

And the last thing I'll say is about patient awareness. We're leveraging the experience of our Watchman colleagues, of our urology colleagues and talking to patients directly now. Educating them about the advantages of endo-bariatrics. And we're doing that with direct to patient marketing campaigns, call centers where you can talk to a real human about this, and then connecting them to qualified physicians to further advise them and offer them a high quality procedure. So multiple examples, including this endo-bariatric space where we're excited to develop new markets. With that, I'll give it back to Adam to bring us home.

PART 2 OF 8 ENDS [01:04:04]

Adam Smith:

Great. Thanks, Brian. Definitely a lot of interesting work going on to help develop this endo-bariatrics market. We do believe that many of patients will see this gap therapy as an attractive option for them. I'm just going to finish this off here, again, like you've seen now all morning, we'll finish where we started. Hopefully you've got a better understanding of the endoscopy portfolio. Hopefully you have a better understanding of this kind of broad multifaceted go-to-market strategy, our deep understanding and history in this space and how that sets us up favorably. And I'll just say to remind everyone, we will continue to outpace the market growth in this category. We will continue to deliver a creative operating margins back to the business. And then you can see at the bottom of this slide, we're very proud of this innovation pipeline that is coming. We've got a lot of innovation coming here. We think patients across our portfolio of pancreaticobiliary endoluminal surgery and endo-bariatrics will be benefiting from these meaningful innovations that we'll launch over this long-range plan.

So thank you for your attention this morning. I'll turn it back over to Lauren for some Q&A.

Lauren Tengler:

We're going to open up for Q&A for the next 15 minutes or so. Please raise your hand and we have mic runners in the room. We can also take questions on the webcast. So if you are not in the room, please feel free to ask a question that way. All right. Great.

Brian Dunkin:

Last chance.

Lauren Tengler:

All right. Joanne Wuensch, when you get the microphone, please say your name and your firm.

Joanne Wuensch:

Good morning and thank you for taking the question. This is Joanne Wuensch from Citibank. I was looking at your last slide and-

Brian Dunkin:

The Watchman.

Joanne Wuensch:

... there is something in 2028 that was entitled PFA for type 2 diabetes. And I know you don't want to talk about PFA until another session in the future, but that did catch my attention.

Brian Dunkin:

Yeah, can I take that. So it's an interesting area. If you think about treating obesity, there are kind of two components to it. I just talked about one component, Hey, can we help patients lose weight through the endo-bariatric strategy that we talk about? But there's another component that's associated with obesity and that's the comorbidities. And in particular, type 2 diabetes is one of the most important comorbidities that goes along with it. And so we are very excited about the potential for an endoscopic approach for treating type 2

diabetes. And there are different strategies for doing that in the duodenum, which is the first part of the intestine the stomach is connected to.

We're a company that has expertise in energy, RFA cryo-pulse field ablation. And so being able to bring that expertise, particularly in PFA to really what's called a reconditioning of the duodenum mucosa in order to change patient's insulin profile and sensitivity, we've got some exciting work going on in that area.

Joanne Wuensch:

Thank you.

Lauren Tengler:

I'm going to take one from the webcast. This is Chris Pasquale from Nephron Research. Meghan, this is for you. What are your thoughts on implantable tibial nerve stimulation for OAB, and do you anticipate near-term competitive headwinds as your competitor rolls out their device?

Meghan Scanlon:

We talked a lot about the size of the OAB market and how under-penetrated it is. Generally speaking, our perspective is innovation in this space is good for everybody, and we do think that tibial can play an important role with patients at different stages of the continuum. Now, in terms of headwinds, there have already been competitive tibial technologies on the market for a couple years now. They will continue to battle some reimbursement headwinds while they fight to get CPT-I coding. Currently, it's covered under CPT-III... Sorry, CAT-III coding. So there'll be some headwinds that they have to deal with. I kind of think of this when you see a bunch of six-year-old kids around a soccer ball. There's such a bigger field out there versus trying to go fight with the six-year-old kids around the soccer ball. The OAB market is enormous. Any technology that brings patients into the conversation, I think is a rising tide that lifts all boats.

Lauren Tengler:

Thanks, Rick Wise.

Rick Wise:

Thank you. Rick Wise, Stifel. Art, maybe a question for you. You made some great comments about the OUS market opportunity and I expected to be nervous hearing you talk about international markets today, but it was very soothing to

hear what a great job you're doing. The team, the innovation, everything horrible, even VBP turns out to be something wonderful for Boston. I got it. My question is, I get up every day and the world is even more complicated from a competitive point of view, but maybe help us understand, today 35% of the business is OUS. What is that higher percentage you're aspiring to do or you're dreaming of? And seriously, should I be worried that you're so complacent and happy and things are going so well internationally? It's a silly question, but

Art Butcher:

Complacent.

Rick Wise:

It's a silly question.

Art Butcher:

No, Rick, thank you. I appreciate the question. And by no means do I intend to convey that VBP is wonderful. It's quite a challenge actually to manage. But in terms of target percentage, I don't think I'll give you a target percentage. Let just say this, for many years our endoscopy business, for example, was 55-45, and each division will be different. But I think what we've seen is that a lot of the technologies that we've launched in the last few years have really taken off in the US market and made that proportionality shift more weighted to the US. And so what I was trying to highlight with the 35 is to say, in a perfect world, could it be 50-50? I think it would be very hard to get to that. But gosh, if we can get to 60-40 or 55-45, it just highlights what an incredible opportunity there is across all divisions, and you'll hear from cardiology this afternoon as well, for some of the technologies that have taken off in the US to penetrate more into these international markets.

So I think it speaks to the delayed opportunity that we're going to be chasing for many different technologies. And then certainly, again, I don't mean to paint too rosy a picture. Doing business in China in particular is a very dynamic market. I do think we're uniquely well positioned because of the things that I mentioned. The team, our localization strategy, our VBP strategy. But it is challenging. And so what happens is in a given year, VBP will hit one segment of our business and that segment of our business may get hit pretty hard. And what we're proud of is that we take that and we adjust, right? We adjust the P&L, we adjust the staffing in that section of the business. We may adjust the portfolio, but we're committed to

staying and leveraging the access that we get into more accounts to pull through the rest of our portfolio that hasn't been VBPed yet.

And then the thing that I will add, it's really critical for the long-term in that market. Yes, the localization piece, but two is bringing your new technologies to market as quickly as possible in China because that increases the proportionality of your non-VBPed business as you go forward. So it's always a race, but what I'm proud of is that this whole team gets it and we're executing a plan and we know what our strategy is, and it's not like a runaway strategy. I hope that's helpful.

Lauren Tengler:

Runner, front row here.

Dave Rescott:

Dave Rescott with Baird. Thanks for taking the questions. I want to follow up on China and VBP. I think the last analyst day, you called out this mid-teens CAGR in China. We're two or three years past that growth outlook. Now you are still laying out this mid-teens CAGR over the period. And VBP is more than it was back then, or we now know that there is more VBP that has come since then. So can you help us understand how much of the portfolio maybe has seen an impact from VBP? How much still potentially will see an impact from VBP in the future? And then as you think about getting beyond some of the headwinds, is there a point at which you get past price and now VBP becomes a... Or the absence of VBP becomes a tailwind to something better than that mid-teens growth? Thank you.

Art Butcher:

Yeah, it's a little bit of a complicated answer, but I'll try and keep it tight, which is, let's say it's roughly 50% that has been through VBP, but the portfolio continues to change. We're always bringing new technology into the portfolio, so that changes the total size of the business, if that makes sense. And then there is a point after which VBP settles. And so if you think about the first VBP that we experienced, it was drug-eluding stents, it was 2020, and the price reduction was substantial. And I think the government learned also that that level of reduction put a number of companies, local companies, out of business, and they changed the percentage that they're looking for. So it has become not as extreme and like Rick, I'm not telling you that it's pleasant, but it's not that 80 to 85% price reduction that we saw in 2020.

And in fact, in the second round of DES VBP that came a couple of years later, there was a 15% price increase. So we did benefit from staying the course and we benefited from the increased access that we got through being committed in that first round. And then it actually became a tailwind because we had access to so many more accounts through the VBP. We got a price lift, which allowed it to be more a tolerable price point. And we were able to pull through important parts of our portfolio like IVUS and Wolverine and Rotablator into a number of accounts that's in the thousands that we weren't in before. So it's dynamic. It's ever-changing. What I like and what makes me feel better is that our team is tenured and experienced and has been running this strategy and they understand the marketplace very well.

Lauren Tengler:

Jayson?

Jayson Bedford:

I think Mike-

Lauren Tengler:

Oh, say your name.

Jayson Bedford:

Oh, Jayson Bedford, Raymond James. I think Mike used the words challenging environment to describe Europe. And I'd love for someone to maybe comment on the environment in Europe and is it a bit more structural, transient? Would be helpful. Thanks.

Mike Mahoney:

Anyone want to take that?

Art Butcher:

I could do it. I think, yeah, one of the things that Mike's probably referring to in terms of... Especially for our MedSurg businesses, some of the challenges in Europe are that the low cost Chinese manufacturers are looking for new markets outside of China for their product lines. And so that is particularly challenging in the MedSurg space where a lot of our products are 510K regulatory pathway. So it's a lower hurdle to get in. So those are places where we've had really a strong

competition that we've had to overcome. And how do you overcome that? You overcome it through the category leadership strategy where you have a broad line, the broadest line, of highly differentiated products that pulls through the rest of the portfolio. So it's challenging in that way. I think we have the right strategies in place. Mike?

Mike Mahoney:

Can you hear me?

Lauren Tengler:

Yes.

Mike Mahoney:

All right, great. Sorry, part of it, if you look at our European business has grown prior to this year, prior actually till April, it's grown double-digit. So our team in Europe continues to execute at a high level. The impact in '25 is quite frankly a bit self-induced. It's primarily driven by the withdrawal of Accurate, which is slightly over $200 million, and some back order challenges that have hit some MedSurg businesses primarily in Europe. So the underlying strength of our European business the last few years, I think it's been nine or 10% growth. It's very strong. And our growth in emerging markets is strong double-digits and western markets has kind of been mid-single digits.

So overall, we're very happy about the performance of our European business and the outlook. In '25, those two things, you pull 200 million bucks off the European business. If we excluded that, I don't know what the number would be, Ally, but it'd be higher. But that's really the primary driver. There's no macro things that are unique in Europe that are brand new.

Lauren Tengler:

Thanks. All right, we'll take Pito.

Pito Chickering:

Hey. Yeah, thanks. Pito Chickering at Deutsche Bank. Looking at brain stimulation, the market growth is much lower than I would've thought a few years ago. As you look at the upcoming product launches, do you see them as evolutionary enough to start really accelerating the adoption of brain stimulation therapies? Just curious how we can get out of this mid-single-digit growth in the category.

Jim Cassidy:

Yeah. No, thanks for the question. And I mean, I think some of the dynamics with the market growth has been just a replacement cycle that's happened where we've shifted the average DBS patient maybe used to get a primary cell device five years ago. And today, they're getting rechargeable devices. So that whole replacement dynamic has really shifted. It's less impactful to us because our business is 80% plus rechargeable, but certainly that's been added pressure to the broader market because of that replacement mix. And then in terms of the question of these new technologies, I mean, I think as you know, DBS has been a category that's been academic medical center driven for quite some time.

And what I like, what I'm seeing in terms of these new technologies is that we're getting them out into the community. So community neurologists are able to program. And 10 years ago that just never happened. And so I think that there's a promise that as we kind of get... It's not just an AMC dynamic, it's a broader community dynamic for DBS and these are the technologies that open that up. Now that takes time though. And so it's the time of that, but that's a big focus for us is how do we get a bigger tent outside the AMCs for DBS.

Lauren Tengler:

Thank you. We have time for one more. Travis. Sorry.

Travis Steed:

Just curious if you could spend a little more time on BPH. There's a lot of dynamics in the market, a lot of technologies out in the market, competitive technologies, and also talk a little bit about your next gen BPH product if you can.

Meghan Scanlon:

Oh, BPH.

Lauren Tengler:

Yeah.

Meghan Scanlon:

Oh, sorry. I thought he was talking about your vertebral body. Okay.

Travis Steed:

BNA.

Meghan Scanlon:

Sorry. Yeah, so the BPH marketplace has been a pretty dynamic and fickle one for actually many, many years. And you see technologies that kind of take off like a boom and then see rapid declines. When we look at our portfolio, we have a diversified portfolio of BPH therapies, whether it's Rezum, which has been a darling of growth for us in international markets in particular, but also green light or using our lasers for enucleation. We have a diversified offering because every prostate doesn't deserve the same technology. And every prostate in different geographies doesn't deserve the same technology because you have different health economic considerations at play.

So for us, we have some intelligent venture capital bets in this space. I'm not going to get into the specifics of what they are, which would be customary for us not to disclose those details. But we also have some next generation capital infrastructure that's actually going to strengthen our Rezum footprint around the globe. I'll stop there and see if there's anything else you'd add? Or nope. Good? Okay.

Lauren Tengler:

No, thank you so much to the MedSurg team. We're going to take a 10-minute break. Please come back in 10 minutes and we'll get started with Cardiovascular.

Meghan Scanlon:

Thank you.

Brian Dunkin:

All right. All right.

VOG:

Please welcome Joe Fitzgerald.

Joe Fitzgerald:

Good morning everybody. Joe Fitzgerald, the Group President of our Cardiovascular businesses. Josh and Larry pay attention because we're going to do something different during Q&A. The person that gets the answer to ask the first question of the CV team when we bring them up has to be able to spell colangiopancreatography. Okay? Good challenge for you. I wouldn't have asked the question Rick if I didn't know how to spell it, but great job by the MedSurg

team. I'm thrilled to have our Cardiovascular business presidents with us and several of our CMOs, Chief Medical Officers to go through the Cardiovascular plan.

When we look at the CV market, it's a $50 billion market and our estimate is that's growing high single digits right at 9%. This is sort of a rinse and repeat from 2023 where we look at our Cardiovascular business opportunity, we'll grow faster than our end markets and CV growth will be accretive to the Boston Scientific 10% plus number that Mike had talked about. We have thousands of people around the globe that drive our CV strategy across all of our verticals. I'm thrilled that Sam Conaway joined us because one thing we don't talk about at this meeting is our commercial innovation.

And Sam's the President of our Cardiology sales group across all of the segments that you're going to hear. And the innovation AF solutions, Rhythm solutions, our interventional solutions is a real special thing for us because after you hear about all the products that we develop, all of the VC investments that we buy, our category leadership tuck-in M&A strategy, eventually that ends up in Sam's group's bag, or our EMEA bag, Asia LatAm bag, and we got to execute. And I think that's a real big advantage for BSC is our commercial team and a level of commercial innovation.

You're going to see from each of the business leaders a look into the product development cycle and clinical trial cycles. We're going to show you about 30 different... We're going to talk about 30-ish new product development projects across BSC. We're going to highlight on the next couple of slides, 20 clinical trials. And that's really important because as much as Mike talked about innovation, we have to run the trials to get products approved and to expand our market TAM, and we will dig into that as well.

So with that, let's talk about the end markets across CV. And I'm going to start with our highest growth markets, EP and Watchman. So EP, as you know, $13 billion market largest in medtech and the fastest growing in medtech. So we see over the long-range plan the EP market growing at 15% and Nick and Dr. Sutton will talk about how we're going to outpace the market. The basic headline there is we will continue to take share in the broad EP market and we will enter portions of the EP market that we're not in today such as ICE, which is a billion dollar market opportunity that we intend to use our SoundCath acquisition to get into Watchman, very similar to what I talked about in 2023.

Again, assuming a positive option, which was wildly positive, published in the New England Journal of Medicine and a positive CHAMPION study that should read out first half of 2026. We see the LAAC space as a 20% grower, and we see, especially given our global market share, we see us growing in line in the LAAC market at that 20-plus percent growth rate. A little teaser, Angelo will talk, I think for the first time publicly, about our next generation, fourth generation Watchman products. So stay tuned for that.

Now let me switch to our CRM DX. That's all of our active implantables, pacemakers, defibrillators, and our ambulatory cardiac diagnostics and implantable cardiac diagnostics. That market is our lowest growth market, 4% is what we look at looking forward over the LRP. We have actually not been growing at market in the past year or two. When you hear from Scott and Dr. Stein about our conduction system pacing, what we're going to do with our leadless pacing modular CRM, and what is like a once every 20-year platform, which you're going to see for the first time that platform launches in the middle of the long-range plan.

So we look at CRM with those three things that I just mentioned as being able to come back to at least market growth over the LRP. The question on globalization, our poster child in Cardiovascular is ICTx for the most global business. So that's our coronary heart failure, everything that's done in the cath labs by interventional cardiologists. That business is 70% international. So very similar to CRM where we have fairly low growth, US, Japan, Western Europe markets, that same phenomenon exists for our Interventional Cardiology business. But our Interventional Cardiology business has done a great job of developing in emerging markets, think of that as Asia, Middle East, Africa, and LatAm, to become our most global business and sustain a double-digit growth rate.

And we're calling that market a 10% growth rate going forward. And our intention is to be above market in the ICTx space. Cat Jennings and Peter Pattison will come up and highlight both our PI vascular and our Interventional Oncology and Embolics businesses. We're actually going to start with them. That's a collection of businesses that's $11 billion, growing at high single digits, call it, the 7%. And you're going to hear about our business plans to grow above market, across PI vascular and Interventional Oncology and Embolics. One thing I want to point out, and I won't go through all the numbers on the bottom of the screen. But whether you pick peripheral vascular coronary intervention-

Whether you pick peripheral vascular, coronary intervention, AFib, any of these markets, they are huge patient populations. Probably should throw hypertension in there as well. Despite being in peripheral, like Adam said, for 40 years, we still call even the peripheral vascular interventional market has wildly under-penetrated. So when we look at this $50 billion cardiovascular segment growing at near double digits, 9%, and us growing above that, hopefully well above that, it's really driven by the state of penetration into these serve market and serve patient populations.

I'll switch here to talk about our clinical evidence. A couple of ways to interpret this slide, and this is by no means... I think Mike said we have 45 active clinical studies. This represents about 20 studies that are being done in the CV space. But the important thing that I think you should consider is, yes, of course the studies in gray are the mandatory approvals to get these products to market all over the globe, product approval trials to get into Europe, Japan, Asia, United States. But it is pretty balanced when we look at our 20 biggest that half of them, the ones in purple, are market expansion studies.

So when you look at that, the purple on this slide represents a $15 billion increase in our target addressable market, things like Champion, things like Avant Garde for frontline persistent AF ablation, things like expanding our AGENT DCB indications for use into side branch and small vessel. Look at the bottom of the slide, Mandarin to open up China with TheraSphere. Those things in purple are 15 billion in market opportunity that are in addition to the $50 billion TAM we talk about across cardiovascular.

Then this next slide, which is less busy than Mike's slide, but he had to put the whole company on his slide, this one Mike already gave you the glossary on how to understand it, but these are approximately 30 product launches, which will drive 40 billion in BSC cardiovascular sales. One thing I want to point out, and you could go back to the earlier slide on the clinical, is all that clinical data that we're going to launch and unveil in '26 and '27, and most of the product launches that you see on this slide, will drive our long range plan.

But I want to make a really important point. As cardio has grown substantially '23, '24, and '25, we have reinvested an enormous amount of money on things where the clinical data will come out in '28 or the launch happens in '28, but the growth drives '28, '29, '30 and '31. So we're really not focused on those times now, but when you look at the number of product launches that you see that are happening in '28, next-gen Watchmen as an example, some of our heart failure

therapies, next generation Faraflex, some of the things we're doing in AI across ICE, TE imaging, and AVVIGO, that's going to drive our growth long beyond the long-range plan. With that, I'm really happy to get off the stage and hand the show over to our business presidents, and we're going to start with Peter Pattison in our IO&E group.

PART 3 OF 8 ENDS [01:36:04]

Peter Pattison:

Hi, folks. As Joe said, my name is Peter Pattison. I'm the president of our interventional oncology embolization business here at the company. Before I start, I just want to set expectations for folks in the cardiology group or cardiovascular group. If I do this right, there'll be almost zero cardiovascular content in this presentation. If I do go there, it's gone off the rails.

First of all, the IO&E business, that's shorter to say that, is a $3 billion market growing at high single digits over the long-range plan. What's important to note is that we've been growing double digits and outperforming that market for the last five years and we're going to continue doing that through the LRP. How we've done that is through our comprehensive portfolio, we've got the deepest and the broadest portfolio in our industry. We have oncology indications all the way through our embolization products as well. In fact, I think we have some of the deepest category leadership in the company, and I can say that because I think Mike agrees with me. We are three times the size in terms of revenue to our nearest competitor, so we do have great category leadership in this space.

Two features I want to hit on of our portfolio before I get into it a bit more, the first is our liver cancer franchise. Started with TheraSphere, and now in the acquisition of Intera Oncology recently in the spring we now have the hepatic arterial infusion pump, which I'll describe in a little bit more detail. The second feature is our investment in clinical trials. Oncology is all about data and I'm excited to share with you some of what I think are some of my favorite trials that we have that will move the needle in terms of granting access to more patients and more geographies.

I'll give you a quick-ish review of our portfolio, because it may be new to some, I've got it in four pillars. I'll start with TheraSphere. TheraSphere, it's our foundational product, it's our largest product in our space. What it is, these are yttrium-ninety microscopic glass particles, glass spheres that are put in through a catheter. They trundle along through the blood until they get to the tumor, where

they stop and emit a huge dose of radiation from the inside of the tumor out. What that means is the patient has less side effects than they would if they got external beam radiation. I'll talk more about TheraSphere in the next slide because it's a big part of our LRP.

The second platform for us is cryoablation. Cryoablation has been a consistent double-digit grower for us over the last several years and it's going to continue to do so. In fact, cryoablation, we call it our Swiss Army knife of cancer care just because the broad number of cancer types that we can treat. Our biggest use products or cases are for kidney cancer, bone cancer, and lung cancer. The way it works is you take a percutaneous needle stick under CT through the skin and right into the middle of the tumor and it literally turns the tumor into an ice ball and kills it. We're always going to be pursuing new indications, that's the beauty of this type of technology, and we'll do that through the LRP, but I want to really highlight is our next generation console.

Traditionally, if you've seen in one of our cryoablation systems, there's these five-foot-tall external gas, medical-grade gases of sometimes helium and argon. What our R&D team has been able to do is develop a next generation system that will launch during the LRP that takes away those external gases. That is important because it allows for new sites of service and new geographies where the gases are either too expensive or you just can't access it because of shipping and regulation, so we're excited to see that.

Our third pillar is hepatic arterial infusion pump that I just mentioned on the last slide. This is the only chemotherapy pump approved by the FDA, and the way this works is the surgeon puts his pump under the skin and ties it off on the hepatic artery. This allows the medical staff, the medical oncologists to deliver up to 400 times more [inaudible 01:43:53] chemotherapy into the liver, 400 times more than you could do if you did it through regular systemic IV injection.

The other thing I love about this platform is how it builds our liver cancer franchise. So TheraSphere is approved for the most common type of primary liver cancer, called hepatocellular carcinoma, and HAI is approved for secondary liver cancer that spreads from the colon as well as cholangiocarcinoma, which is also called bile duct cancer. Together that really creates a more formidable franchise that we can lever off of our existing skill sets and capabilities.

The fourth column here is embolization. Embolization has been a strong double-digit grower for us for the last couple of years due largely to two product launches. One is Embold. Embold is our family of three coils, fully detachable

coils. Each one serves a different purpose and we're able to pretty much meet the needs of a physician's entire embolic needs with this family of coils. The second one is Obsidio. Obsidio is a first in class, we're calling it a conformable embolic. Think of a semi-solid that's in the syringe. It goes through the catheter and it comes out in the vessel as that same solid, creating instantaneous and complete occlusion.

Lastly, just to dive into TheraSphere a little bit more, we still see a lot of opportunity for TheraSphere. We see a TAM that we can increase by 5X, and we're going to do it through three ways. The first way is by doing what we're already doing, that is treating more liver cancer patients. Right now we're indication in the United States is in early stage HCC, and what we'd love to do is have more data in intermediate and late stage HCC to give physicians confidence and to create more opportunities for patient treatments in those diseases.

What we've done is we've just completed PROACTIF, or if you're European, PROACTIF. This was in France, it was over a thousand patients, 1,200 patients to be exact, and the bulk of these patients were in intermediate and late stage cancers. I'm happy to report we're very excited about the survival profile of this patient group and it's going to be presented next month in a few weeks at the European Society of Medical Oncology called ESMO.

The other interesting opportunity that lies in HCC is immunotherapy. I think we've all probably heard of immunotherapy and the magic of immunotherapy, and for the patients that it works for, it does wonders, it saves lives. But the challenge with immunotherapy, it only works in about three out of 10 patients. We're leading the way with research to combine a local therapy-like TheraSphere to de-bulk and shrink that tumor, and release tumor antigen perhaps, to help that immunotherapy regimen work even better. So we're looking at the safety and efficacy in the Rowan trial. It's a phase two, single-arm trial, 100 patients, that we're doing with TheraSphere in combination with AstraZeneca's Stride regimen. That's fully enrolled. It was the fastest enrolling study we've done in this space and we expect the data in early-2027.

Our second plank in terms of getting that TAM up is Asia-Pacific. Half of the world's HCC patients are in China or in Japan. We are on track for launches in those two geographies respectively, China in 2028 in Japan in 2029, and we've got a great commercial engine to start taking advantage of that opportunity. The last one that's further out, albeit beyond the long-range plan, but it's personally the most exciting for me, is we believe that TheraSphere is a radiation technology

platform. You can take a very high dose of radiation at the tip of a catheter and put super high doses of radiation in very small places.

We're trying with probably the worst type of cancer out there, and that is brain cancer, and particularly the most aggressive form of brain cancer called glioblastoma. What we're able to do is take relatively low-risk patients based on where the tumor is located and we treated a dozen patients with under FDA supervision. We were so impressed with that outcome that... By the way, those results will be published and presented later this year. We were so impressed and excited with those results, as was FDA, they've now opened up that study. Now we can increase that market by going after all glioblastoma patients, regardless of where it is in terms of the location in the brain. That'll be followed in 2026 by an optimization study getting the dose right and the frequency right, leading to an RCT for approval beyond that.

So again, early but exciting. High risk, but we're excited where we're going. If we are successful to commercialize it, it'll be outside the LRP. You're going to see us do that with other solid tumors as well. We don't have to just be liver, it doesn't have to be just glioma. We're looking at other cancers, we'll start those off in 2026 and 2027 as well. So just to conclude, we've been delivering double digits, we're going to continue to do that with our breadth and depth of portfolio and we're adding to it new R&D and new clinical trials that we're excited about. They're going to build the next five, 10 years for us. Thank you very much. I'll turn it over to Cat Jennings, the president of our peripheral interventions.

Cat Jennings:

Thanks so much, Peter. Hi, good morning. My name is Cat Jennings and I'm the president of the peripheral vascular business at Boston Scientific. Peripheral vascular for us encompasses both the arterial vascular disease state as well as the venous disease state, so that's an $8 billion market growing at mid single digits. We expect over the LRP to accelerate our own growth rate from high single digits to double digits over the LRP, and we do that on the basis of three things. First is the breadth and depth of our portfolio backed by the best clinical data in the business. The second is the strength and durable growth we get from our TCAR business, which we acquired from Silk Road last year. Third, it's our entry into the IVL market and the exciting opportunity we have to launch Seismic over the LRP. I'm going to touch on each of these and give you more reason to believe in the double-digit growth that we see over the LRP.

The first thing I want to talk about is the breadth of our portfolio and the category leading positions we hold in many of these segments, and I'll touch on two products in particular to give you a feel for this, for those of you that may not be as familiar. The first is Eluvia, our drug eluting stent for the SFA. This is a product that we've demonstrated time and again is superior to everything else on the market, whether that's superior to the other drug coated stent on the market, is superior to bare metal stents in not one but two randomized clinical trials. Then Ranger, our drug-coated balloon, this is a product we've demonstrated is better than PTA. It's equivalent to the other market-leading DCB on the market with half the drug dose. While in these categories we may not have been first to market, we were best to market and we are now category leaders in drug elution.

So how do you take that data and how do you take that investment and continue to grow? We plan to have many product launches over the LRP strengthening our matrix across drug elution, but we're also taking that same drive with data to the rest of our portfolio. In 2026, we expect to present the HI-PEITHO data set. HI-PEITHO is a clinical trial comparing ECOS to optimal medical management for PE patients, looking at the endpoints that really matter in changing guidelines for pulmonary embolism treatment, endpoints like mortality, decompensation, recurrence of PE. These are the types of endpoints in a large-scale clinical trial, over 500 patients randomized, that help move guidelines and help move the market. We're extremely excited about our commitment and our investment in clinical science.

Next, I'll talk about TCAR and why we believe there's durable growth in this market over the LRP. I'm going to first talk about the right-hand side of this slide. What you can see over here is that TCAR is approximately 20% of all the US carotid interventions. In fact, the majority of patients who receive a carotid intervention in the United States receive it through an open endarterectomy. This is probably one of the very last cardiovascular markets where the first option for patients is an open procedure. We expect to continue to drive adoption into this segment with TCAR.

On the left-hand side of this slide, you can see the opportunities we have for global expansion. I'll tell you, I spent time in China this summer attending our launch meetings for TCAR and the excitement in those rooms was palpable. We literally had standing room only, had to push physicians out the door to make their flights home. The excitement for this technology in China is very real and we're really excited about the opportunities we have there. In 2026, we're looking to start the commercialization efforts in Japan and in Australia, with the rest of

the world to follow. One last thing I'll say about TCAR, this is a beloved procedure by vascular surgeons who do over 50% of all peripheral vascular procedures. Our ability to deliver them outstanding service, clinical partnership, and deep customer relationships is not only important in TCAR, but important across our entire portfolio of business.

Finally, I want to talk about our entry into IVL with the Seismic product. I touched on a few minutes ago the important value that we have in the category leading position that we have with our drug eluting technologies. Well, you may not know that most IVL procedures that are performed in the lower limbs are actually followed by a drug eluting technology, be that a DCB or a DES. That means we're coming into this launch from a position of strength. We have those relationships, our products are pulled every single day to follow an IVL procedure. By the way, the product itself is pretty incredible. It's a premium, highly differentiated IVL product that delivers on a number of different attributes. It's more deliverable, more powerful, delivers more shocks, and I think importantly provides really precise therapy delivery. When a physician is looking to treat calcium, maybe a very resistant part, a nodule, they can really direct that therapy to be delivered exactly where they need it. What I'm going to do is leave you with a video that talks about Seismic as I hand it over to Lance Bates. Thank you.

SEISMIQ IVL System Video:

Seismic is the next generation IVL system designed to give physicians complete control over placement and targeted delivery of high energy acoustic pulses. Seismic features a highly deliverable balloon catheter with low crossing profiles, robust pushability, and trackability. Each emitter is highly radio-opaque to allow precise delivery and directed energy where it's needed. The advanced catheter platform utilizes laser energy to generate a plasma event within the balloon inflated at low pressure. The initial acoustic pressure wave fractures both intimal and deep calcium. The on-off emitter stations extend treatment and saves pulses at each emitter station. Seismic puts physicians in complete control of energy delivery with highly deliverable catheters, increased acoustic pressure, and precision energy delivery to treat a broad range of calcified lesions. Please welcome Lance Bates and Janar Sathananthan.

Lance Bates:

Thank you everybody. If I haven't met you, I'm Lance Bates and I have the privilege to run our interventional cardiology therapies businesses, and joined by

Dr. Janar Sathananthan, our chief medical officer. Before I jump into content, I do have confession, and I'm going to ask you to help me. I tend to talk fast and I tend to talk really fast if I'm excited about something. I'm really excited about this, so I may talk really fast. Mike, I promise I'm going to go slow. If I do go too fast than what you can type, just raise your hand and I will slow down, I promise.

But as we jump into the content, a quick review... I'm already too fast? All right, I need a metronome or something up here. But just a quick review of what's in the interventional cardiology therapies portfolio. It includes all of our coronary therapies businesses, it also includes what we call Interventional heart failure, as well as our emerging markets such as renal denervation, and the third pillar is essentially structural heart.

The first thing I want to comment on is that we're really proud that since the last LRP review that we did in Boston two years ago, we have outpaced the market. We have grown double digits over the last couple of years and we are going to continue that track record of growth and we are committing to growing double digits over the next few years in the LRP, which is above market. Currently, and I'm going to show you some more details on what make up the $11 billion of serve market, but we're also really excited about things we've got going beyond the LRP.

The main reason that we can drive this, because some of you probably think that interventional cardiology may not be that exciting, it's got drug eluding stents, it's got DVPs, it's got globalization, but I can promise you it is super exciting because we really leverage what Mike talked about earlier and that is that innovation ecosystem. It's a balance of having really, really strong internal R&D that we leverage for the second bullet up here, which is about really continuing to invest internally in the core coronary therapies portfolio with things like IVUS, DCB, other parts of our calcium portfolio.

The other part of the innovation ecosystem is to be really smart about having internal incubators where we put aside like a Skunk Works team, we innovate, we develop IP and prototypes, and if we need to, we spin it out and then we bring it back in, which is exactly what we did with Seismic Bolt in terms of our IVL portfolio. We're doing that in other spaces as well, being really creative with how we enter these high growth markets like IVL, renal Innovation, which is again an acquisition, and then circ support, all internal R&D. It's leveraging the full ecosystem of innovation, and that's how we've been able to do what we've done within our portfolio. We've also got what I would say is probably the best VC

investment portfolio in the structural heart and future heart failure spaces that we are going to share a little bit about and basically tee this up for two years from now when we can talk more about those.

To go a little deeper, starting on the left side of the page, we're going to talk about the core coronary therapies business, which is really what's been fueling and allowing us to invest across the breadth of the portfolio. The first thing I want to say is it's all based on a very sound clinical physician-driven principle, which is see, prepare, and treat. You have to see what you're doing. You have to see inside the vessel to know what you're dealing with in terms of anatomy, pathology, and that's all based on IVUS and why we invested years ago to build from the ground up internally the world's leading intravascular ultrasound imaging system.

This is built on AI, all the latest computer platforms. It is what has allowed us to really grow and pull through the whole portfolio, because if you use that first in the procedure, that helps the physician determine what they want to do to prepare the vessel. You can see we've just listed a couple of our calcium treatment devices, Wolverine, Rotablator for atherectomy. We prepare the vessel the right way and then we've got the best drug-eluting portfolio with our Synergy platform with drug-eluting stents, but we've also been launching AGENT DCB in the US and it's been hugely successful, opening up a whole nother treatment care paradigm for our physicians and patients. But it's all based on seeing, pulling through the whole portfolio. In that circle chart you can see below, that's what outlines the 11 billion in the market we serve today.

As you move to the middle of the page and we get into the LRP, the three big growth drivers for us are going to be IVL, which Cat did a great job describing how it's going to impact the peripheral business, it's going to have a massive impact as well on our coronary business. It's going to give us the most complete bag for calcium treatment and vessel preparation in the industry because now we're going to have Wolverine, Rotablator, as well as IVL. You can see renal denervation, another huge exciting space that we're going to be entering, and you can see the circ support market. This total market's going to go from 11 billion to 15 billion, double-digit growth. As I said, we are committing to outpace the market growth.

On the far right, that's the teaser if you will. We've got many investments across the field of structural heart as well as heart failure. We've got options on many of these assets to where we could exercise them when the time is right and the technology is fully, fully right. So those technologies in and of themselves will add

another $20 billion to the TAM, which is going to be super exciting for us to continue our growth well into the future.

I'm going to go a little bit deeper in some of our core flagship technologies. First of one I'm going to touch on is IVUS. IVUS, as I said earlier, grown internally, built internally, built on AI in the latest technologies. It's a $2 billion market today, but it's growing double digits. We are growing close to 20% ourselves. 70% of that business is global. Again, it gets at this global aspect of our business, it's how we've been able to fight the VBPs in China, as an example, because we have the whole portfolio. Today, about 40% of the PCIs are using IVUS or imaging procedures today. We expect that to grow close to 70%, primarily driven by the Class 1-A guidelines and other recommendations from the ACC and other governing bodies. So we're going to continue to invest heavily, but again, it's what pulls through the whole portfolio. I thought this would be a good opportunity for Janar, from a physician's perspective, IVUS imaging, what does it mean to you and your practice?

Janar Sathananthan, M.D.:

Yeah, I mean, thank you, Lance. First thing I'll just start by saying is that we within our division and within Boston Scientific firstly have tremendous pride in that we have one of, if not the most broadest portfolio in coronary therapies for the treatment of coronary artery disease. Because we firmly believe that the management of coronary artery disease requires a toolkit and not just necessarily a hammer, and that's why we've been so focused on surrounding the interventional cardiologists with all the tools that they need.

Lance mentioned how we approach that in terms of see, prep, and treat. In the slides to come, you will see what we're focusing on in the future with regards to prep with IBL. Calcium is the enemy of interventional cardiologists treatment. You will hear about the momentum that we are hearing clinically on drug-coded balloons, where historically the main treatment has been stents. But when we think about C, as Lance mentioned, that is all about planning. When you walk into the lab, you plan your case and this is what sets up everything else for the rest of the procedure. We have invested in this technology for years and years and years, and for us it was a great affirmation to see the two largest cardiology societies reinforce that with a guideline change, Class 1-A. Class one being the highest recommendation, a being the highest quality of evidence.

So guidelines change clinical use of products, but we as a company are very committed to investing further through innovation, and the way we're focusing

on that is making ease of use and efficiency in the lab with our Imaging platform easier, two, surrounding physicians with impactful education, and three, continuing to invest in the science that helps change these guidelines to further deepen that evidence base, because science changes practice. So in terms of what we feel are differentiating factors of our technology, we have a short video to share with you on what AVVIGO Plus is all about.

Lance Bates:

A little bit of insight into how the actual technology works. Again, the specific example that you might've caught on there with AI is in the past, those measurements and graphics that you saw, the physician would have to manually do that. Now, it all happens in real time while the physician's doing the procedure, just as one example. We will continue to keep feeding thousands of images, thousands of data points into the system to keep growing upon the capabilities to where we'll have the predictive diagnostic ability for what is the right calcium algorithm should you use when you treat the patient and prepare the vessel. Should you use a Rotablator, and then follow it up with a Wolverine or an IVL to give further expansion? Those are just some of the examples of we're going to be able to do.

Then once you've prepared the vessel, this next slide tees up what we hope you will use to actually treat the vessel. One of the things we're super excited about is our leadership position with Coronary DCV in the United States. AGENT is a paclitaxel-based product, it is leveraging the advantages of paclitaxel versus olimus in terms of how it adheres to the balloon. We have the lowest drug dosage, most efficient drug delivery, and it also is the most efficacious in terms of how it affects the disease and the vessel and it has gone extremely well.

Today we treat about 10% of the eligible population as indicated, so roughly 100,000 of the million PCIs in the US. As Janar already said, we've done great in terms of getting the ACC and other organizations to endorse our IVIS. They are also endorsing because there's now TPT and TAP and the appropriate reimbursement for this game-changing technology. We're not quitting there. We've got several investments for a next-gen AGENT to keep our leadership position in terms of how we deliver the system. It's going to be enhanced, even more deliverability to more distal vessels, new drug therapy combinations as well.

The other point, as we've talked about, is we want to keep investing in clinical science, and we've got the most novel trial to expand these indications. Assuming the trial is successful, we could basically take the indication of the population

from 10% of PCIs in the US to approximately 30%, which can open up potentially a three-

... approximately 30%, which can open up, potentially, a $3 billion market opportunity by treating small vessel bifurcations and de novo lesions, in addition to in-stent restenosis. So maybe, Janar, share with us some more details on this very novel trial design that you and the team have developed.

PART 4 OF 8 ENDS [02:08:04]

Janar Sathananthan, M.D.:

Yeah, so I think first of all, we're very excited to share that we have started enrollment on our DCB STANCE trial. This is a large global study with 1600 patients. This is an indication expansion study to assess the utility of AGENT drug-coated balloon in de Novo disease, and it's comparing AGENT versus drug eluting stents.

One important thing to highlight, you may have heard of other de novo diseases, but really they're focusing on small vessel disease. As Lance highlighted, we're targeting a broader use in terms of looking at small vessel bifurcation and long lesions, because those are three groups that clinicians are craving to have a metal-free option. And so, when we stood here two years ago and shared our excitement about bringing AGENT as the first-to-market DCB in the United States, as Lance highlighted, we shared with you that one in 10 cases that are performed in the US are for in-stent restenosis.

So why this trial is so exciting for us, it helps build an evidence base that triples the clinical utility of this technology, and that's what's driving a lot of that TAM estimation in terms of this being a $3 billion market. So we're very excited about this trial and it's a large global study, so more to come.

Lance Bates:

Excellent. So now we'll go a little bit deeper from the coronary perspective for IVL. And one of the things I want to share with you is a little more detail about how this technology came to be. And this is a good example of internal R&D and creative BD type of opportunities. We developed this technology in-house. We developed the optical laser technology that's the foundation for this IVL seismic technology.

And we were creative in terms of how we wanted to try to go faster plus balancing all the other R&D things we wanted to do, so we spun it out. Had a

major VC investment in it, then we were able to acquire it back at the appropriate time. So again, it's all part of that innovation ecosystem that Mike talked about. It's a great example. We're really excited that this is a huge market, $1.5 billion by 2028, and it's growing in the double digits.

I do want to share with you, even though we're humble, why we are aggressively optimistic that we have a differentiated product that can be very differentiated in the market and disruptive. As Cat alluded to, it's a four-emitter design system. These emitters are offset by 90 degrees for the full circumference. It's going to allow for very uniform energy delivery.

The other thing is that these emitters are very, very visible under fluoroscopy. So you can basically, the catheter is very sensitive. You can turn it and you can actually put the emitter directly on a lesion, such as a 90-degree nodule, that you can directly apply the therapy to. Super, super important.

The other thing is we can deliver up to 160 pulses. So we can deliver more energy per balloon without having to change out to help reduce the expense of the procedure. This device is super deliverable. And the reason it is, if you remember the video, it's optical laser base. That laser energy is delivered through a fiber that's less than the size of a strand of your hair. The emitters are super tiny. It's going to give us a lot of flexibility about how we put that into the balloon.

And the other thing that we want to keep emphasizing, it's about the portfolio. The full portfolio of calcium treatment, which we are the unquestioned world leader in, when we bring this to market. 30% of the procedures today that use Shockwave IVL today are also using Rotablator, and potentially Wolverine as well. So we're really bullish on what we can do by leveraging the full portfolio.

And you can see some of the launch timelines. We expect to bring this to market first half of '27 in the US, followed by Japan and the rest of the EU. So maybe to go a little more detail about the current status of the trial?

Janar Sathananthan, M.D.:

Yeah, I think typical with any new technology, this device has had a first-in-human experience. It's shown some very encouraging modification of calcified lesions and shown great efficacy. But that's also coupled with the fact that this is a very deliverable catheter and that's been the feedback from a lot of the physicians.

This is now being validated in an IDE study called the FRACTURE trial. This is currently enrolling. It's over halfway enrolled. We anticipate to complete enrollment in this study in Q1 of 2026, with data presentation later that year in

2026 as well. And so, as Lance mentioned, we are very excited to have this as being another tool in our toolkit for the management of calcium, in addition to rotational atherectomy and cutting balloon.

Lance Bates:

So now we're going to focus on renal denervation. And again, this is an exciting technology, huge TAM, 18 million patients estimated today. By 2028, a billion-dollar market that's going to probably be picking up steam. Should be growing double digits by that point in time as more reimbursement and other support is there for the therapy.

Another thing I want to point out here is that this is an example, we invested many years ago in this technology. We also have a lot of experience from our days in Vessix. So we understand RF technology and potentially where the limitations of RF technology are in terms of depth of penetration. We understand ultrasound in a balloon or other energy sources in a balloon, especially with our IVL experience. We believe this leverages the best of all the worlds of technology and that it's an ultrasound-based therapy to give you that depth.

But we actually found a novel way to deliver this technology is that it's not in a balloon. It's not in a balloon. So essentially, we're going to be able to show you on the next slide and Janar's going to walk through, this is why we believe we can get that superior depth of penetration, and that's going to allow us to be very disruptive. It's going to also show you that we don't have a balloon. Therefore, the blood can continue to pass through the device, which allows for the inner side of the vessel to cool. It helps to be more efficacious and less pain for the patient.

And then the streamlined workflow is that it's one-size device for all the anatomy that you would need to serve. So you don't have to do change-out of devices and you do not need to treat the side branches. You can treat the main vessel artery. So we're really, really excited that this could be very disruptive as we enter the market, and that we believe we have a shot on goal to be the leader in this category. So maybe, Janar, walk us through where we're at with the clinical trial?

Janar Sathananthan, M.D.:

Yeah, so, the clinical evidence to date with this device is there is a pilot trial that has been completed, which is only a single-arm design, which has shown very good efficacy with the device and ease of use, which I'll touch on a little bit on the next slide. But we are currently enrolling in the pivotal IDE study called a THRIVE study. A couple of things to call out that are important for this is, this is an off-

med trial design. And historically, in the space there's been challenges with on-med trials, so this is an off-med trial design. This is a two-to-one randomization to sham control. Enrollment will complete in 2026, with anticipated data release in 2027.

Now if we go to the next slide, I want to show you a little bit more about the device. Now, anything in med tech has to be safe and efficacious. Safety in renal denervation is pretty good. It's a very safe procedure in everything we've seen in the data to date. Efficacy, we're hopeful that our pivotal trial will demonstrate what we saw in our first in-human experience. But ease of use is what drives physician adoption and repeated use of a technology. And this is what excited us about this investment and why we brought this into our portfolio.

So in this picture what you can see is a physician holding a handle. And there's only one moving part to this device, simply a lever. That's very unusual in interventional cardiology to have one moving component. And what that moving component does, if you look at the end of the catheter in that circle, you will see these wings, these copper-colored triangles that are coming out which surround the transducer. That is what centralizes the energy element that delivers energy to the artery and to the nerve.

This device is delivered femorally, with a future application radially. It's delivered over a wire, and it takes seconds and minutes to perform this procedure in terms of the energy delivery. So very easy and simple to perform with a single catheter, and very simple and efficient workflow, as Lance alluded to as well. So we're very excited in terms of this being part of the usual workflow and efficiency in the cath lab, which is getting busier and busier.

Lance Bates:

All right. So, if you're not excited enough, and I am trying to talk slow, we'll also talk about Vitalist. And this is our internal, fully-funded internal R&D program for our circ-support programs, which is three programs in one. It's high-risk PCI; it's cardiogenic shock; and it's also for the heart failure patient that needs 30 to 45-day support. It's all built on the same platform of technologies which I'm going to walk through. It's the same console. A lot of the same sheath and delivery systems. Same type of impeller design. There's slight differences as you have to extend duration of runtime. But essentially, it's the same platform that we're leveraging across all three disease states.

Today, I'm just going to focus on high-risk PCI and cardiogenic shock. And you can see by 2028, this should be a $2.5 billion market, growing in the mid-teens. And I want to share with you very specifically why and the reasons to believe that this can be a very disruptive entry to the market.

First of all is this idea of around "set it and forget it". And that's what the physicians say when they set this. You've heard about other devices on the market where they tend to move. Alarms go off. You have to have a lot of clinical support in the ICU. Hemolysis because the device moves out of plane with the flow of the blood. This device, we've spent a lot of time, effort, AI as well, with thousands of CT images to model the aorta to put the right double bend. And it looks kind of simple. You can see on the chart there, the double bend. But that double bend allows the device to stay basically fixed in plane in the ventricle to keep laminar flow, reduce hemolysis, no alarm situation. It is amazing when you see it in action in a procedure.

The second reason we believe that we've got a differentiated product is that we do not use a purge line. There's no purge line set up. Because this is an enclosed housing. It's an enclosed motor housing to where the motor and the impeller are connected by a magnetic coupling device. So no fluid gets in. Again, it's going to get to durability, hemolysis, less setup, no purge line issues with controllers. Another huge advantage.

The other thing that, we just kind of dispel some of the myth. I don't know who has a fluid dynamics PhD in the room, but if you do, a lot of games can be played with flow rates across pressure gradients. And when you see this pump work, it's four liters per minute easily, even in low pressure situations or low EF situations. Some people will talk about higher flow rates, but you really have to ask the question, "At what pressure gradient or at what EF is that operating at?"

And so we're very confident with our flow rates and that we've got the right design there. And also sheath access. Many of you are well aware of the vascular access complications with current technology. We have the best sheath technology on the market in terms of what we've done with our structural heart portfolio and other technologies. We know how to reduce the bleeding complications. We've got very novel sheath designs that we'll be showing as we move through the clinical trial process.

So the good news is, we're basically simultaneously imparting on the trials for high-risk PCI, as well as cardiogenic shock. And so I'd like Janar to kind of walk through the first trial design with high-risk PCI.

Janar Sathananthan, M.D.:

Yeah, thanks, Lance. And I'm going to take this in two phases because there's two different clinical applications, as Lance mentioned, for this product. So we are starting with high-risk PCI because that is the regulatory pathway that we have to follow. And for us, similar to what I mentioned with the toolkit approach, this is another tool for supporting interventionalists in the cath lab doing coronary intervention. Patients are getting sicker, older, more comorbid, and so circulatory support is needed.

We have completed an EFS study already last year which showed the benefits of this device in a small cohort of very sick patients. But importantly, I think we saw very reassuring safety profile in that very early series, because this is a space where safety has been a concern with these devices to date. That will be followed on with an IDE study randomizing against currently commercially available circulatory support devices early next year, and that's to get an indication for high-risk PCI.

We're simultaneously also exploring a trial design in shock, because shock is a major unmet clinical need as this room knows. You have a third to a half of patients that suffer from major morbidity or mortality when they present with shock. So we're excited for those two separate workstreams from a clinical data perspective.

Lance Bates:

Thank you. All right, so as we wrap up before I go through some numbers, we've covered a lot. So thought, Janar? What are you most excited about?

Janar Sathananthan, M.D.:

Well, Lance, look, quite frankly, I think you can appreciate from the presentation, there is a lot of new things that are coming in our division, which is incredibly exciting. I think it speaks to our culture of innovation investment, speaks to the fruits that have borne even this year alone with two acquisitions coming into our division from our VC portfolio. I am incredibly excited about the different trials we're doing because that is what drives practice, is data that changes guidelines and evidence in practice. And I'm excited about the five or six trials we have coming up.

But for me what resonates the most is, like I think Joe showed a slide, we've got potentially 2 billion patients that we can impact with our devices as Boston

Scientific in interventional cardiology, which is really exciting. So our real goal is to treat the most patients we can. That is what category leadership looks like, that is what advancing science for life is. And so that's what really excites me. But for you, leading our division, Lance, what excites you?

Lance Bates:

Well, it's tough. It's like trying to choose your favorite kid. But I would say it's like it's the team's just winning spirit. We're humble, but we're tenacious. It doesn't matter if we get a VBP or we have drug-eluting stent pricing headwinds, we find a way to innovate. We find a way to leverage that innovation ecosystem, and we will keep investing in our portfolio. That's why we are the market leaders in coronary therapies. It's why we've got some really exciting game-changing technologies that can be very disruptive in IVL, renal denervation, and CIRC support.

And we've got this VC investment portfolio that's going to come after the structural heart space in a big way, as well as leverage other new heart failure therapies that are coming. So most proud of the fact that we delivered on our commitments from the last Investor Day. And I am super confident we are going to deliver again double-digit growth, we will exceed the market growth rate, and we are uniquely positioned to be the best interventional cardiology company on the planet. Thank you. And next, Scott Olson and Dr. Ken Stein.

Scott Olson:

Thank you, Lance. Where do you want to go, Ken? All right.

Ken Stein, M.D.:

All right.

Scott Olson:

Good morning, everybody, my name is Scott Olson. I get the pleasure of leading our Cardiac Rhythm Management and Diagnostics Division. And I am joined by Dr. Ken Stein, our Chief Medical Officer.

So today, I am honored to lead a very passionate, dedicated, and committed global team, and really excited to be here with you today to talk about the future of CRM. We compete today in a $12 billion market that'll grow about 4%. As Joe had mentioned, it's a pretty penetrated market. What you'll see from us is a very aggressive focus and cadence within our pipeline. We'll be moving from below-

market performance, since we've had a little bit of that in the past, to on-market performance, thanks to a recent investment within the conduction system pacing that's put us into a highly competitive position, as well as entering the leadless market in modular therapies that Ken will discuss a bit here.

Additionally, you'll see a big investment in our transvenous, both brady and tachy platforms, as well as our subcutaneous platforms. Every few years, more like every 15 to 20 years, you have to revamp an entire platform. That time has come. We've invested heavily in it and we're excited to get that into the market in the LRP here, about mid-range in the LRP.

Finally, we've made increased investments in heart failure around our diagnostics division, specifically around heart failure, to get into a very large market that has some real needs for patients around the world. You'll also see us invest in some adjacencies with long-range plan investments around leadless pacing. So we're very excited about what we have today. We're extremely excited about the pipeline to come, as well as adjacent investments to grow this business. And I'll hand it to Ken to give a bit more detail.

Ken Stein, M.D.:

Yeah, thanks, Scott. So I want to walk you through the reasons that we firmly believe in what Scott said in terms of our ability to regain our mojo, if you will, in CRM. And is going to be driven by a consistent cadence of meaningfully innovative product launches. That cadence includes the launch of our modular, or mCRM system. That's our Empower leadless pacemaker, and very important for us to just get into the leadless pacing business. I'll say more about the combination of Empower with the S-ICD in a moment.

Also as Scott mentioned, we're investing to accelerate the leadless pacing portfolio with some true next-generation technologies that'll hit beyond the LRP. Scott said, we're announcing a true generational refresh of our CIED, our implantable electronic device platform, across brady devices, across tachy devices, CRT, and the S-ICD. We're calling that Precedent. And Precedent brings with it dramatically enhanced patient connectivity, getting better patient applications. In addition, ability for remote software download and upload to devices. And ultimately, to bring true remote reprogramming to the CRM market. Precedent is a true transformative technology. It's built now, but built for the future.

We recently acquired, as I think you all know, the bioenvelope business from Elutia. We plan to expand that into more US markets once the deal closes into Q4 this year. And again, really get into the market of anti-infection technology as a complement to our devices.

We'll continue offering enhanced conduction-system pacing tools. I want to emphasize that beyond enhancing our conduction-system pacing tools for pacing, we are also going to bring a highly innovative CSP product into our high-voltage technologies in the coming years.

On the diagnostic side, as Scott said, LUX Air will pair with our LUX-Dx Implantable Cardiac Monitor, and we'll pair that with our AI-enhanced BeatLogic deep learning algorithm, using artificial intelligence to improve accuracy in this platform. And finally, we're very excited about some of the really important investments we've made in heart failure diagnostics that will incorporate into our LUX-Dx portfolio. Again, I'll unpack that in a future slide.

As I said, our differentiated leadless pacer offering, Empower, will be commercialized both as a standalone leadless pacemaker, and critical for us to become players in that market, offer that capability to patients. But also as part of our modular CRM system launch. Empower and the S-ICD, which make up what we call modular CRM, are designed to be able to work not only individually, but also have the ability to coordinate together to provide painless anti-tachycardia pacing therapy to patients at risk of sudden cardiac death, without the risk of leads placed into the heart itself or under the sternum.

We've already presented and published very positive twelve-month data from our MODULAR ATP clinical trial, and we continue to anticipate launch of the system in 2026. Approval importantly will extend the role of the S-ICD in clinical use by establishing a clinical pathway for ICD-indicated patients who are at risk of, who physicians are concerned may in the future develop a need for pacing or who might benefit from anti-tachycardia or anti-bradycardia pacing.

We also plan to continue to expand our very broad and successful cardiac diagnostic portfolio for arrhythmia monitoring, while simultaneously moving into adjacent disease states like heart failure. And I really want to emphasize that heart failure is a huge and largely untapped market for diagnostics, with what we see as at least a $2 billion market opportunity. Clinically, management of chronic heart failure is a major problem. In fact, I would tell you, in my view, the major problem in cardiovascular disease today.

Heart failure is the second-leading cause of all hospitalizations and all re-hospitalizations annually in the United States. And as a company, we have already developed unique technology with our AI-based HeartLogic platform that we know can identify impending heart failure decompensations with a high degree of sensitivity and with, on average, about a one-month notice prior to the decompensation. But it's been limited because it's been tied to our ICD and CRTD devices, and the majority of heart failure patients either have no device at all or have devices that are paraded out across the entire ecosystem.

What we have done now is been to run a clinical trial, LUX TRENDS, that gives us great confidence that we can take the HeartLogic algorithm and enable it in a LUX-type implantable cardiac monitor form factor that could be applied across the wide spectrum of patients with heart failure. We've received breakthrough designation from the FDA that gives us a quicker path to reimbursement as well as to approval. But we do recognize that beyond providing a less invasive diagnostic option, winning here is going to require for us to deliver on proving through long-term clinical evidence the benefits of this system.

So we have already run our LUX TRENDS clinical trial. We are currently enrolling patients in a randomized trial called DANLOGIC to establish value of the use of HeartLogic algorithm. And will be initiating a second randomized trial using the feature in our LUX devices that we're calling LUX Alerts.

And again, looking further beyond this long-range plan, we continue to invest in the ability to monitor additional physiologic sensors, again to better enable physicians to proactively monitor and improve long-term outcome for these patients. Scott?

Scott Olson:

Great. Thanks, Ken. Well, I hope all of you see the excitement we have for cardiac rhythm management and the opportunities we have within the heart failure space. As I said before, this significantly increased innovation cadence will drive us back to on-market, if not better, performance over the LRP.

Near-term growth, we've been investing heavily into the conduction system pacing world. You'll see that both on the brady side as well as the tachy side of the business. And you'll see us get into the leadless pacing as well as the modular therapies here in 2026. We'll have a steady launch of new platforms. And we've mentioned this a couple times, but the excitement around the new platforms will be game-changing in our opinion for the industry, and most importantly for

physicians and their patients, providing very unique technology that we feel will be wildly differentiated into the market.

And we'll continue to have internal investments, as well as VC investments in large adjacent markets that will continue to fuel our growth. So with that, thank you for listening to the CRM-Dx portion. And with that, I would like to pass the presentation over to Angela De Rosa, who is the president of our Watchman division, as well as Brad Sutton, our Chief Medical Officer for AF Solutions.

Angelo De Rosa:

Good morning, everyone, and welcome to the Watchman portion of our day. My name is Angelo De Rosa. I am the Global President for the Watchman business at Boston Scientific. I'm joined today by Dr. Brad Sutton, which is our Chief Medical Officer for AF Solutions businesses. So Watchman NDP. Welcome, Brad.

We are thrilled to talk to you about our category-leading Watchman business, which is and will continue to be one of the fastest-growing business at Boston Scientific. Today, we compete in a $2 billion market that we anticipate will continue to grow at 20% annually. Well, this is really a truly exciting business, growing consistently, at the same time delivering strong margins that are meaningfully accretive to Boston Scientific.

Today, we serve a population of about 5 million globally. And based on what we will share with you, we see the potential to expand the indications to more than 20 million patients by 2030 and beyond. And we will do this by further building out our body of clinical evidence for this amazing therapy, leading in new areas of growth like concomitant procedures, and Brad will talk about that. And of course, continue to innovate our technology and our workflow capabilities.

So if you think about you want to oversimplify a pretty straightforward strategy based on three main pillars: technology innovation, clinical evidence, and market development. We are incredibly proud of leading the LAC market for over two decades. Over the last 20 years, Watchman has defined the therapy standard in left atrial appendage closure. From starting from our initial approval, 2015, about 10 years ago, we really started with our first-generation Watchman, going to 2020 with our Watchman Flx was first big jump in technology, up to our third-generation Watchman, Watchman Flx Pro in 2023, together with our TruSteer, the first unique steerable sheath specifically designed for LAC procedures. And then more recently, the CMS reimbursement for concomitant procedures, all the way up to the option data release and labeling update.

So as you can see, we have never stopped to define what's next in LAC. And in all honesty, other companies at this stage might have slowed down innovation. While on the contrary, we are completely obsessed and really committed to make this therapy better every single day. And that's what we will continue to do. Today, we are proud to share with you another major milestones reached by the Watchman team. We have been treated now more than 600,000 patients successfully with a Watchman therapy. And delivering the best patient outcome remains at the center of our mission, for the next 600,000 and beyond.

As we look about the 2026 and 2027, with our key clinical trial readouts and our plans for our next generation device, you can see that we are really working fervently to maintain and grow our leadership. Again, this journey clearly show you our relentless commitment to this incredible therapy.

Now, Watchman is for sure the most implanted device worldwide, but is also the most studied LAC device that exists today. Positive clinical data enables meaningful market expansion. And so, as I mentioned before, our current patient population include an estimate of 5 million patients with atrial fibrillation globally. And we have a pathway to quadrupling this number.

Of course, the corner store of this pathway is our CHAMPION-AF trial. And you may remember that CHAMPION-AF is a randomized head-to-head trial designed to evaluate the safety and efficacy of the Watchman Flx device within a broad population and will compare with NOAC. And Brad will talk more about that. But what I would like you to understand if that's, positive results from the CHAMPION trial, followed by reimbursement and regional guidelines update, will unlock a significant patient population. We anticipate that our indication could expand upward to 20 million patients with atrial fibrillation by 2030 and beyond. And of course, with this expanded indication, we estimate that the LAC market could reach up to $6 billion in that timeframe.

Now, on the other side of the slide, you see the geographical split. From a geographical standpoint, the 2030-plus market is a split across four major international regions. And so, US about 8 million patients. Europe, Middle East, Africa, with about 10 million patients. I would say China conservatively around 1 million, and Japan about half a million patients.

And on top of that, we all know that the global prevalence for atrial fibrillation continues to raise, continues to grow as well. And as we shared today, we estimate that in about 60 million patient across the globe. Important to realize that the CHAMPION-AF impact will not come overnight. The growth across the

different regions will materialize based on local guidelines updates and reimbursement, and many things that needs to happen after the publication of the results. Now, having said that, we are still incredibly excited. By-

... said that we are still incredibly excited by bringing the WATCHMAN therapy to more and more patients across the globe. And now I'll pass to Brad to talk more about CHAMPION-AF, our clinical portfolio, and the concomitant procedures. Brad.

PART 5 OF 8 ENDS [02:40:04]

Brad Sutton, M.D.:

Thanks, Angelo. Good afternoon, everybody. Let's talk CHAMPION-AF. So I've been with the WATCHMAN franchise for six years now, and when I think back three years ago and when we launched this clinical trial onto today, the sort of belief in the therapy, the adoption of the therapy is in a fundamentally different place. So much so that I believe appendage closure is part and parcel of a comprehensive AF management strategy. So I'm going to say that again because I think this is important for you all to hear. Appendage closure in the setting of atrial fibrillation is foundational to a comprehensive AF management strategy.

So we've come a really long way. And we've spent now years, invested in tens of millions of dollars, Mike will tell you, in the CHAMPION-AF clinical trial. So as Angelo mentioned, this is a randomized study pitted WATCHMAN FLX versus NOACs in a head-to-head fashion. And the goal here is to position the therapy as a first-line alternative for stroke prevention in the setting of atrial fibrillation.

So this is a big task taking on pharma, right? But remember, while NOACs are effective at reducing the risk of stroke, they're not perfect. They have side effects. And in fact, 40% of patients on OAC remain unprotected due to non-adherence. And that is they can't take for whatever reason their medication as prescribed on a regular basis.

Now today, LAC is indicated for patients who can tolerate short-term OAC but not long-term anticoagulation. We believe, however, that there's a huge patient population that can tolerate long-term OAC, are at elevated risk of stroke. And that's exactly who the CHAMPION-AF trial proposed to study. So we expect data in the first half of 2026, and if positive, as Angelo mentioned, it unlocks significant indication expansion, potentially influencing guidelines and reimbursement around the world.

But we're not stopping there. And so you see on the bottom of the slide a robust compendium of clinical trials. I would call out the US IDE upcoming to study our fourth-generation device. Our nearest competitor I think is working on generation two. So we continue to try to disrupt ourselves in this space.

The simplified trial, an ongoing three-arm randomized study looking at unlabeled dual antiplatelet therapy versus aspirin as a standalone therapy or half-dose DOAC. And so what are we trying to do with this trial? We're trying to reduce the risk of post-implantation bleeding.

We're studying concomitant and FARAPULSE and WATCHMAN procedures and their clinical outcomes. And we have targeted investments in all the major geographies. And then finally, LAAOS-4, which is studying high-risk patients, patients at high risk of stroke, looking at the combination of WATCHMAN plus oral anticoagulation versus anticoagulation alone to show, hopefully, superior results with the combination therapy.

So you can be sure there are many unanswered questions still in this space. We're committed to continue to drive clinical evidence generation for this therapy for many years to come.

And now I want to turn our attention to something that's a really exciting trend we've been following for the last year, and that is the idea of concomitant ablation and appendage closure, or what we're now calling FARAWATCH procedures. You can imagine there's benefit across the healthcare continuum and clear value to patients by getting one procedure, or two procedures at one time rather than staged procedures. Imagine one vascular access exposure, one risk of exposure to anesthesia, one transeptal puncture. Clearly a win for patients.

If you roll back the clock a year, we had this interesting convergence of the option clinical trial data, and then we had the concomitant DRG from CMS, which made hospitals essentially financially whole for the concomitant therapy. And what we saw is really a smattering of cases a year ago and what's now become 25% of all WATCHMAN cases done in the US concomitantly with ablation therapy. We expect that to double by 2028. And a full half of the patients undergoing AF ablation today are at high risk of stroke and are potentially FARAWATCH candidates.

So when you think about our category leadership in appendage closure, in pulsed field ablation, as well as our commercially focused AF solutions team, we're really uniquely positioned to lead in this space. Additionally, we're developing a sheath specifically designed for FARAWATCH procedures, which we believe offers safer,

more streamlined workflows. And now I'll hand it back to Angelo to talk about our technology innovation and evolving portfolio.

Angelo De Rosa:

Thank you, Brad. And as I mentioned earlier, we remain obsessed with continue to drive innovation in this space. And we are super excited to announce here for the first time our next-generation WATCHMAN device. You heard Joe mentioning that, and again, I'll just give a few hints on what you would expect from this device.

First of all, obtaining a complete closure of the appendage independently from the complexity of the anatomy is and remains the number one goal of any LAC device. Well, when we launched our WATCHMAN FLX in 2020, we had a team of engineers that right after started really thinking how to further announce the sealing capabilities of our already highly performing platform of WATCHMAN FLX. So don't think that the next-generation WATCHMAN device is something that we have developed in the last couple of years because we truly accumulated all the learning of the last five and more years from the WATCHMAN FLX and FLX Pro generation.

And so all really comes together in what we call now the next-generation WATCHMAN device. And this device will provide an ounce of stability and unprecedented adaptability to each possible anatomy.

So we truly believe bottom line this is another revolutionary device, probably as was when we launched FLX after the 2.5. We believe the next-generation WATCHMAN device will really bring the ceiling capabilities and the therapy to the next level. We plan to begin our ID enrollment for this device next year and aim to launch it in the second half of 2027 or early 2028.

Now, while we are investing of course in our core technology, we are also expanding our portfolio. We strongly believe that innovation in LAC imaging will be a critical element to further expand the therapy adoption. If you think about what Brad said and the potential of CHAMPION-AF, CHAMPION-AF if positive will generate more patients, but for sure we will need more implanters to implant all these patients. And the imaging remains a critical element of a successful WATCHMAN delivery at the implant.

So thinking about an interconnected imaging ecosystem that designed to give physicians actual insights, of course enabled by artificial intelligence, that will definitely enhance the pre-procedure planning and the overall workflow. Today,

most of the WATCHMAN procedures are done using transesophageal echo, TE, and we are working ways to enhance those workflows for more efficient procedures and improve the patient outcomes.

As you probably have seen, we are collaborating with Anumana, leading company in the space of artificial intelligence for medical applications, on their generative AI imaging and visualization technologies designed to integrate into the clinical workflow and offer a fundamentally new approach to intraoperative decision support.

At the same time, we are also working on intracardial echo, ICE. And you all know that ICE represents an emerging modality into the WATCHMAN space, especially for FARAWATCH procedures that Brad just elaborated on. And so there we are exploring 4D kind of innovative eye solutions designed to minimize catheter manipulation and enable automated guidance and measurements.

And so again, we should emphasize that we are determined to continue to progress our therapy. And it's our commitment to lead the way in making the LAC therapy better for hospitals, for physicians, and ultimately for all our patients.

And so in conclusion, ladies and gentlemen, we are extremely enthusiastic about the future of WATCHMAN. If there is one thing for you to remember is that we view our current success as a catalyst to achieve even greater impact in the near future. Our team is committed and capable of continue to grow and lead this attractive space through technology innovation, clinical evidence, and market development. And we are confident that we will unlock considerable growth over the next three years. Thank you very much for your time. And now we have a FARAWATCH video. Thank you.

Steven Manoukian, MD:

It's great for the patient.

John Day, MD:

More and more are demanding this.

Walid Saliba, MD:

Ongoing better effectiveness.

Martin Leon, MD:

Better dimension.

Steven Manoukian, MD:

[inaudible 02:49:52] so optimistic.

Martin Leon, MD:

In what we can do in terms of eradicating atrial fibrillation.

Walid Saliba, MD:

Atrial fibrillation is a major medical problem. It's almost on an epidemic magnitude at this point in time.

Martin Leon, MD:

We used to think that it was an innocent bystander in older patients, but now we understand that it's a fundamental component responsible for cardiovascular morbidity and mortality in more patients than we had previously imagined. But now we have multiple new therapies to manage AF.

Steven Manoukian, MD:

One is PFA and the great work that we're doing with ablation. It's safer, it's more effective, it's more operationally efficient. And the other is in the left atrial appendage or WATCHMAN procedure. Those types of innovative approaches are what allows us to take better care of a greater number of patients.

John Day, MD:

FARAPULSE exceeded all previous expectations. We're seeing far better success rates. Safety standpoint is dramatically improved. And the patient experience is phenomenal. We would never go back to radio frequency or cryo. This is the future.

Martin Leon, MD:

And with the WATCHMAN device combined with pulsed field ablation, it also frees patients from the specter of bleeding risk and from some of the restrictions associated with chronic systemic anticoagulation.

Walid Saliba, MD:

The WATCHMAN device at three years fared as good was not inferior to oral anticoagulation. And that is the option trial which took patients who are undergoing or just underwent an ablation. So the next question is does the same

apply to a patient population who is not undergoing ablation? And that is the CHAMPION study.

Martin Leon, MD:

CHAMPION-AF to me is kind of the holy grail. And if this trial fulfills the primary endpoint expectations, it will undoubtedly change the priority of treatment for atrial fibrillation in a much broader population. And this changes everything.

Steven Manoukian, MD:

So the ability now for our physicians to have two great tools, PFA and WATCHMAN, at their disposal and to be able to appropriately combine those into one procedure, if that's clinically validated, why wouldn't you do it?

Walid Saliba, MD:

These two procedures share a lot of common workflow. So you can reduce the exposure to oral anticoagulation in those patient. You can reduce the duplication of the risk that is associated with the procedure and potentially reduce the cost of having two procedures versus one. I believe that the market for concomitant procedure is going to increase quite significantly.

Martin Leon, MD:

And the fact that the two top-line therapies to manage what is the most common disease in cardiology are resonant within a single company is powerful. You're leading now, but you have a chance to even distance the field even more in the future. I mean, this is going to transform the way we manage the disease.

VOG:

Please welcome Nick Spadea-Anello and Brad Sutton.

Nick Spadea-Anello:

Well, hi, everyone. For those of you that I don't know, I'm Nick Spadea-Anello and I lead the exciting and innovative electrophysiology business here at Boston Scientific. And you've already met Dr. Brad Sutton, who helps us from an AF solutions standpoint support both the WATCHMAN and the EP group. And we're excited to be here today because I'll take you back two years ago to investor day where we shared a very ambitious and bold vision that we wanted to transform the field of electrophysiology. And we were sitting on the precipice of some

significant growth. And I'm really proud of what the team was able to do to not only allow us to realize that vision, but the hard work that they're doing to evolve it with a brand new portfolio that we're going to share with you all here today that we believe can continue to transfer the opportunity for patients and customers that we call on throughout the world in a much more meaningful way and give us more meaningful growth in this electrophysiology business.

We're going to cover a couple of key things here today that I think is incredibly important and you're going to hear it throughout our presentation. First and foremost, advancing innovative solutions to drive better patient outcomes. Second, to simplify this cardiac ablation procedure and the workflows associated with it. And third, to enhance operational efficiencies. And we think that's really important because it's resonating in a very, very meaningful way today with FARAPULSE in this really, really competitive marketplace for AF centers that are starving for more efficiency.

And we're doing this with FARAPULSE in a meaningful way. And what we like is that our leadership is really, really significant pulsed field ablation. So many of you're saying, "What has changed the last three years since we last met?" And I'll tell you. I'll begin with we have become and established ourselves as the world leaders in pulsed field cardiac ablation with our FARAPULSE PFA system.

FARAPULSE is clearly driving meaningful clinical benefit from a safety and efficacy standpoint and most certainly from an efficiency standpoint. And I will tell you that I'm excited to publicly share with all of you today for the very first time what this means. And that is that we have now treated 500,000 patients with our FARAPULSE PFA system. And this is significantly more than any other offering, to the tune of hundreds of thousands of more patients that we've been able to treat. FARAPULSE is the number one PFA prescribed product across the world for electrophysiologists, and we are going to deliver clear, meaningful growth with this technology as we expand our overall portfolio.

We did all of this in what is a large $13 billion EP market. We see this growing approximately 15% in the long-range plan. Further, we see the AF patient population being significantly larger than we originally anticipated. New estimates point to approximately 60 million AF patients exist throughout the world. And we're making key investments in our engineering, manufacturing, clinical evidence, and our commercial capabilities to really be able to outpace the market, as Joe had mentioned earlier in his comments, and really continue to take more share across the world as we launch and go deeper and deeper into other

markets. So we're really excited about what that means. And our new vision is not just to be a leader in pulsed field ablation, but to be a leader in overall electrophysiology. And we aim to do that as fast as we possibly can with what is an all-encompassing EP portfolio that we think is going to be significant to offer.

So let us take a quick look at this market and the dynamics in how we have it segmented and how we plan to unlock and expand our global expansion efforts across the world with FARAPULSE.

Let me explain first, the market grows 15% overall. We have the market segmented into two revenue categories, the larger AF segment, which grows approximately 18%, and we also have the smaller non-AF segment which grows 8%. This puts the dynamics for the market to grow approximately to $20 billion in the year 2028. Large market getting even larger.

Let me now turn your attention to the middle where there's some key growth drivers that really hinge on how we've modeled this growth. First, a number of new innovative technologies really need to come to the marketplace, and we'll show you a number of new things we're going to be doing with FARAPULSE over the course of the next several years. And they need to be safe, predictable and effective, and most importantly, continue to be efficient. We need to have efficiency as we're going to be treating a lot more patients.

Second, and you'll hear a little bit from Dr. Brad Sutton on the clinical evidence expanding indications for the ability for more patients to be able to receive this therapy. Third, site of service. We believe that hospitals are expanding their AF cath lab centers to be able to really meet the full potential of the large growing population of AF patients. We also see it as an opportunity with CMS recently proposing to reimburse ablations in the ablation surgery center suites. So we see that being a really big opportunity moving forward.

And then lastly, in terms of global geographies, we're diversified across the globe, and I'll specifically call out Asia-Pacific. I was in Asia a few weeks ago in Japan and a couple of months ago in China. These are large markets, over $3 billion in EP potential, that we have historically have had low market share. And since we've launched FARAPULSE, we have seen significant new growth opportunity and we see that happening over the course of the next several years as we go deeper into those specific geographies.

As you look to the right here, you can see the product segments that we have here for the market specs. The largest product segment that you see here is cardiac therapeutic ablation. And that offers us a tremendous opportunity with

our FARAPULSE catheter portfolio that we're evolving. That's where we're leading, and that's where we see ourselves continuing to grow and grow in a meaningful way.

Second, you've got an imaging and diagnostic market of $2.5 billion. Joe mentioned it. We're going to now be launching an ICE product in 2026 where today that is an entirely new revenue opportunity as we move forward to try to capture some share and opportunity for new growth there.

And then lastly, as you look at the access solutions business that we acquired from Baylis a number of years ago, we're category leaders in this $1 billion market. So as you see more ablation procedures and more WATCHMAN procedures, we see this being a big opportunity to continue to grow in that segment as well. So a lot of new growth opportunity as you move forward.

I think it's important to really look at this all-encompassing EP ecosystem and what it has to offer. And all of these products that you see in this portfolio here today are new, as in the last three years, and we really are going to leverage at the top line taking advantage of our ablation catheter portfolio with FARAPULSE and having that integrated with our OPAL Mapping System. All of the products you'll see that are going to be coming out with FARAPULSE will be integrated moving forward, and we think that that's a really, really meaningful opportunity for us.

It'll also be complemented by a suite of AI offering. Cortex AF, that's our source mapping. That's a differentiator. Dr. Sutton will get into the details of what that means. But that is a very, very big opportunity as it relates to persistent patients that need to be treated with better solutions as well as redo patients. So that is something different. We made that acquisition a year ago and we think adds to our mojo in our mapping strategy. We'll also have a new mapping catheter. We think it's time to really offer the field something that's a little bit more in tune with what people want to have a better diagnostic tool.

And then you see a suite of diagnostic capabilities there with ICE. Dr. Sutton will also speak to the things we're doing to have a cadence of ICE delivery over the course of the next three years that we think is going to be truly opportunistic. And then you see a lot of access solutions products that we're going to be evolving. All of these products will have integration into our OPAL Mapping System.

We also have a concomitant sheath. You heard about FARAWATCH from Angelo and the concomitant opportunity. We think that this is going to bring a lot of new

revenue and leverage opportunity as people do more concomitant procedures. And providing them tools that will simplify the procedure is incredibly important.

Let me now move to, let me grab a little bit of water here, thank you, to what is our greatest advantage and that's the FARAPULSE advantage with a cadence of a number of new products that we feel will continue to evolve our growth journey. On the left, you see the FARAWAVE NAV catheter that we introduced to thousands of customers around the world. And you saw the prescription over the past 18-plus months, what we've seen in terms of new products that we've introduced.

Late last year, we introduced the FARAWAVE NAV catheter. We put navigation capabilities on this catheter, the little glowing marks on the petals or the splines of the FARAWAVE catheter there allow one to now have integration or navigation capabilities so one can take a catheter that they love from a therapeutic standpoint and start to have some mapping capabilities in that catheter.

And as you look to the right there, FARAPOINT and Beyond, we've got a number of new things we're going to be introducing the next year plus, 2028 plus, where we can continue to evolve the success that we have with our FARAWAVE and FARAPULSE technology with the proprietary waveform.

If there's one thing I want to leave you with in remembering is that not all PFA is the same and the waveform technology and the engineering that we have truly differentiates this product portfolio from others. So you'll see that we have a number of new things from FARAPOINT to our next-generation FARAWAVE to FARAFLEX. And also we're working already, internally researching a beyond next-gen FARAWAVE catheter that we think can revolutionize once again the electroporation PFA market.

I want to take a minute to really highlight the FARAWAVE next-generation catheter, which the launch is expected in 2027. The FARAWAVE catheter today with navigation capabilities has one active spline. The splines will now have four active electrodes, which is a total of 20 active electrodes, giving physicians increased signal capabilities. This will give more information, more control, and more precision. It'll allow one to understand petal deflection, whether the catheter is in a basket shape or a flower shape, and really understand where they're going to be electroporating and whether or not the contact sensing of that catheter is at the distal tip, the medial tip, or the proximal tip.

We've also updated the handle where it's a lot more ergonomically designed to be an extension of the operators hands. So all of this is going to improve the

customer experience and not only having a therapeutic catheter that one really, really loves, but also having high-definition mapping capabilities that can differentiate the product and keep us competitive in this space.

The next big frontier in the FARAPULSE journey is FARAFLEX, and this is a large map and a blade catheter. It's designed for complex, in VT anatomies and procedures. It's designed and built for PFA. It has both monopolar and bipolar capabilities. That allows an operator to customize the lesions that they desire, whether it's a complex ablation they want to conduct or maybe a VT ablation. The depths that we believe in, the waveform that this catheter can provide us can be meaningfully different than what is being offered today with a wide-area form factor.

It also has superior mapping capabilities. This is a next-level map and a blade catheter as a wide-area form factor that we think can truly revolutionize this growing space. Today we estimate this market to be in the neighborhood of 200 to $500 million. It'll keep growing, but we feel that we have a really good option as a second-generation wide-area form factor that can take meaningful share as we enter this in our planning window.

And I think what's really important here is to really understand what is happening in mapping. And this is probably one of the most common questions that I get. We are aggressively expanding to complement our full EP ecosystem with our mapping portfolio. And mapping is truly the cornerstone of our vision. We're investing to scale and to differentiate our capabilities. But doing all that can only go so far. You need to invest in mappers. We have thousands of mappers across the globe that today are positioned and prepared as we enter the market with all of these catheters that are going to be integrated with our Opal Mapping System.

We will have a relentless cadence of contact-sensing software that'll be introduced. We introduced contact sensing with FARA NAV this past week in the US market. We plan on introducing that in Europe here in the coming months. And we also have an opportunity to enhance contact sensing as we introduce next- generation FARAWAVE here in the coming years.

We also have a next-generation mapping catheter that we think can really offer another opportunity to grow in that diagnostic market. And then last, we have Cortex AF, which we believe is the transformative technology that can really help us grow and grow in a meaningful way.

So we're harnessing an AI-driven opportunity with a lot of these tools, whether it's with ICE or whether it's with Cortex, but it really offers us an opportunity to differentiate ourselves as it relates to mapping.

What I want to do now is hand things off to Dr. Sutton, who was recently a practicing electrophysiologist, and he can talk a little bit about what does ICE mean and what does this transformative cortex technology mean. Brad.

Brad Sutton, M.D.:

Thanks, Nick. So I think in a word, the ICE journey for us is a key accelerator to number one. So think about this, 97% of FARAPULSE cases have intracardiac ultrasound. Today we get none of that business. Here's a $1.3 billion market opportunity going to 1.8 in 2028, and we don't play in this space whatsoever.

So kind of on the theme of internal development and tuck-in acquisitions, this acquisition for us is critical to rounding out this ecosystem. And we have clinicals in every one of these cases essentially, especially in the United States. So the call points established, the complement to the ecosystem that we already have is one that's quite obvious. So in 2027, we'll introduce our NAV-enabled ICE catheter followed on later that year with what we think is a differentiated next-gen AI sort of enabled technology in partnership with AnUmana.

So Anumana is a company that's quite innovative. They've developed accurate generative AI imaging technologies, predictive algorithms that we think will enhance our 2D ICE portfolio as well as our TEE offering for both ablation and LAAC.

Now I want to turn to Cortex and I want to take you back two years to when we stood on the stage, we talked about our vision for persistent AFib ablation. So remember at that time we were launching the Advantage AF trial and we talked to you about the differentiated form factor of the flower catheter and how it was uniquely designed to really deliver good PVI lesions, but also posterior wall ablation. And Advantage was exactly that. It was persistent AF ablation, prescribed PVI posterior wall lesion set with excellent efficacy. And in fact, it's become the standard of care. So over 80% of patients undergoing a de novo persistent AF ablation with FARAPULSE today get a PVI posterior wall lesion set on the heels of that data.

But there's an open question about what do you do beyond that, particularly in redo patients. And this is where Cortex really comes to bear. So we've invested aggressively in AI to elevate mapping and visualization of AFib. The first step in

doing this is Cortex. We choose as a software algorithm as well as a wide sort of 64-pole basket catheter. We map both the left and the right heart, which is unique and I think one of the interesting things about this technology. And the goal here is to find sources beyond the pulmonary veins that we believe drive or sustain atrial fibrillation, target those sources for ablation, on average one to two sources per case, so a very efficient workflow, especially in this space, and then significantly reduce the downstream burden of atrial fibrillation.

Now, if you follow this space for a long time, there's a lot of skepticism in the world of persistent AF mapping. So we're committed to doing the science to meaningfully show good clinical outcomes. And to that end, we're excited to announce the now FDA-approved clinical trial called Optimize AF, which is a randomized study using Cortex. The goal is to have the first patient in before the end of the year and further validate the capabilities of this technology.

Together, Anumana and Cortex position us to develop safer, more precise outcomes and to redefine electrophysiology with data-driven AI-powered insights.

So Boston Scientific, as you've seen, is leading not only in PFA sort of commercial execution, but in evidence generation. We have more than 45 active clinical trials. We have over 35,000 patients...

We have clinical trials. We have over 35,000 patients worth of clinical data. That's a huge body of data. And so you can rest assured that we understand exactly how our patients do over the long term. We know exactly what the rates of complications are, how to mitigate those. And what you see here on the slide is a snapshot of our clinical strategy. On the left side of this pie chart is the breadth and depth the data we've collected with both Farapoint and Farawave across persistent, paroxysmal and redo patients. And on the right side you see our strategy to unlock and expand into new markets, leveraging the versatility of our portfolio beyond PVI and posterior wall. This effort's global. So we've got a huge footprint around the world. We've got 150 clinical sites and partners and meaningful targeted investments in Asia, specifically option A, which looks at concomitant workflows and clinical outcomes in China, South Korea and Japan.

The Faraday's [inaudible 03:12:56] China study's a very large post-market registry in China and Prompt AF2 again in China, a large 600 plus patient randomized study looking at persistent patients and complex lesion sets in that patient population. This evidence package here is foundational when it comes to accessing this multi-billion dollar high growth market. And finally, just to deep

dive into a couple of these trials that I think are meaningful for you guys to know. Number one, Avant Guard. We expect the data from this trial to read out in the first half of 2026. Recall, this is our frontline persistent AF trial. So what we're seeking to do here is move the therapy upstream in the disease process so patients no longer have to try and fail on anti-arrhythmic medication. We know those drugs are fraught with side effects. They're not particularly effective, and so we're excited to see this data in the first half of next year.

Disrupt AF is a very large US-based registry allowing us to collect real-world evidence. Now we've got over 3000 patients enrolled in this study and have a very good understanding of the safety and efficacy and efficiency story in the real world with our system. Rematch is a dedicated redo patient population study. So persistent AF redo patients using Farawave for PVI posterior wall and Farapoint for linear lesions as indicated with a potential label expansion for the Farapoint catheter. And finally, Ascend VT, which is a pilot study I'm very excited about. This is looking at patients who need ischemic VT ablation. So this is a group of patients that have very poor clinical outcomes, very long, complex procedures. These procedures tend to be concentrated at academic medical centers.

We hope to democratize VT ablation in the same way that we've democratized AFib ablation. We've got work to do, but this pilot study is head-to-head against traditional radio-frequency catheters and we expect that to kick off again before the end of the year. I know that you share our excitement about this data and I hope you appreciate the deep commitment we have to continue to lead in this space. We look forward to sharing these results of the studies with you over the months and years to come. And with that, I'll hand it back to Nick to close out our EP section of our program.

PART 6 OF 8 ENDS [03:12:04]

Nick Spadea-Anello:

Well thanks Brad. A lot of excitement happening in the clinical evidence strategy to help us continue to grow. So just really recapping a lot of things that we said here that I think is critically important. We've got an EP market that is meaningfully large and rapidly expanding and we see strong adoption of PFA. We see that adoption moving from 50% today globally to 80% in 2028, with Farapulse. We're uniquely positioned to lead and backed by our deep experience and the continued evolution of our PFA catheter portfolio that you saw here today. Our growth is globally diversified, creating meaningful new revenue

opportunities as we expand into large international markets and adjacent product segments such as ICE. In terms of our innovation and ecosystem, Boston Scientific is committed to advancing its comprehensive EP offering as it integrates all of its Farapulse PFA catheters with its OPAL mapping system.

We think that further strengthens our leadership position. And last but not least, you heard about the clinical evidence that Dr. Sutton highlighted. We think that can expand indications, we're leading in the clinical science and we're excited about how this can really fuel our growth journey. And want to thank you for your time and attention today in learning more about our electrophysiology business. Thank you. I want to now introduce John Monson, our CFO.

John Monson:

Well, thank you Nick, and thanks again to all of you for being here today. I hope you've gotten a sense from Mike and the rest of our leaders why we're so excited about the trajectory of Boston Scientific over the next three years and beyond. And so what I'll do is provide further detail on our financial goals and then we'll wrap up the day with a Q&A session. I'll start with the top line. For 2025, we expect to deliver another outstanding year of differentiated performance with 14 to 15% organic revenue growth. Now looking ahead over the 26 through 28 period, we're targeting 10% plus average organic revenue growth and what you heard today from our leaders on their innovation pipelines and their execution strategies should provide confidence in our ability to deliver growth at these levels. And then longer term, you should expect us to consistently outpace our underlying market growth. Moving down the P&L to margins. Over the LRP, we expect to expand our operating margins approximately 50 basis points each year.

That will put us right on the doorstep of 30% adjusted operating margin, exiting the LRP. And that margin trajectory reflects the same disciplined approach that we've had for many years now. Continue to expand operating margins each year, every year, but not at the expense of funding innovation. We've proven that we can reinvest back into the business for growth while still increasing our profitability, and we'll continue to do that on into the long term. On adjusted EPS over the LRP, we'll grow our earnings per share faster than organic revenue growth, that continues the trend of leverage growth that we've delivered for many, many years now. And then longer term, we'll remain focused on delivering sustained strong double-digit EPS growth as we leverage top line performance with operating discipline. And then finally, free cash flow. In 2025, we expect to

generate $3.5 billion of free cash flow that represents very strong double-digit growth and achieve free cash flow conversion of approximately 75%.

Over the LRP, we'll maintain conversion between 70 and 80% in line with our MedTech peers. So the takeaway here is simple. Not only are we delivering here in 2025, but we're setting the company up for differentiated profitable growth over the next three years and beyond. So now we'll go deeper on each of our financial goals, starting with margins. Operating margin expansion is part of our DNA. Over the past decade, we've consistently driven meaningful operating margin expansion while reinvesting back into the business for growth through targeted investments and strategic M&A. Looking ahead, we aim to expand our operating margins approximately 50 basis points each year. That will be done predominantly through SG&A leverage and operating margin improvement, sorry, gross margin improvement. On gross margin, we see product mix as a tailwind for us as we continue to shift the mix of our business into higher growth accretive areas like Watchman and Farapulse.

In addition, our manufacturing teams continue to drive costs out of the system to reduce our standard costs. And while tariffs will put near term pressure on gross margin, we do expect that gross margin will contribute to our operating margin expansion over the course of the LRP. On SG&A, we'll maintain our disciplined approach to discretionary spend while driving efficiencies as we scale the business. I'm going to touch on SG&A more in my next slide. And then on R&D, we'll continue to invest at a high level between nine and 10% of sales for sustained innovation. So this is the formula that we see is fueling our operating margin expansion, again while reinvesting back into the business for growth. On SG&A, you can see in the chart here how we've consistently reduced SG&A as a percentage of sales.

Looking ahead, we'll continue to do that while channeling investment back into areas that drive growth and productivity. We continue to optimize our org structure. We're scaling our centralized shared service support functions, and we're investing in our next generation ERP system that will enable enhanced automation and efficiency over the course of the LRP. We're also investing in AI capabilities. We're taking a purposeful approach here with a focus on increasing efficiency, enhancing the customer and the employee experience and capturing opportunities to contribute to revenue. For example, we are proactively using AI to review customer contracts and pricing. So what this has done is it's taken administrative burden off of our commercial teams. It's enhanced the customer experience and it's helped to support compliance. Collectively, all the SG&A

initiatives you see here, and there's many, many more that we're driving across Boston Scientific, will help us to scale the business efficiently and drive SG&A leverage.

Turning to cash flow, this is an area where we've made significant progress, both in terms of growth and conversion. At our last investor day, we committed to 70% conversion by 2026. In 2024, we delivered 71% free cash flow conversion two years ahead of that goal. And here in 2025 we're on track for 75% conversion. Looking ahead over the LRP, we expect to drive double-digit growth in our free cash flow and maintain conversion between 70 and 80% in line with our peers. The growth in free cash flow will be driven by operating margin expansion as well as a continued focus on working capital efficiency and conversion between 70 and 80%, we feel strikes a prudent balance between free cash flow conversion and reinvestment through acquisitions. M&A, as you know, is an important part of our growth strategy and we fully integrate acquisitions. So while that drives near-term headwinds to flow, over the long term, it helps us to drive optimized operating efficiency.

Bottom line on free cash flow, we're confident in our ability to drive strong free cash flow growth and over the LRP we expect to generate over $13 billion of cumulative free cash flow to execute our capital allocation strategy. And to that end, our capital allocation priorities remain unchanged. Number one priority, strategic tuck in M&A, followed by share repurchase. And while M&A opportunities have crowded out share repurchase in recent years, it remains a part of our strategy. That strategy underpinned by a very healthy balance sheet, our strong investment grade credit ratings, and the significantly enhanced free cash flow profile. On M&A, our approach requires both strategic fit and financial return. We have a well-established proven integration process that allows us to capture both the value and the promise of the companies that we're acquiring while leveraging the global scale of Boston Scientific.

We have a large active venture capital portfolio that continues to feed our M&A pipeline, and that's highlighted by the three companies that we've acquired from our VC portfolio and the 16 new ones that we've added to it since our last investor day in 2023. Stepping back over the past decade, we've completed over 40 acquisitions with deals ranging in size from small companies out of our VC portfolio to multi-billion dollar publicly traded companies like Axonics. So when you think about how we'll enter into new high-growth adjacencies, how we'll compete in key global markets and how we'll drive top-line growth, M&A will continue to play a very important role for us. So I hope you leave today not only

confident in our ability to deliver on our financial goals, but in the strength of the Boston Scientific team behind them.

We have a highly engaged, highly focused global organization that's driving the innovation and the execution that's fueling our growth, and that's what gives me confidence and the rest of the team here, confidence that Boston Scientific will continue to deliver differentiated performance over the next three years and beyond. So with that, Lauren, I'll hand it back over to you.

Lauren Tengler:

Thank you so much. I'd like to invite the cardiovascular team to the stage for Q&A for the next 40 minutes or so. Yep, you're up there. Cardiovascular plus Mike and John. All right.

Speaker 10:

Should we begin with the spelling test?

Lauren Tengler:

Yep, no. All right, we're going to start with Matt Miksic right here in the middle.

Matt:

Thanks so much, I'm Matt Miksic at Barclays. So wanted to follow up, John, to your comments on margin expansion. It's a question we get often, and so I just thought you would want to take an opportunity to talk through how to think about upside to this 50 basis points depending on the pace and ebbs and flows of businesses during the planned period. Does that get us to 30% faster or does that something you'd think about reinvesting? Thanks.

John Monson:

Thanks Matt for the question. First of all, I think the 50 basis points of operating margin expansion will put us right on the doorstep of 30%. So feel that's differentiated as we look across the peer set. If we see upside materialize, we'll do what we've always done and we've done a nice job of that over the past couple of years. We'll balance dropping some through to the bottom line with reinvestment back into the business to accelerate growth and accelerate some of the growth drivers that you heard about today.

Lauren Tengler:

We'll go to Larry.

Speaker 10:

How long is the Q&A?

Larry Biegelsen:

I failed, I failed. Larry Biegelsen, Wells Fargo, thanks for taking the question. So Nick, I have to ask you a question.

Nick Spadea-Anello:

Sure.

Larry Biegelsen:

I think arguably one of the biggest concerns investors have is your share within the PFA ablation catheter segment as competition increases. Where do you think your share of PFA is today? What are you assuming for your PFA share over the LRP? And your slide said you aim to be the EP market leader. Do you expect to get there by 2028? Thank you.

Nick Spadea-Anello:

A couple of things. So first of all, we don't share specific details on market share, but I hope that seeing the number of patients we've been able to serve and the portfolio that we have, today's workhorse catheter is the Farawave catheter and the simplicity of it, the versatility of it to do multiple lesions, whether it's PVI, posterior wall and persistent or paroxysmal patients, we think as we evolve that even further with all the mapping capabilities integrated and the portfolio to offer other tools, we can do a lot of things there that continues this growth journey into the foreseeable future.

We feel very confident about that and you're going to see other strategics. The good thing is that we were first with PFA and while other strategics had other energy modalities that they did very well in, they came a little bit later. And that waveform in our catheters today, the engineering behind that is meaningfully different and in every one of those catheters. So as we move forward, we feel very confident that we can continue to do well.

Mike Mahoney:

What I would add to that too, Larry, is if you look at that 500,000 numbers, so if you take every competitor in the country, we are multiples ahead of everybody else in terms of clinical experience. As Brad talked about, our clinical evidence is miles ahead of everyone else's. And obviously when we were near a hundred percent of the PFA market as we launched first in Europe and first in the US, people have trials, they get products approved, et cetera. But our confidence in it, and I think Nick did a great job on his slide, it's Farawave, Farapoint, the Opal, it's the ecosystem that Nick talked about, which is super important to understand that. I think the other thing is with this move to ASC reimbursement, Farawave is the only catheter, the only system in the world that can be done any way you want.

If you want to use a pure fluoro, Germany type of approach, it works. If you want to use fluoro combined with ICE, it works. And that particular point is really important because the economic picture is different. When you see ablations done in an ASC, they're probably not going to have every bell, whistle, trick and pony that they like or enjoy in US hospital based system. So that emboldens our confidence because that site of service change is going to happen for sure.

Lauren Tengler:

Alex, do you want to give it to Danielle? She's right behind you.

Thank you, Danielle Antalffy from UBS. Just a question on the market growth given for the EP business, but also Watchmen and just thinking about the concomitant procedure, but also separately, what is the rate limiting factor? Because you look at the TAM numbers and growth feels like it could be even faster and more aggressive than what you guys are laying out there. So curious about how you're thinking about capacity ramping to take in all these patients, but also things like pricing as this becomes a bigger ticket item for hospitals. Thanks so much.

Nick Spadea-Anello:

Maybe I'll take the ablation part of that and then we'll hand it off to Angelo for Watchman. So first of all, a lot of cath labs or hospitals are expanding the number of cath labs in their AF centers today, so we're seeing that happen at a lot of big centers to really fuel that. But we also see site of service with these ASCs that are going to start up. And to Joe's point, we have that flexibility when we introduced pulse field ablation with Farapulse, we see the average cath lab doing 30 plus percent more, and that's not all of the operators that are getting trained today to

be able to do these procedures. So as we expand and we go deeper and we introduce this to more centers around the world, we continue to see that. So it's dynamic Danielle, but we see a lot of new growth just in the introduction to new centers and cath lab capacity expanding as well as ASC's opening.

Angelo De Rosa:

And just to compliment on Nick, on the Watchman side, we see a similar picture. As I said, we have estimated a 20% market growth. Of course, the results of the Champion AF trial will play also a big role. Even if when we look at our long range plan, the potential impact of Champion will probably come at the later stage. I think today really there is a big driver of growth, which is the concomitant procedures. And this is, as Nick said, where we need capacity in the US market and where the ASC and ablation moving to ASC's for PVI and posterior wall isolation could free up capacity in the hospitals to do concomitant procedures. One good point also is that the, as you probably have seen it, the reimbursement, the CMS reimbursement for ablation and concomitant is going to go up between eight and 10% by next week basically. So that's also an economic attractive element for hospitals to drive more in direction of these therapies.

Mike Mahoney:

And I would add that this capacity, so if you look at the large centers, nobody can do instantaneous ablation or Watchman. There's usually somewhere between a one month to six month wait. So the concomitant procedure where you can do both of them at the same time helps address that capacity issue in a big way.

Lauren Tengler:

Great. We'll go over to Robbie.

Robbie Marcus:

Thanks, Robbie Marcus, JP Morgan. Mike, I wanted to ask this one for you. It's incredibly impressive to see not just the breadth and depth of the current growth drivers, but of the portfolio supporting it behind. I know you and your team have spent a ton of time past probably 10 years putting together this portfolio of assets, building the venture portfolio. Maybe just spend a minute and walk through your process of Boston Scientific teams planning, not just for today or 2028, but what's all behind that. How do you plan to sustain all this growth over the future and what are you and your team doing to get there?

Mike Mahoney:

Good question. A long question to try to figure out how to answer in this Q&A. I'm trying to think what's different from my opening comments. We are relentless on delivering in the quarter and in the year and relentless on thinking about five years out. Anybody can grow a company quickly for a year. Anybody can grow EPS quickly for a year or two. You just shut down programs and it's easy to do that. So we really feel like we've proven that we can walk and shoot them at the same time and deliver a third quarter, a full year 25 and position ourselves for unique differentiation in 2030. And you saw probably two-thirds of what we have because a lot of stuff we have, it's for competitive reasons we don't want to share and a venture portfolio and different things.

So it's the process that we have is across the business units that's embedded, as I said before, on looking at our internal innovation, our VC portfolio, M&A targets, doing spin-outs, a variety of tools that are available to anybody, but it's the lasagna that the BUs work on that we're very much involved with that puts that together. But it also comes with trade-offs. You can't invest like we are in EP and a Watchman on that impressive portfolio you see in EP and that leading clinical and the same thing in Watchman. You can't do that across every division with all the products. So we're very selective about where we're really pouring huge gas on things and where we have to make tough cuts. And we have leaders, we don't have managers who run these businesses. They're able to make these decisions. They're able to take highly dilutive venture acquisitions like we're doing right now with a disruptive IVL. We'll see what happens with hypertension, potentially very disruptive there.

Our biggest organic program in the company is Vitalist, so those don't come for free. But yet Joe's business and all of BSE still drives margin improvement despite hundreds of millions of dollars of dilution in combination by those products. And so we're able to do that because we plan ahead. We always want to improve operating income margin. The question that was asked really as to what level, and we're always looking at that. We want to ensure our shareholders are getting the right EPS growth that they deserve, but we also know our shareholders want the best long-term growth. So as I said before, I think it's easy to put it on the slide, all the different levers. What's hard is the durability of that and the culture that's needed within the BUs and the oxygen provided by the leadership team to dare to try to make that happen every day. And I think that's tough to replicate. Probably didn't answer your question, but best I could do.

Lauren Tengler:
We'll go to Anthony.

Anthony Petrone:
Thanks for all the information.

Lauren Tengler:
Name.

Anthony Petrone:
Anthony Petrone.

Speaker 10:
Jeez Laura.

Anthony Petrone:
I love the lasagna-

Speaker 10:
Name.

Anthony Petrone:
Lasagna comment by the way, was great. Maybe a little bit on the competitive landscape in NEP, when you think of complex cases versus single shot cases, there's a little bit of noise out there that competition may be gaining in complex cases. So maybe a little bit on that and the competitive response in complex versus simple cases. And then renal denervation, you quote a billion opportunity. Can you go through really the target in that uncontrolled hypertension market? What is the blood pressure measure and the medication utilization intensity in that 1 billion? Thanks.

Nick Spadea-Anello:
So maybe I'll answer the market dynamics and ask Dr. Stein to address some of the complex procedures that are done in electrophysiology. Right now, our play with complex procedures, which is a smaller segment of the PFA market today, it'll grow over the course of the next several years. The vast majority of the market is going to be PVI and posterior wall, and that's going to be in paroxysmal

and persistent patients with the tools that we have that will evolve. But as you look at the complex opportunity, we've got Faraflex that we think is going to really revolutionize the experience to go after complex arrhythmia.

And as I had mentioned in my presentation, the ability to have customizable lesions with monopolar and bipolar to get deeper where you need to go deeper, other wide area form factors that are out in the market today, were born as RF catheters and PF was placed on them because the movement was happening so fast and that would've missed a tremendous opportunity. We build a ground up PFA catheter for complex and DT to give you deeper lesions. And so we're going to corner that market. We also have call it for more challenging cases, cortex that you heard from Dr. Brad Sutton. So we've got a suite of offerings that makes us really competitive, not just in the workhorse area of the market, but also the complex areas. Maybe Ken, you can elaborate.

Ken Stein, M.D.:

I want to maybe shift the question if I could a little bit, Anthony, which is, I don't think it's useful to look at it as single shot versus complex. I would look at it is there are straightforward patients and complicated patients. And the reason I want to get away from this single shot terminology is that Farawave is being used for a lot more than just single shot PVI. In fact, as Dr. Sutton said, the vast majority of its use in persistent AF today, and a surprising large number of its use in paroxysmal AFib is this paradigm of pulmonary vein ablation plus posterior wall ablation. So it's not just single shot, but the catheter design is exquisite for doing that. And it's such a straightforward approach that it is really hard for more complicated technologies and more difficult catheters to use for the operator to unseat that as the incumbency. So who are the more complicated patients?

I think the more complicated patients are the redo patients, and that's where our Cortex acquisition, again as Nick and as Brad laid out, I think could potentially be quite disruptive in terms of actually bringing a very simple ablation approach to target ablation in these formerly very complicated redo patients. Let me shift a little bit, Lance, if I could. Do you want me to answer on-

Nick Spadea-Anello:

You're on a roll.

Ken Stein, M.D.:

On the RDN, so the target population is the population that is, we expect to get coverage based on the draft NCD out of CMS. We do expect should the THRIVE [inaudible 03:42:52] trial be successful and we're certainly optimistic that it will be that we would get the same labeling as the competitors have. And so that gets beyond just resistant hypertension, which is failure to control hypertension despite being on three medications that they're maximally tolerated doses, to uncontrolled hypertension, which is inability to achieve control despite trying or inability to tolerate three different medications. It's a very broad class. It's maybe somewhere around a hundred million Americans who have uncontrolled or poorly controlled hypertension. But again, as I think we've said in other sessions, it will take some time to develop the referral chain and the evidence and actually get penetration into that population.

Lauren Tengler:

We will take Mike Polark here in the front.

Mike Polark:

Thank you. Mike Polark with Wolfe Research. I have an OPAL question, there was a stat, one of three.

... OPAL question. There was a stat, one of three FARAWAVE accounts today is using OPAL. In the future, nearly all FARAWAVE accounts are expected to use OPAL. My question is, those accounts that are using it today, what's the attach rate, give or take? Can you provide an estimate? And as we think about the LRP the next three years as you implement this broader EP vision, what's a reasonable expectation for attach rate for OPAL in 2028?

PART 7 OF 8 ENDS [03:44:04]

Nick Spadea-Anello:

We're not going to share specific details on how much utilization we're seeing with OPAL, but here's what I can tell you. Two years from now, our presence in mapping will be meaningfully larger, and it's because of all the investments we're making. When we introduced FARAWAVE NAV, we had a lot of customers that saw the portfolio and everything that was coming. And they had to make some decisions on, do they invest in another mapping system and who?

And quite frankly, the uptick in OPAL adoption, the last 6 to 12 months, has been exceptionally high for us. And as we introduced these other catheters, you're

going to see more and more utilization. Plus we have hired a lot of mapping specialists. You can't be successful in mapping unless you have the mapping specialists. And we've hired thousands of those people, they're going through their training. And Sam Conaway, who can speak more specifically, is in the room, is getting them to an experience level that differentiates us.

So quite frankly, as you look around the world, that's where we see an opportunity. And we'll be sitting in the room two years from now, just like we said two years ago, we were going to transform the space and grow meaningfully, I think we've proven ourselves there. We're going to prove ourselves again in two years as it relates to mapping, and that is going to be the secret to our success in being number one in the future.

Joe Fitzgerald:

What I would add to that too is, again, back to the FARAWAVE utility. Let's say it's not 100% that every FARAWAVE is used on our OPAL system, but it's not impossible and it's being done today where it can be used on competitive systems. So again, as you look at the utility of the FARAWAVE, then FARAPOINT workflow, we have the highest utility across the ecosystem of how EPs like to do procedures. So that's not a bad thing for us.

Lauren Tengler:

Great. We'll go to Josh Jennings.

Josh Jennings:

Thanks. Josh Jennings from TD Cowen. I wanted to ask on the Watchman franchise, just to understand the remarks around being careful to wait for coverage and guidelines and maybe label expansion. Wanted to just figure out, I mean, what can you do in advance? I mean, assume you will have the data prior to it being presented in the first half of 2026. When can you get to work with CMS and private payers?

And then the second part of the question is just on back to capacity. It's hard to ignore Dr. Leon up on the screen and the LAC session or summit at New York Valves this year. I mean, how are you guys working on gaining a mind share with interventional cardiologists and how big is that channel in terms of providing capacity, assuming Champion is positive and Watchman moves to first-line therapy? Thank you.

Angelo De Rosa:

Yeah. Well, I'll start and I'll pass to you, Ken. So just to answer on that, a couple of things. You have seen, of course, with option, we have been really diligently working not only on the same reimbursement for concomitant, but also the labeling update, and we got it in almost six months after the data release.

I think Champion is a bit of a more complicated story because the potential uptake, as you saw, it's pretty substantial. And so we expect more scrutiny on the Champion side after the data will be released. And second, the adoption of a Champion indications will require also the reopening of NCD, which is another process that will require more time. And this is really what substantiate the idea that it'll require more time for local approvals. The second part of the question-

Josh Jennings:

Facilitating capacity and-

Angelo De Rosa:

Yeah. The capacity and how the interventional cardiologist, I would say that two data points. First of all, even now with the major focus on concomitant, we continue to see a momentum for the entire therapy. Also, the market is growing. If you just take the IC portion of the market, it's still growing substantially. And so that's really the positive data point in favor of the therapy.

Next, again, Champion really, in a way, rebalanced the option results in a way that Champion really covers both patients on the EP side as well as on the IC side. So we also see that the Champion result, in a way, will reinvigorate momentum also on the IC part of the business.

Ken Stein, M.D.:

Yeah. I mean, Josh, I think I'd call out three things. And we've already mentioned them, but I just want to reiterate them as I think they're important to take away. So one thing that solves capacity is moving the simplest cases out of the in-hospital cath lab into the ASC environment. And again, just from a FARAWAVE standpoint, we really do think we are uniquely positioned to take advantage of that move into that environment.

Number two, it's continuing to iterate the technology for Watchman. Creating an implant that is safe, above all simple, efficient. And as you look to the next

generation Watchman that Angelo and Brad unveiled, that's one of the key things that it'll do for us.

And then third, it's also continuing to iterate the way imaging is used to enhance the implant. So it's our investments in things like Anumana, the AI add-on to imaging. It's improving its cardiac echocardiography imaging, its 3D, 4D. But it's having a laser focus on everything we can do to make the procedure more straightforward, more efficient, as well as ensuring that we remain the preferred left atrial appendage closure device.

Lauren Tengler:

Thank you. Take it, Vijay.

Vijay Kumar:

Vijay Kumar from Evercore. And thanks for hosting out the analyst, Tim. I guess I had one on key product drivers, Watchman and EP. I know you gave the AF a market CAGR high teens, but I didn't see a PFA market CAGR. But I know the procedure share is increasing from 50 to 80%. Is the math that the market's growing high teens, and because of share gains you add another mid-teens and overall PFA is showing 30 plus percent? Does it math make sense to you? And sort of on a similar kind of question on Watchman, I know you said 20% CAGR, but when you look at the market sizing, 2 billion to 4 billion implies 26 CAGR, right? So what's the difference between market CAGR in your 20% growth estimate? Thank you.

Nick Spadea-Anello:

Yeah. So I think the market's super dynamic, and we're learning a lot. What we like is we're seeing more efficiency and we're helping feed that opportunity, as you saw in my slides. I frankly believe that we're going to do even more than we see today. It's just how does the capacity constraints really play out? And some of it'll be concomitant, because as Joe had mentioned, you'll see those procedures come together. And if that capacity constraints loosens up, you may see more ablations. And so we have to keep a close eye on how many concomitant procedures actually take place.

And we're trying to make things super efficient, whether it's with FARAPULSE or with Watchman, but we can't forget about Baylis, our transseptal crossing solutions, to really accommodate what that means to us to make things even

more efficient. So, more to come. I think in some ways we have an idea, but in some ways we're going to learn a lot the next 12 months.

Angelo De Rosa:

Yeah. Well, consistently, also on the Watchman side, I think there are two main drivers that I would say you should consider. One is of course the evolution of concomitant procedures. As Brad Sutton mentioned, we are 25% of the Watchman cases exiting 2025. We expect this to double by 2028. But again, there is definitely a portion of electrophysiologists today in the US that have a relatively low means.

So the first point is how the concomitant adoption will evolve, will dictate more the 20% towards maybe another case. And the same for Champion results. On Champion, of course, internally we have been working incredibly diligently on six different scenarios. It's the biggest trial ever done on LAC, 3,000 patients. So of course we are extremely careful on the results. But we have been planning different cases based on what the results will be.

So I would say, based on those two components, the market could go above the 20%. Of course what we don't expect to be the scenario that Champion will not hit the primary end point will be probably below that. But like I said, we think 20% is probably the best balanced projection with the information that we have today, and we still feel pretty optimistic about the future.

Mike Mahoney:

And just to add to that, we can just try to control what we can control. And so we are clearly leading in all things LAC with product portfolio and expanding market through clinical. We're the clear leader in PFA. We aim to continue to be the clear leader in PFA. I'd be disappointed if we're not number one overall in EP at the next investor day. We're the clear leader in concomitant. They're also the incredibly safe and most efficient procedures that have incredibly high patient demand and excellent economics, unlike many procedures for hospitals.

So for us to pinpoint the exact market care, we give you our best shot at it. We'll see how it looks like a few years from now. But we'd like to stick our commitments and not throw out crazy numbers and come back. But we can control our clinical, our portfolio safety, and our resources. And I can't imagine a company being in better position than we are right now in EP and LAC and concomitant together with the clinical trials that we're advancing.

Lauren Tengler:

Mike Matson.

Mike Matson:

Thanks. Mike Matson from Needham & Company. So one of your competitors is running kind of a study of broad de novo use of a serolomas coronary drug-eluting balloon, and the data's going to be presented at TCT. So I guess two part question. First, do you see potential for DCBs or DEBs to become over 30% of the PCI market kind of become more of a mainstream treatment option? And then second, does this particular serolomas balloon represent a competitive threat to Boston? Thanks.

Jim Cassidy:

So I'll take it in reverse order. We're respectful of different technologies. Like I said in my presentation, we think there's advantages to paclitaxel in terms of how you could hear it to the balloon that you can deliver it very efficiently. So, we'll have to see.

There are differences that we could talk about offline in the trials in terms of the patient population that we studied with. Our ISR indication was very complex, multiple layers of metal. There's nuances to their trial. It may be a bit of apples and oranges. So, we'll have to see.

It's hard to predict if the overall market, even with the expanded indications, would be over 30% because there still is definitely a place for drug-eluting stents. It's been around for a long time, that technology. There are definitely areas where it makes sense. Highly calcified lesions, ostium, there's things there that make sense. So I think it's hard to say it would go over 30%, but time will tell and data will drive those types of decisions and indications.

Lauren Tengler:

Thanks. We'll go to Marie Thiebaud.

Marie Thibault:

Hi. Thank you Marie Thiebaud, BTIG. Thanks for putting this together. My questions I think will probably go to Cat and Lance. Wanted to ask, I saw in the pipeline you're looking to bring forward VC investments in pulmonary embolism as well as TAVR and mitral, tricuspid. You're getting a second bite at the apple I think here with these investments, those markets have evolved a bit since the last

time you had investments in this space. Can you tell us where you think you still see unmet need? What the incumbents maybe are leaving room for you to have some advantages there?

Cat Jennings:

Sure. I can start and then hand it over to Lance. So similarly to the way that we've approached some of our other vessel beds or disease states, we see offering a portfolio of solutions as being really valuable, really valued by our customers. For example, in the SFA, we offer a drug-eluting stent and a drug-coated balloon, and that's driven our number one position. As we think about treating pulmonary embolism, we think about it in much the same way. There are some patients that are great EKOS candidates and there are other patients that are great mechanical thrombectomy candidates.

One of the things that I think is our secret sauce that Mike talked about is this closeness that we have to the market. We're very deep with our customers. We deeply understand their needs. We watch the data very closely. And so we continue to look for ways in which we can continue to grow our portfolio, whether that's equity investments, tech and M&A, et cetera. We see a continued need for advancement in mechanical thrombectomy solutions and we think that there's lots of opportunity to bring differentiated products to the market.

Lance Bates:

Yeah. So I think to answer your question, from a structural heart broad perspective, mitral, tricuspid, TAVR, do we see other unmet needs or opportunities for innovation? Sure. I would say if you look at our investments in mitral and tricuspid, which we won't share a lot of details today, but I would say looking at safety and efficacy and procedural time and how simple the procedure is to democratize.

So some of the bets that we have in that space, we've been in several cases reviewing them, and the cases are very efficient in terms of the imaging requirement. And I think many of you probably know the echocardiography bar is very high to support those types of cases. So if we can do, like I said, have technologies that are maybe more democratized, faster, safer, easier to use technologies, that's where we're placing our bets for mitral and tricuspid.

On the TAVR side, I would say we learned a lot. And as Mike said, sometimes we have to make tough decisions in terms of where we allocate our capital. We did not believe... We thought accurate was a good product, but good maybe is not

good enough to be a category leader or divide for that category leadership position.

So the things we will look at in the TAVR space is we want to have a differentiated product that can compete. And we do think there's some areas that can compete. Hopefully we'll be able to talk about those in the near future, but we will be... It's a super important space. It's a massive opportunity. And we do believe there's areas to innovate in TAVR, even with some proven incumbents that are in the space.

Lauren Tengler:

Great. We'll go to Matt Taylor.

Matt Taylor:

Thanks. Matt Taylor from Jefferies. Just wanted to ask on the penetration of PFA. You highlighted the slide that said 50% today, going to 80 globally by the end of the LRP. I was wondering if you could segment that by geography or at least talk about what the US is and could be by the end of the timeframe there. And then the follow-up is you also talked about these other arrhythmias like SVT, VT, and I was just wondering if you thought there would be any start of PFA adoption to treat those before the end of the LRP?

Nick Spadea-Anello:

So first of all, we're not going to get real detailed about each geography. What I can tell you is the vast majority of the procedures given when we launched were both in the US and the EMEA market. As I had mentioned, Asia Pacific just offers us a tremendous opportunity as we move forward. We're just getting started there.

So PFA adoption generally happens and is accelerating at a rapid speed when you have a little bit of time to market. And we've been in the US market now for well over a year and the EMEA market for over two. So those are the markets where you see the highest concentration. We won't give you that specific level of detail, but you can expect to see on average about 80% in 2028. And that's a lot faster than we ever anticipated.

Now, fortunately, we invested heavily in two key things that I think are critically important to be who we want to be in the future, and that's manufacturing. So we had ample supply of product to facilitate the increased demand and our investment in these mappers. We invested them some time ago, and as they

become certified and experienced, that's positioning us favorably in that market. And that is key to being successful in making your product or your portfolio work.

Ken Stein, M.D.:

And Nick, and maybe on the question of other arrhythmias. I think beyond a doubt we will see a utility for pulse field ablation, FARAPOINT, and potentially FARAFLEX in both atrial tachycardias. Absolutely, it's already I think pretty standard, and ventricular tachycardia.

What we've published data on and shown is that with FARAWAVE and FARAWAVE waveform, this energy source is much better able to penetrate scar tissue than is thermal ablation. And that's been the real hang up in being able to scale out and say democratize VT ablation and get it out of the very specialized quaternary care medical centers. And so excited to be launching the ASCENT VT clinical trial. And I absolutely do expect that you'll see greater use of PFA and FARAWAVE in particular for VT within the long range plan.

Lauren Tengler:

Great. Thanks. We're going to go to David Roman right there in the middle.

David Roman:

David Roman from Goldman Sachs. You can obviously hear the extraordinary focus on FARAPULSE or EP and Watchman here, just given the percentage of revenue and growth that has driven for you. And I think you've had an opportunity here in both categories to establish new therapies, change guidelines, change reimbursement, bring new indications, and that's all playing out in your results.

You've given us a lot to think about about here today across different product lines and different geographies. But as you look across the different opportunities, where do you have similar opportunity to shape and create new markets across what you've shared with us today that when we sit here in two years? Maybe 80% of the questions aren't about EP and Watchman, it's about something else. And you can't say renal denervation please. And your answer can also be, tell me to do my job too. But as you kind of talk internally, what are the things you'd really point us to that you would think would highlight the analysts? Meaning, if you fast-forward a couple years.

Mike Mahoney:

My second to last slide on my deck, that's where I try to lay out by business unit the opportunities that we're already investing in today that will not impact our LRP this three years, except we're putting a lot of money in it now. And that slide tries to cover that at a high level for competitors. We don't want to put it all in there.

I think you start our mentors business today. Great businesses, strong category leadership, upper single-digit growth capabilities. We continually defund that with organic R&D and tech and M&A to grow faster than those markets, and we'll continue to do that. And we expect strong double-digit growth in our cardiology business.

And the biggest upside areas, there's a few potential breakouts, and Dr. Da can talked about one, with potentially type two diabetes and a few other areas that we have across our med-service business. We're doing a lot with early investments, some other neuro disorders. But I would say broadly the bigger, bigger breakout opportunities are in cardiology in general.

Lance laid through, in 20 minutes, what is a amazing beyond Watchman, which we talked a lot about, concomitant EP, what is an amazing transformation of a portfolio in a huge market that's very global. And nobody has more bets in interventional cardiology than we do. And he went through maybe 70% of what we have here.

So beyond that, I would ask you to just look at that one slide where we have active investments. You cannot believe this. I think we're going to be very competitive with vital loss and shock down the road. Huge market. So I think we really can disrupt some existing incumbents in these big markets because of unique technology in the breadth of our portfolio, that for contracting purposes and reputation really, really helps us.

You'll see a number of things in that slide that our new market opportunities. And we're not talking about interventional oncology much here, but just the Mandarin trial in China alone will open that up. We're really encouraged by that glioblastoma trial. On that slide, it lays out maybe 15 different areas that we're making investments in today that not all are going to work out. But I think as an investor, you see our gas tank of innovation has never been more full than it is now, and we continue to do that for the long term.

Joe Fitzgerald:

What I would add to that is, and I won't say hypertension, but you heard Dr. Stein and you heard Lance say about heart failure. So if you look other than CRT, there's really no therapies to help, especially the Huf Puf patient population. So whether it be in diagnostics or interventions, Lance talked about a spin out that we had done in that interventional heart failure.

If you had to pick one, just given the size of the heart failure population and the basic nothing being done, you'd have to believe that interventional cardiologists, EPs, diagnostics, something's going to work, something has to work just given the size of the heart failure populations around the globe.

Lauren Tengler:

Great. We'll go over to Rich.

Rich Neuter:

Hi. Rich Neuter, Truist Securities. Thanks for hosting this. John, maybe it's for you, just the long-range plan and how linear we should think of these annual commitments. Is there anything that you can characterize for us on the front end or on the back end of the plan, with respect to where the investments and or the returns on some of these new product indication expansion areas will have greater payoff? To give us a sense of if you are going to either go faster and harder above the annual commitments or a little bit below, where would that be in the long-range plan?

John Monson:

Yeah. Thanks, Rich. We didn't go year by year the 10% plus top line growth, that is an average over the period. I think particularly impressive coming off of two years of mid-teens growth here, 16% in '24, expect 14 to 15% organic growth this year. We'll grow faster than our markets each year. And then on the margin expansion, 50 bips each year is what we're targeting. And we'll grow EPS faster than revenue, as we've always done, to nicely leverage EPS over the period. So yeah, there's nothing I'd call out at this time, where I'd say, "Hey, expect this in year one, that in year two and another result in year three of the LRP."

Lauren Tengler:

Are there any other questions? Wow.

Mike Mahoney:

Just wondering.

Joe Fitzgerald:

Jo-Anne's got.

Lauren Tengler:

Yeah, we'll go back to Jo-Anne. Thank you for circling back.

Meghan Scanlon:

Jo-Anne Winch, still at Citi.

Joe Fitzgerald:

Still at Citi.

Meghan Scanlon:

John, this is for you and it's a follow-up on Rich's question, which is 10% plus. There are a lot of numbers that are plus and there are a lot of products that are up there, and you guys have a much better view of when those start to accelerate. And are there years where you're like, "We feel really good about '27." I'm making that up because these three things are going to come to market. Should I, my model, just do 10% plus something straight across? How should I think about the next three years developing, at least on the top line? And thank you.

John Monson:

Yeah, I feel really good about each year. We've got great momentum in the business today that will carry into '26, and then you've seen all the shots on goal that we have across each of the business. We've got launches each year of the LRP. Yeah, I wouldn't guide you again one year or another the model to put in a different level of growth versus what you have across all three years.

It's an average that we're targeting. We view ourselves as a double-digit growth company on the top line. We'll continue to outpace the underlying markets. That's how we're looking at it. How do we continue to fuel growth each year and how do we overachieve the objectives that we've laid out here today? That's what we're focused on.

Mike Mahoney:

I don't think we anticipate for three years. We don't anticipate a 2 and a 20 and a 10. So we think it's pretty less variant than maybe you think.

John Monson:

Yeah.

Lauren Tengler:

It's great. We have time for one more. We'll take Matt O'Brien.

Matt O'Brien:

Thanks. Excuse me. Matt O'Brien, Piper Sandler. I kind of wanted to circle back to what Larry started off with on the share dynamic and EP, because by my numbers, you're about 75, 80% share of PFA at this point. I can think back to... Although there's two of you in this space now, essentially at this point, right? You guys in Medtronic. I can think back to other categories like DES and CRM. We've seen a lot of variability in share over time. What makes it different for you guys with PFA in your portfolio this time where you can insulate yourself, keep that share, versus what we've seen with some pretty big share movements in other areas of cardio historically? Thanks.

Nick Spadea-Anello:

It's a great question. And again, we're not going to be respectfully specific on share, but what's different about this is the ecosystem, and you saw that slide. The ecosystem starts to take, call it PFA today, that it's going to have mapping capabilities and some of the things that I talked about that will be exclusive and unique to us. The FARAWAVE catheter, third generation, with all those electrodes, you won't be able to get all those features and capabilities unless you have an open mapping system that ties that together.

ICE, Dr. Sutton spoke about, which is a new opportunity with AI. As you think about the evolution and the cadence of the launch of ICE, that will all be integrated into our mapping system. You'll also have Cortex. We'll see how that plays out. We're very optimistic about that. That will be integrated. So we're insulating ourselves by having an entire ecosystem tied to our mapping system, and we know that the hard way because we lost when it came to RF and tying it together.

We learned the hard way when it comes to now having a new energy modality where we're leading, and leading big to capitalize on that and capitalize on that in a big way. That's how I would answer that question.

Lauren Tengler:

Great. Mike, you want to say a few words to close?

Mike Mahoney:

Sure. Thanks everybody. I'm like church choir up here. I'll stand up here. Just want to thank... I know it's been a long day and we saved SG&A by your box lunches, so you're probably not going to be overwhelmed by those. But I'll open it up where we started here, I guess close where we started.

We're honored that you spent the day with us. Appreciate all the work that Lauren and the team did in pulling this day together, and hopefully you walk away as excited as we are. If it didn't come through in the videos and everything else, we are very motivated by Advancing science for life. We have an incredibly strong, deep team, an employee-base that's highly engaged. We are an attractor of talent.

You never want to be cocky, but we are an attractor of talent. And people want to work for BSC because of our growth, because of our culture and our focus on innovation. And we are not a company that's arrogant. We take shots on goal. We learn from each other, we challenge each other. We talk about this innovation ecosystem. A lot of it is in embedded in the culture, and challenging each other and doing that, not being overly protective of things.

So we are pushing meaningful innovation all the time. And our commitment is to be, if not the best, clearly, highly, highly differentiated versus our peer group over the next five years. And I wouldn't bet against us. So thank you very much, and I appreciate it.

PART 8 OF 8 ENDS [04:15:18]