

Q4 2017 Highlights

February 1, 2018

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

Safe Harbor for forward-looking statements:

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by words like “anticipate,” “expect,” “project,” “believe,” “plan,” “estimate,” “intend,” “goal” and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. If our underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could differ materially from the expectations and projections expressed or implied by our forward-looking statements.

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

Non-GAAP Measures:

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

Use of document:

This document contains certain highlights with respect to our fourth quarter 2017 performance and developments and does not purport to be a complete summary of thereof. Accordingly, we encourage you to read our Earnings Release for the quarter ended December 31, 2017 located in the investor section of our website at www.bostonscientific.com and our Annual Report on Form 10-K for the year ended December 31, 2017 to be filed with the Securities and Exchange Commission.

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

Financial Highlights

- **Revenue growth Y/Y:**
 - +8.1% operational*, +9.9% as reported, +6.8% organic*
 - \$2,408M as reported revenue includes \$37M FX benefit Y/Y
- **Earnings per share:**
 - Adjusted*: \$0.34 vs. \$0.30 Q4:16
 - GAAP: (\$0.45)¹ vs. \$0.09 Q4:16
- **Gross margin:**
 - Adjusted*: 72.6%, flat Y/Y
 - Includes 200 bps negative FX impact Y/Y
 - GAAP: 72.0%, +20 bps Y/Y
- **Operating margin:**
 - Adjusted*: 25.6%, +190 bps Y/Y
 - GAAP: 13.2%, +680 bps Y/Y

¹ Includes an estimated one-time net income tax charge of \$861 million resulting from the enactment of the Tax Cut and Jobs Act, primarily relating to the deemed repatriation of unremitted earnings of foreign subsidiaries, partially offset by the benefit related to the remeasurement of the company's deferred taxes arising from a lower U.S. corporate tax rate.

Operational Highlights

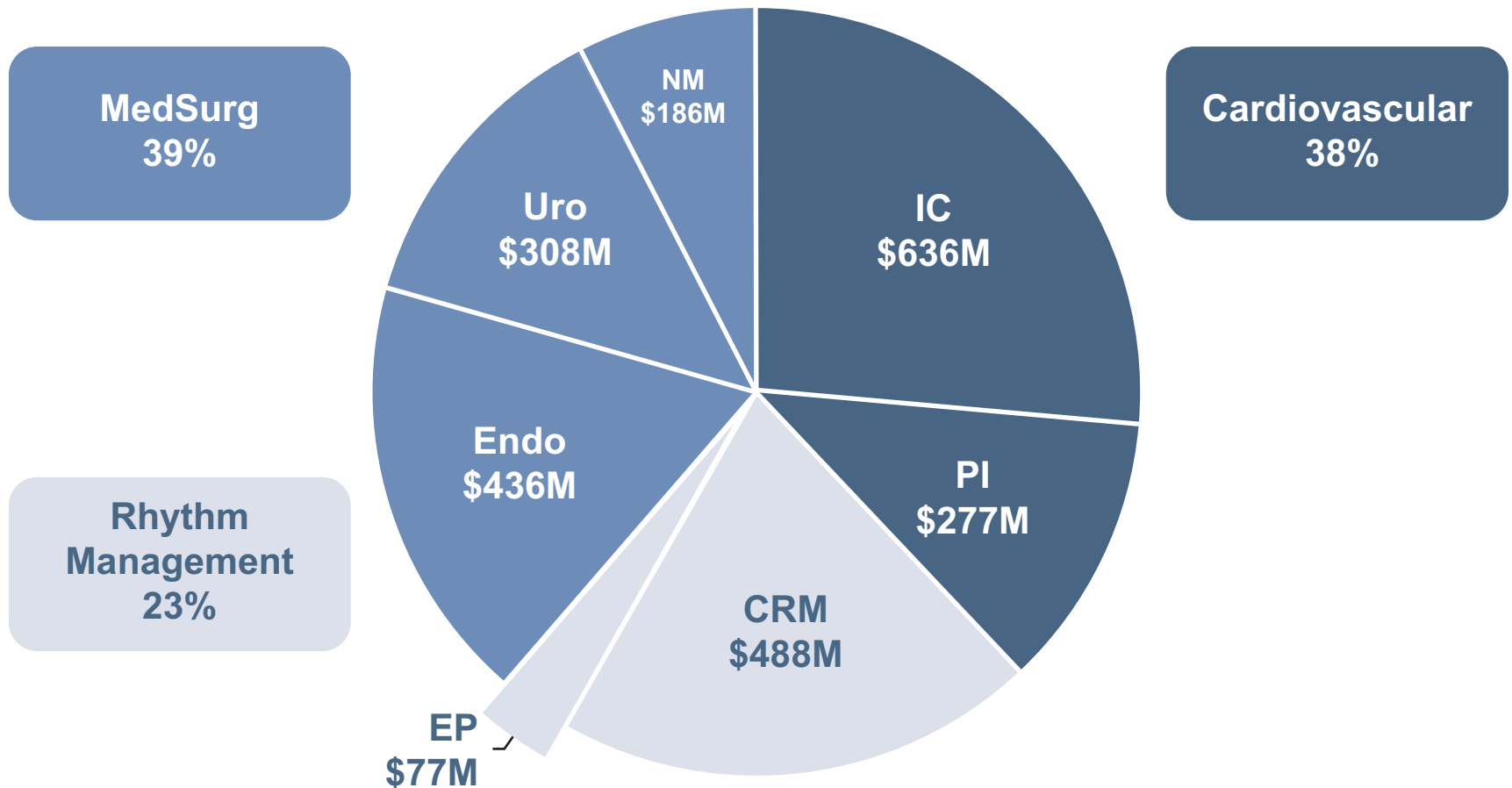
- Announced **5-yr. outcomes** from the PREVAIL study showing the **WATCHMAN™** LAAC device provides **comparable stroke prevention to warfarin** for non-valvular AF patients
- **AHA, ACC and HRS** updated guidelines and now **formally recommend the use of S-ICDs** for patients with ventricular arrhythmias and prevention of sudden cardiac death
- Completed enrollment of **ACURATE neo2™² CE Mark study**, designed to support CE Mark submission in the **second half of 2018**
- Received **FDA approval for Vercise™** DBS System to treat symptoms of Parkinson's disease
- Received **FDA approval for Spectra WaveWriter™** SCS System with parasthesia-based and sub-perception therapy based on results from the **WHISPER trial**
- Closed **investment** and entered option agreement with **Millipede, Inc.**, developer of IRIS Transcatheter Annuloplasty Ring to treat severe mitral regurgitation

² Under development. Not available for sale.

WW Sales by Segment and Business

Q4 2017 Reported Revenue: \$2,408M

Revenue by Business; Segment Percentage of Total Sales



WW Sales Detail

Three Months Ended December 31, 2017 and 2016

| (in millions) | | | Year-over-Year Change | | | | |
|---|-----------------|-----------------|-----------------------|----------------------------------|--------------------|--|----------------|
| | Q4 2017 | Q4 2016 | As Reported Basis | Less: Impact of Foreign Currency | Operational Basis* | Less: Impact of Significant Acquisitions | Organic Basis* |
| INTERVENTIONAL CARDIOLOGY | \$ 636 | \$ 585 | 8.8% | 1.9% | 6.9% | 2.8% | 4.1% |
| PERIPHERAL INTERVENTIONS | 277 | 255 | 8.4% | 1.7% | 6.7% | —% | 6.7% |
| CARDIOVASCULAR | 913 | 840 | 8.7% | 1.9% | 6.8% | 1.9% | 4.9% |
| CARDIAC RHYTHM MANAGEMENT | 488 | 473 | 3.3% | 2.1% | 1.2% | —% | 1.2% |
| ELECTROPHYSIOLOGY | 77 | 63 | 20.7% | 3.0% | 17.7% | —% | 17.7% |
| RHYTHM MANAGEMENT | 565 | 536 | 5.4% | 2.2% | 3.2% | —% | 3.2% |
| ENDOSCOPY | 436 | 380 | 14.8% | 1.7% | 13.1% | 3.5% | 9.6% |
| UROLOGY AND PELVIC HEALTH | 308 | 274 | 12.7% | 1.4% | 11.3% | —% | 11.3% |
| NEUROMODULATION | 186 | 161 | 15.5% | 0.9% | 14.6% | —% | 14.6% |
| MEDSURG | 931 | 815 | 14.2% | 1.4% | 12.8% | 1.6% | 11.2% |
| WORLDWIDE NET SALES | \$ 2,408 | \$ 2,191 | 9.9% | 1.8% | 8.1% | 1.3% | 6.8% |
| <i>EMERGING MARKETS¹ SALES</i> | 240 | 208 | 15.4% | 2.3% | 13.1% | 0.2% | 12.9% |
| <i>EMERGING MARKETS¹ SALES PERCENTAGE OF TOTAL BSC</i> | | | 10% | | 10% | | |

¹We define Emerging Markets as including certain countries that we believe have strong growth potential based on their economic conditions, healthcare sectors, and our global capabilities. Currently, we include 20 countries in our definition of Emerging Markets.

MedSurg Performance Summary

| Measure | Q4 2017 | Q4 2016 | Change Y/Y |
|-------------------------|---------|---------|------------|
| Reported Revenue | \$931M | \$815M | +14.2% |
| Operating Income | \$319M | \$256M | +25% |
| Operating Income Margin | 34.3% | 31.4% | +290 bps |

Q4 2017 Highlights

- **Endoscopy: Global revenue +13.1% Y/Y operational* (+14.8% as reported); +9.6% organic***
 - Growth led by biliary and hemostasis franchises, as well as strong performance from the EndoChoice business
 - Expect continued strong performance in 2018 given new innovations launching in infection prevention, GI diagnostics, and in endoluminal surgery for cancers of the GI tract
- **Urology and Pelvic Health: Global revenue +11.3% Y/Y operational* (+12.7% as reported)**
 - Double digit revenue growth for the eighth straight quarter, led by LithoVue™ and the broader Stone franchise and further driven by strong performance in Men's Health and Prostate Health
 - LithoVue™ continues to build the single use market with a strong roll out and is now in over 700 accounts in the U.S and over 1,300 worldwide
- **Neuromodulation: Global revenue +14.6% Y/Y operational* (+15.5% as reported)**
 - Driven by DBS and SCS businesses; both franchises expect continued strength in 2018 with recent innovative product launches in fast growing markets
 - Launching the WaveWriter™ SCS system, the first and only FDA approved to simultaneously provide paresthesia-based and sub-perception therapy
 - Positive results from the WHISPER trial demonstrated patients given the choice to use both sub-perception and paresthesia-based SCS therapy achieve superior outcomes in comparison to patients who have only one SCS option
 - Received approval for Vercise™ DBS system, a rechargeable system with multiple independent controls to offer more adaptable delivery of stimulation

Cardiovascular Performance Summary

| Measure | Q4 2017 | Q4 2016 | Change Y/Y |
|-------------------------|---------|---------|------------|
| Reported Revenue | \$913M | \$840M | +8.7% |
| Operating Income | \$256M | \$208M | +23% |
| Operating Income Margin | 28.0% | 24.8% | +320 bps |

Q4 2017 Highlights

- **Interventional Cardiology: Global revenue grew +6.9% Y/Y operational* (+8.8% as reported); +4.1% organic***
 - Led by strong sales of the WATCHMAN™ LAAC device, plus complex PCI and PCI guidance franchises
 - Complex PCI grew double digits, led by the launch of four new products in H2:17; targeting sustained momentum in 2018 with continued launch cadence
 - Received FDA approval for high definition IVUS system, and continue to roll-out new COMET FFR pressure wire
 - WATCHMAN™ delivered \$250M in sales for FY:17 as investments in physician and patient education programs drive increasing utilization, new center openings and geographic expansion
 - Built on commercial strength for the ACURATE™ platform and recently completed training of European sales and clinical teams
- **Peripheral Interventions: Global revenue +6.7% Y/Y operational* (+8.4% as reported)**
 - Strong performance across product portfolio, led by drug-eluting technologies as the only manufacturer with a DES and a DCB
 - Ranger¹ DCB: Presented data from the COMPARE I trial, where interim 12 month data on the first 150 patients showed Ranger¹ achieved similar patency to IN.PACT and with the lowest profile of any DCB; expect U.S. launch in 2020
 - Eluvia¹ DES: Expect data for the IMPERIAL trial for Eluvia¹ drug-eluting stent to be presented in H2 2018; expect U.S. launch in 2019

Rhythm Management Performance Summary

| Measure | Q4 2017 | Q4 2016 | Change Y/Y |
|-------------------------|---------|---------|------------|
| Reported Revenue | \$565M | \$536M | +5.4% |
| Operating Income | \$122M | \$82M | +48% |
| Operating Income Margin | 21.6% | 15.4% | +620 bps |

Q4 2017 Highlights

- **Cardiac Rhythm Management: Global revenue +1.2% Y/Y operational* (+3.3% as reported)**
 - Grew 6% in Defib, offset by high single-digit declines in Pacing due to tough comparison post U.S. launch of Brady MRI in Q2:16
 - Strength in Defib led by U.S. Tachy MRI labeling and ongoing European and U.S. launch of Resonate™ platform
 - Resonate includes the HeartLogic™ heart failure alert, multi-point pacing, MRI compatibility, and best in class longevity with the EnduraLife battery technology
 - Emblem S-ICD again grew double-digits in FY:17
 - Replacements are tracking to expectations
- **Electrophysiology: Global revenue +17.7% Y/Y operational* (+20.7% as reported)**
 - EP revenue growth led by continued adoption of the next-generation Rhythmia™ HDx platform
 - Began early European limited market release of Direct Sense technology and expect full European and U.S. launch in Q2
 - Direct Sense technology provides physicians with confidence in location, stability, and proximity of the catheter to the tissue and has received positive feedback in Europe

Q4 2017 Balance Sheet & Cash Flow Metrics

Days Sales Outstanding (DSO)

| Dec 2017 | Sept 2017 | June 2017 | Mar 2017 | Dec 2016 |
|----------|-----------|-----------|----------|----------|
| 58 | 61 | 58 | 60 | 64 |

Adjusted Free Cash Flow*

| Q4 2017 | Q4 2016 [†] | FY2017 | FY2016 [†] |
|---------|----------------------|----------|---------------------|
| \$685M | \$472M | \$1,729M | \$1,622M |

[†] Certain prior year balances within our Consolidated Statement of Cash Flow have been updated to reflect the adoption of ASU 2016-15 & ASU 2016-18

Days Inventory on Hand (DIOH)

| Dec 2017 | Sept 2017 | June 2017 | Mar 2017 | Dec 2016 |
|------------------|-----------|-----------|------------------|------------------|
| 147 ¹ | 155 | 147 | 134 ² | 142 ³ |

¹Improvement due to investments from acquisitions, product launches, strategic purchases and sales volume/mix

²Improvement largely a result of Lotus field action

³Decrease due to tighter inventory management and higher COGS in the quarter

Capital Expenditures

| Q4 2017 | Q4 2016 | FY2017 |
|---------|---------|--------|
| \$79M | \$168M | \$319M |

Q1 & 2018 Guidance Summary

Issued February 1, 2018

| Measure | Q1 2018 | FY 2018 |
|----------------------------|---|---|
| As Reported Revenue (\$M) | \$2,320 to \$2,350 | \$9,650 to \$9,800 |
| FX Impact on Revenue (\$M) | \$60M to \$70M tailwind | \$150M to \$175M tailwind |
| Organic Growth* | +4% to +5% (plus 80 bps contribution from Symetis) | +5% to +6% (plus 30 bps contribution from Symetis) |
| As Reported Growth | +7% to +9% | +7% to +8% |
| Adjusted Gross Margin* | 71.5% to 72% | ~72% |
| Adjusted SG&A % of Sales* | 35% to 36% | 34.5% to 35% |
| Adjusted R&D % of Sales* | 10% to 11% | 10% to 11% |
| Adjusted Operating Margin* | 24.75% to 25.25% | 25.5% to 25.75% |
| Adjusted Tax Rate* | 13% to 14% | 13% to 14% |
| Adjusted EPS* | \$0.30 to \$0.32 | \$1.35 to \$1.39 |
| FX Impact on EPS | Approx. \$0.01 headwind | \$0.02 to \$0.03 headwind |
| Adjusted EPS Growth* | +5% to +12% | +7% to +10% |
| Adjusted EPS Growth ex-FX* | +7% to +14% | +10% to +12% |
| GAAP EPS | \$0.19 to \$0.22 | \$0.93 to \$0.98 |

Product Launches¹

Coronary Therapies

- 5 launches in Complex PCI

Structural Heart

- ACURATE – OUS Expansion
- ACURATE *neo2* – EU

Peripheral Interventions

- 3 launches in Arterial and Venous portfolio

CRM/EP

- Resonate with HeartLogic HF Alert
- DirectSense Rx Catheter – EU/U.S.
- Rhythmia HDx w/ LUMIPOINT™

Endoscopy

- New launches in Infection Prevention (valves, kits)
- SpyGlass DSII + cholangioscopy tools
- Axios Transluminal Stent – OUS expansion
- Orise Endoluminal Surgery portfolio

Urology/Pelvic Health

- 4 launches in Stone

Neuromodulation

- WaveWriter SCS System
- Vercise DBS system – U.S.

Clinical Milestones

Coronary Therapies

- EVOLVE Short DAPT completes enrollment

Structural Heart

- WATCHMAN FLX U.S. IDE begins enrollment
- WATCHMAN EU post-market study begins enrollment
- WATCHMAN with Ablation begins enrollment
- SCOPE I completes enrollment
- SCOPE II completes enrollment
- ACURATE neo U.S. IDE begins enrollment

Peripheral Interventions

- Ranger COMPARE I ISR data presentation
- IMPERIAL 1-year follow-up complete (Eluvia)
- SAVAL drug eluting stent BTK first enrollment

Neuromodulation

- WHISPER data presentation
- ACCELERATE primary completion
- INTREPID data presentation

2019E Product Launches¹

Coronary Therapies

- Synergy DES line extensions
- Multiple launches in Complex PCI

Structural Heart

- WATCHMAN FLX – EU
- WATCHMAN – Japan
- ACURATE – Int'l expansion
- LOTUS Edge² U.S. & EU

Peripheral Interventions

- Eluvia SFA DES - U.S.
- Interventional Oncology Embolic Coils

CRM/EP

- ICM Monitoring & Dx
- Force Sensing Catheter – EU
- Apama RF PVI Balloon – EU

Endoscopy

- SpyGlass next gen
- New launches in Infection Prevention
- New launches in Biliary

Urology/Pelvic Health

- LithoVue next gen
- 5 additional launches in Stone

Neuromodulation

- Expanded DBS platform

2020E/2021E Product Launches¹

Coronary Therapies

- Synergy DES line extensions

Structural Heart

- WATCHMAN FLX – U.S.
- ACURATE neo AS – U.S./Japan
- ACURATE – size matrix expansion
- LOTUS Edge² size matrix expansion

Peripheral Interventions

- Ranger SFA DCB – U.S.
- SAVAL drug eluting stent BTK

CRM/EP

- Leadless Pacing/modular CRM – EU
- Force Sensing Catheter – U.S.

Endoscopy

- EUS portfolio & indication expansion – U.S./EU
- Pulmonary diagnostics
- Axios expanded indications – U.S.

Urology/Pelvic Health

- Multiple launches in Stone
- Multiple launches in Men's Health
- Next Gen Greenlight fiber for BPH

Neuromodulation

- SCS & DBS Next Gen – U.S./EU

2019E-2021E Clinical Milestones

Coronary Therapies

- EVOLVE Short DAPT primary completion

Structural Heart

- WATCHMAN ASAP Too completion (~2021)

Peripheral Interventions

- Ranger U.S. IDE completion (~2019)
- SAVAL drug eluting stent BTK results (~2021)

CRM/EP

- Apama U.S. IDE begins enrollment (~2019)
- mCRM clinicals begin enrollment (~2019)
- PRAETORIAN primary completion (~2019)
- UNTOUCHED primary completion (~2020)
- MADIT S-ICD enrollment
- Manage HF HeartLogic trial enrollment

¹ All launches are WW, unless otherwise noted

² Goal is to launch Lotus in the U.S. & EU in 2019 pending final testing & regulatory approvals

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

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

Appendix A - Income Statement Information

Non-GAAP Reconciliation

Boston
Scientific

Three Months Ended December 31, 2017 (unaudited)

| <i>In millions, except per share data</i> | | GAAP Results | Amortization | Restructuring-Related Charges (Credits) | Acquisition - Related Charges (Credits) | Litigation-Related Charges | Investment Impairment Charges | Tax Cuts and Jobs Act Net Charge | Adjusted Results |
|---|--|------------------|------------------|---|---|----------------------------|-------------------------------|----------------------------------|------------------|
| Net sales | | \$ 2,408 | | | | | | | \$ 2,408 |
| Cost of products sold | | 673 | | 10 | 5 | | | | 659 |
| Gross profit | | 1,735 | — | (10) | (5) | — | — | — | 1,749 |
| <i>Gross margin</i> | | 72.0% | | | | | | | 72.6% |
| Selling, general and administrative expenses | | 886 | | 4 | 24 | | | | 859 |
| <i>SG&A margin</i> | | 36.8% | | | | | | | 35.7% |
| Research and development expenses | | 264 | | | 8 | | | | 256 |
| <i>R&D margin</i> | | 10.9% | | | | | | | 10.6% |
| Royalty expense | | 18 | | | | | | | 18 |
| <i>Royalty expense margin</i> | | 0.7% | | | | | | | 0.7% |
| Amortization expense | | 142 | 142 | | | | | | — |
| Contingent consideration expense (benefit) | | (3) | | | (3) | | | | — |
| Restructuring charges | | 21 | | 21 | | | | | — |
| Litigation-related (credits) | | 89 | | | | 89 | | | — |
| | | 1,416 | 142 | 24 | 29 | 89 | — | — | 1,132 |
| Operating income | | 319 | (142) | (34) | (33) | (89) | — | — | 619 |
| <i>Operating margin</i> | | 13.2% | | | | | | | 25.6% |
| Other income (expense): | | | | | | | | | |
| Interest expense | | (56) | | | | | | | (56) |
| Other, net | | (36) | | | (2) | | (3) | | (31) |
| Income before income taxes | | 227 | (142) | (34) | (35) | (89) | (3) | — | 530 |
| Income tax expense | | 842 | \$ (15) | \$ (8) | \$ (6) | (39) | (1) | 861 | 50 |
| Net (loss) income | | \$ (615) | \$ (127) | \$ (26) | \$ (29) | \$ (50) | \$ (2) | \$ (861) | \$ 480 |
| Net income per common share - assuming dilution | | \$ (0.45) | \$ (0.09) | \$ (0.02) | \$ (0.02) | \$ (0.04) | \$ (0.00) | \$ (0.62) | \$ 0.34 |
| Weighted average shares outstanding - assuming dilution | | 1,373.3 | 1,395.4 | 1,395.4 | 1,395.4 | 1,395.4 | 1,395.4 | 1,395.4 | 1,395.4 |

Appendix A - Income Statement Information

Margins

| Adjusted Gross Margin | Three Month Ended | | |
|----------------------------|-------------------|------------|---------------------|
| | 12/31/2017 | 12/31/2016 | Basis Points Change |
| Gross Margin, as reported | 72.0 % | 71.8 % | 20 |
| Less: Non-GAAP adjustments | (0.6)% | (0.8)% | |
| Adjusted Gross Margin | 72.6 % | 72.6 % | 0 |

| Adjusted Operating Margin | Three Month Ended | | |
|-------------------------------|-------------------|------------|---------------------|
| | 12/31/2017 | 12/31/2016 | Basis Points Change |
| Operating Margin, as reported | 13.2 % | 6.4 % | 680 |
| Less: Non-GAAP adjustments | (12.4)% | (17.3)% | |
| Adjusted Operating Margin | 25.6 % | 23.7 % | 190 |

| Adjusted SG&A Margin | Three Month Ended | | |
|----------------------------|-------------------|------------|---------------------|
| | 12/31/2017 | 12/31/2016 | Basis Points Change |
| SG&A Margin, as reported | 36.8% | 38.0% | (120) |
| Less: Non-GAAP adjustments | 1.1% | 1.5% | |
| Adjusted SG&A Margin | 35.7% | 36.5% | (80) |

| Adjusted R&D Margin | Three Month Ended | | |
|----------------------------|-------------------|------------|---------------------|
| | 12/31/2017 | 12/31/2016 | Basis Points Change |
| R&D Margin, as reported | 10.9% | 11.7% | (80) |
| Less: Non-GAAP adjustments | 0.3% | 0.2% | |
| Adjusted R&D Margin | 10.6% | 11.5% | (90) |

Appendix A - Income Statement Information

Margins

| Adjusted Gross Margin | Year Ended | | |
|----------------------------|------------|------------|---------------------|
| | 12/31/2017 | 12/31/2016 | Basis Points Change |
| Gross Margin, as reported | 71.3 % | 71.1 % | 20 |
| Less: Non-GAAP adjustments | (0.8)% | (0.9)% | |
| Adjusted Gross Margin | 72.1 % | 72.0 % | 10 |

| Adjusted Operating Margin | Year Ended | | | Basis Points Change | |
|-------------------------------|------------|------------|------------|---------------------|------------------|
| | 12/31/2017 | 12/31/2016 | 12/31/2014 | 2017 verses 2016 | 2017 verses 2014 |
| Operating Margin, as reported | 14.2 % | 5.3 % | (4.1)% | 890 | 1,830 |
| Less: Non-GAAP adjustments | (10.8)% | (18.8)% | (24.3)% | | |
| Adjusted Operating Margin | 25.0 % | 24.1 % | 20.2 % | 90 | 480 |

| Adjusted SG&A Margin | Year Ended | | |
|----------------------------|------------|------------|---------------------|
| | 12/31/2017 | 12/31/2016 | Basis Points Change |
| SG&A Margin, as reported | 36.4% | 37.0% | (60) |
| Less: Non-GAAP adjustments | 0.8% | 0.9% | |
| Adjusted SG&A Margin | 35.6% | 36.1% | (50) |

| Adjusted R&D Margin | Year Ended | | |
|----------------------------|------------|------------|---------------------|
| | 12/31/2017 | 12/31/2016 | Basis Points Change |
| R&D Margin, as reported | 11.0% | 11.0% | — |
| Less: Non-GAAP adjustments | 0.3% | 0.1% | |
| Adjusted R&D Margin | 10.8% | 10.9% | (10) |

Appendix A - Income Statement Information

Earnings per Share

in millions, except per share data

GAAP net income (loss)

Non-GAAP adjustments:

Amortization expense

Acquisition-related net charges (credits)

Restructuring and restructuring-related net charges (credits)

Litigation-related net charges (credits)

Investment impairment charges

TCJA net charges

Adjusted net income

Less: Impact of foreign currency fluctuations

Adjusted EPS, excluding foreign currency fluctuations

| Three Months Ended December 31, 2017 | | | | | YoY EPS Growth |
|--------------------------------------|----------------|---------------|---------------------|---|----------------------|
| Pre-Tax | Tax Impact | After-Tax | Impact per share | | |
| \$ 227 | \$ (842) | \$ (615) | \$ (0.45) | | (599)% |
| 142 | (15) | 127 | 0.09 | * | |
| 35 | (6) | 29 | 0.02 | * | |
| 34 | (8) | 26 | 0.02 | * | |
| 89 | (39) | 50 | 0.04 | * | |
| 3 | (1) | 2 | 0.00 | * | |
| — | 861 | 861 | 0.62 | * | |
| <u>\$ 530</u> | <u>\$ (50)</u> | <u>\$ 480</u> | <u>\$ 0.34</u> | | <u>14 %</u> |
| | | | <u>(0.02)</u> | | <u>(9)%</u> |
| | | | <u>\$ 0.36</u> | | <u>23 %</u> |

*Assumes dilution of 22.1 million shares for the three months ended December 31, 2017 for all or a portion of these non-GAAP adjustments.

in millions, except per share data

GAAP net income (loss)

Non-GAAP adjustments:

Amortization expense

Intangible asset impairment charges

Acquisition-related net charges (credits)

Restructuring and restructuring-related net charges (credits)

Litigation-related net charges (credits)

Adjusted net income

| Three Months Ended December 31, 2016 | | | | |
|--------------------------------------|---------------|---------------|---------------------|--|
| Pre-Tax | Tax Impact | After-Tax | Impact per Share | |
| \$ 89 | \$ 35 | \$ 124 | \$ 0.09 | |
| 138 | (14) | 124 | 0.09 | |
| 4 | — | 4 | 0.00 | |
| 41 | (7) | 34 | 0.02 | |
| 23 | (4) | 19 | 0.01 | |
| 172 | (62) | 110 | 0.09 | |
| <u>467</u> | <u>(52)</u> | <u>\$ 415</u> | <u>\$ 0.30</u> | |

Appendix A - Income Statement Information

Earnings per Share

| <i>in millions, except per share data</i> | Year Ended December 31, 2017 | | | | YoY EPS Growth |
|---|------------------------------|-----------------|-----------------|---------------------|----------------------|
| | Pre-Tax | Tax Impact | After-Tax | Impact per share | |
| GAAP net income (loss) | \$ 933 | \$ (828) | \$ 104 | \$ 0.08 | (70)% |
| Non-GAAP adjustments: | | | | | |
| Amortization expense | 565 | (74) | 492 | 0.35 | |
| Intangible asset impairment charges | 4 | — | 4 | 0.00 | |
| Acquisition-related net charges (credits) | 34 | (25) | 9 | 0.01 | |
| Restructuring and restructuring-related net charges (credits) | 95 | (21) | 75 | 0.05 | |
| Litigation-related net charges (credits) | 285 | (113) | 172 | 0.12 | |
| Investment impairment charges | 56 | (20) | 36 | 0.03 | |
| TCJA net charges | — | 861 | 861 | 0.62 | |
| Adjusted net income | \$ 1,972 | \$ (220) | \$ 1,752 | \$ 1.26 | 13 % |
| Less: Impact of foreign currency fluctuations | | | | (0.08) | (7)% |
| Adjusted EPS, excluding foreign currency fluctuations | | | | \$ 1.34 | 20 % |

| <i>in millions, except per share data</i> | Year Ended December 31, 2016 | | | |
|---|------------------------------|---------------|-----------------|---------------------|
| | Pre-Tax | Tax Impact | After-Tax | Impact per Share |
| GAAP net income (loss) | \$ 177 | \$ 170 | \$ 347 | \$ 0.25 |
| Non-GAAP adjustments: | | | | |
| Amortization expense | 545 | (67) | 478 | 0.35 |
| Intangible asset impairment charges | 11 | (1) | 10 | 0.01 |
| Acquisition-related net charges (credits) | 136 | (10) | 126 | 0.09 |
| Restructuring and restructuring-related net charges (credits) | 78 | (17) | 61 | 0.04 |
| Litigation-related net charges (credits) | 804 | (292) | 512 | 0.37 |
| Adjusted net income | 1,751 | (217) | \$ 1,534 | \$ 1.11 |

Appendix A - Income Statement Information

Earnings per Share & Other Income Statement Items

| Earning per diluted share | 2014 | 2015 | 2016 | 2017 |
|---|-------------------|-------------------|----------------|----------------|
| GAAP net income (loss) per share | \$ (0.09) | \$ (0.18) | \$ 0.25 | \$ 0.08 |
| Non-GAAP adjustments | 0.93 ^a | 1.11 ^b | 0.86 | 1.18 |
| Adjusted net income (loss) per share | <u>\$ 0.84</u> | <u>\$ 0.93</u> | <u>\$ 1.11</u> | <u>\$ 1.26</u> |
| Adjusted per share growth from prior year | | 11% | 20% | 13% |
| 3-year adjusted per share growth average | | | | 14.5% |

a - Assumes dilution of 23.7 million shares for the year ended December 31, 2014 for all or a portion of the non-GAAP adjustments.

b - Assumes dilution of 21.5 million shares for the year ended December 31, 2015 for all or a portion of the non-GAAP adjustments.

| | Year Ended |
|--------------------------------|-------------------|
| Adjusted Other, net | 12/31/2017 |
| Other, net, as reported | 124 |
| Less: Non-GAAP adjustments | (67) |
| Adjusted Other, net | <u>57</u> |

| | Year Ended |
|-------------------------------------|-------------------|
| Adjusted R&D Expense | 12/31/2017 |
| R&D Expense, as reported | 997 |
| Less: Non-GAAP adjustments | (23) |
| Adjusted R&D Expense | <u>974</u> |

| Total BSC Revenue Growth | Three Months Ended March 31, 2017 |
|--|--------------------------------------|
| Percentage change in net sales, as reported | 10.0% |
| Less: Impact of foreign currency fluctuations | —% |
| Percentage change in net sales, operational | 10.0% |
| Less: Impact of EndoChoice Acquisition | 1.0% |
| Percentage change in net sales, organic | <u>9.0%</u> |

Appendix A - Income Statement Information

QTD Segment Operating Income

Note: We measure and evaluate our reportable segments based on segment net sales and operating income, excluding intersegment profits. In 2017, we have updated our presentation of segment net sales to include foreign exchange fluctuations, since the chief operating decision maker reviews operating results at both actual foreign exchange rates and excluding foreign exchange rates and the following presentation more closely aligns with U.S. GAAP. We exclude from segment operating income certain corporate-related expenses and certain transactions or adjustments that our chief operating decision maker considers to be non-operational, such as amounts related to amortization expense, intangible asset impairment charges, acquisition-related items, restructuring and restructuring-related items and litigation-related items. Although we exclude these amounts from segment operating income, they are included in reported consolidated operating income (loss) and are included in the reconciliation below.

| SEGMENT NET SALES (dollars in millions) | Q4 2017 | Q4 2016 |
|---|-----------------|-----------------|
| Cardiovascular | \$ 913 | \$ 840 |
| Rhythm Management | 565 | 536 |
| MedSurg | 931 | 815 |
| Net Sales | \$ 2,408 | \$ 2,191 |

| SEGMENT OPERATING INCOME (dollars in millions) | | % of Sales | | % of Sales | YoY Change (%) | YoY Change (bps) | Less: Fx Impact | YoY Change, excl. Fx |
|--|---------------|---------------|---------------|---------------|----------------------|------------------------|-----------------------|----------------------------|
| Cardiovascular | \$ 256 | 28.0% | \$ 208 | 24.8% | 3.2% | 320 | (0.6)% | 3.8% |
| Rhythm Management | 122 | 21.6% | 82 | 15.4% | 6.2% | 620 | (0.3)% | 6.5% |
| MedSurg | 319 | 34.3% | 256 | 31.4% | 2.9% | 290 | (0.7)% | 3.6% |
| Operating income allocated to reportable segments | 697 | | 546 | | | | | |
| Corporate expenses, including hedging activities | (80) | | (28) | | | | | |
| Intangible asset impairment charges, acquisition-related, restructuring- and restructuring-related, and litigation-related net credits (charges) | (156) | | (240) | | | | | |
| Amortization expense | (142) | | (138) | | | | | |
| Operating income (loss) | \$ 319 | | \$ 140 | | | | | |

Appendix A - Income Statement Information

YTD Segment Operating Income

Note: We measure and evaluate our reportable segments based on segment net sales and operating income, excluding intersegment profits. In 2017, we have updated our presentation of segment net sales to include foreign exchange fluctuations, since the chief operating decision maker reviews operating results at both actual foreign exchange rates and excluding foreign exchange rates and the following presentation more closely aligns with U.S. GAAP. We exclude from segment operating income certain corporate-related expenses and certain transactions or adjustments that our chief operating decision maker considers to be non-operational, such as amounts related to amortization expense, intangible asset impairment charges, acquisition-related items, restructuring and restructuring-related items and litigation-related items. Although we exclude these amounts from segment operating income, they are included in reported consolidated operating income (loss) and are included in the reconciliation below.

| SEGMENT NET SALES <i>(dollars in millions)</i> | YTD 2017 | YTD 2016 |
|--|-----------------|-----------------|
| Cardiovascular | \$ 3,500 | \$ 3,292 |
| Rhythm Management | 2,173 | 2,093 |
| MedSurg | 3,377 | 3,001 |
| Net Sales | \$ 9,048 | \$ 8,386 |

| SEGMENT OPERATING INCOME <i>(dollars in millions)</i> | | % of Sales | | % of Sales | YoY Change (%) | YoY Change (bps) | Less: Fx Impact | YoY Change, excl. Fx |
|--|-----------------|---------------|---------------|---------------|----------------------|------------------------|-----------------------|----------------------------|
| Cardiovascular | \$ 988 | 28.2% | \$ 946 | 28.7% | (0.5)% | -50 | (0.3)% | (0.2)% |
| Rhythm Management | 429 | 19.7% | 314 | 15.0% | 4.7 % | 470 | (0.6)% | 5.3 % |
| MedSurg | 1,092 | 32.3% | 941 | 31.3% | 1.0 % | 100 | (0.4)% | 1.4 % |
| Operating income allocated to reportable segments | 2,509 | | 2,200 | | | | | |
| Corporate expenses, including hedging activities | (252) | | (179) | | | | | |
| Intangible asset impairment charges, acquisition-related, restructuring- and restructuring-related, and litigation-related net credits (charges) | (407) | | (1,029) | | | | | |
| Amortization expense | (565) | | (545) | | | | | |
| Operating income (loss) | \$ 1,285 | | \$ 447 | | | | | |

Appendix B - Sales Information

YTD Worldwide Net Sales (unaudited)

Year Ended December 31, 2017 and 2016

Boston
Scientific

| (in millions) | | | Year-over-Year Change | | | | |
|---|-----------------|-----------------|-----------------------|----------------------------------|--------------------|--|----------------|
| | YTD 2017 | YTD 2016 | As Reported Basis | Less: Impact of Foreign Currency | Operational Basis* | Less: Impact of Significant Acquisitions | Organic Basis* |
| INTERVENTIONAL CARDIOLOGY | \$ 2,419 | \$ 2,281 | 6.1% | —% | 6.1% | 1.7% | 4.4% |
| PERIPHERAL INTERVENTIONS | 1,081 | 1,011 | 6.8% | 0.2% | 6.6% | —% | 6.6% |
| CARDIOVASCULAR | 3,500 | 3,292 | 6.3% | —% | 6.3% | 1.2% | 5.1% |
| CARDIAC RHYTHM MANAGEMENT | 1,895 | 1,850 | 2.5% | 0.2% | 2.3% | —% | 2.3% |
| ELECTROPHYSIOLOGY | 278 | 243 | 14.5% | 0.1% | 14.4% | —% | 14.4% |
| RHYTHM MANAGEMENT | 2,173 | 2,093 | 3.9% | 0.2% | 3.7% | —% | 3.7% |
| ENDOSCOPY | 1,619 | 1,440 | 12.4% | 0.1% | 12.3% | 4.5% | 7.8% |
| UROLOGY AND PELVIC HEALTH | 1,124 | 1,005 | 11.8% | 0.2% | 11.6% | —% | 11.6% |
| NEUROMODULATION | 635 | 556 | 14.2% | 0.1% | 14.1% | —% | 14.1% |
| MEDSURG | 3,377 | 3,001 | 12.5% | 0.1% | 12.4% | 2.2% | 10.2% |
| WORLDWIDE NET SALES | \$ 9,048 | \$ 8,386 | 7.9% | 0.1% | 7.8% | 1.2% | 6.6% |
| <i>EMERGING MARKETS¹ SALES</i> | 917 | 799 | 14.7% | 0.1% | 14.6% | 0.2% | 14.4% |
| <i>EMERGING MARKETS¹ SALES PERCENTAGE OF TOTAL BSC</i> | | | 10% | | 10% | | |

¹We define Emerging Markets as including certain countries that we believe have strong growth potential based on their economic conditions, healthcare sectors, and our global capabilities. Currently, we include 20 countries in our definition of Emerging Markets.

Appendix B - Sales Information

QTD Domestic Net Sales (unaudited)

Three Months Ended December 31, 2017 and 2016

Boston
Scientific

| (in millions) | | | Year-over-Year Change | | | | |
|---|-----------------|-----------------|-----------------------|--|-----------------------|--|-------------------|
| | Q4 2017 | Q4 2016 | As Reported Basis | Less: Impact of Foreign Currency | Operational Basis* | Less: Impact of Significant Acquisitions | Organic Basis* |
| INTERVENTIONAL CARDIOLOGY | \$ 292 | \$ 262 | 11.8% | —% | 11.8% | 0.0% | 11.8% |
| PERIPHERAL INTERVENTIONS | 146 | 139 | 4.2% | —% | 4.2% | —% | 4.2% |
| CARDIOVASCULAR | 438 | 401 | | | | | |
| CARDIAC RHYTHM MANAGEMENT | 290 | 289 | 0.3% | —% | 0.3% | —% | 0.3% |
| ELECTROPHYSIOLOGY | 36 | 32 | 10.2% | —% | 10.2% | —% | 10.2% |
| RHYTHM MANAGEMENT | 325 | 321 | | | | | |
| ENDOSCOPY | 235 | 205 | 15.0% | —% | 15.0% | 6.3% | 8.7% |
| UROLOGY AND PELVIC HEALTH | 215 | 194 | 11.3% | —% | 11.3% | —% | 11.3% |
| NEUROMODULATION | 150 | 137 | 9.9% | —% | 9.9% | —% | 9.9% |
| MEDSURG | 601 | 535 | | | | | |
| DOMESTIC NET SALES | \$ 1,364 | \$ 1,258 | 8.5% | —% | 8.5% | 1.0% | 7.5% |
| <i>DOMESTIC SALES PERCENTAGE OF TOTAL BSC</i> | | | 57% | —% | 57% | | |

Appendix B - Sales Information

QTD International Net Sales (unaudited)

Three Months Ended December 31, 2017 and 2016

Boston
Scientific

| (in millions) | Q4 2017 | Q4 2016 | Year-over-Year Change | | | | |
|--|-----------------|---------------|-----------------------|--|-----------------------|--|-------------------|
| | | | As Reported Basis | Less: Impact of Foreign Currency | Operational Basis* | Less: Impact of Significant Acquisitions | Organic Basis* |
| INTERVENTIONAL CARDIOLOGY | \$ 343 | \$ 323 | 6.4% | 3.4% | 3.0% | 4.8% | (1.8)% |
| PERIPHERAL INTERVENTIONS | 131 | 116 | 13.3% | 3.7% | 9.6% | —% | 9.6 % |
| CARDIOVASCULAR | 475 | 439 | | | | | |
| CARDIAC RHYTHM MANAGEMENT | 198 | 184 | 8.3% | 5.6% | 2.7% | —% | 2.7 % |
| ELECTROPHYSIOLOGY | 41 | 31 | 31.5% | 6.3% | 25.2% | —% | 25.2 % |
| RHYTHM MANAGEMENT | 239 | 214 | | | | | |
| ENDOSCOPY | 203 | 175 | 15.8% | 3.8% | 12.0% | 0.3% | 11.7 % |
| UROLOGY AND PELVIC HEALTH | 93 | 80 | 15.9% | 4.6% | 11.3% | —% | 11.3 % |
| NEUROMODULATION | 36 | 24 | 46.6% | 6.9% | 39.7% | —% | 39.7 % |
| MEDSURG | 332 | 280 | | | | | |
| INTERNATIONAL NET SALES | \$ 1,046 | \$ 933 | 12.1% | 4.2% | 7.9% | 1.8% | 6.1 % |
| INTERNATIONAL SALES PERCENTAGE OF TOTAL BSC | | | 43% | —% | 43% | | |

Appendix B - Sales Information

Sales Growth

| Regional Sales Growth | Three Months Ended December 31, 2017 | | | | |
|--|--------------------------------------|--------|------|------------------|-------|
| | U.S. | Europe | AMEA | Emerging Markets | China |
| Percentage change in net sales, as reported | 8.5% | 17.1% | 7.7% | 15.4% | 23.2% |
| Less: Impact of foreign currency fluctuations | —% | 9.1% | —% | 2.3% | 4.1% |
| Percentage change in net sales, operational | 8.5% | 8.0% | 7.7% | 13.1% | 19.1% |
| Less: Impact of significant acquisitions | 1.0% | 3.6% | 0.1% | 0.2% | —% |
| Percentage change in net sales, organic | 7.5% | 4.4% | 7.6% | 12.9% | 19.1% |

| Defib Revenue Growth | Three Months Ended December 31, 2017 |
|--|---|
| Percentage change in net sales, as reported | 8.5% |
| Less: Impact of foreign currency fluctuations | 2.2% |
| Percentage change in net sales, operational | 6.3% |

| Total BSC Revenue Growth | Twelve Months Ended | | | 3-Year Average |
|--|---------------------|-------------------|-------------------|----------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2015 | |
| Percentage change in net sales, as reported | 7.9% | 12.1 % | 1.0 % | 6.6% |
| Less: Impact of foreign currency fluctuations | 0.1% | (0.4)% | (7.1)% | |
| Percentage change in net sales, operational | 7.8% | 12.5 % | 8.1 % | 9.0% |
| Less: Impact of significant acquisitions | 1.2% | 2.5 % | 3.1 % | |
| Percentage change in net sales, organic | 6.6% | 10.0 % | 5.0 % | 7.2% |

Appendix C - Additional Reconciliations

Adjusted Free Cash Flow

| (in millions) | Three Months Ended | | Twelve Months Ended | |
|--------------------------------------|-----------------------|---------------|----------------------|-----------------|
| | 12/31/2017 | 12/31/2016 | 12/31/2017 | 12/31/2016 |
| Adjusted Free Cash Flow | | | | |
| Operating cash flow, reported | \$ 684 | \$ 512 | \$ 1,426 | \$ 1,182 |
| Less: Purchases of PP&E | 79 | 168 | 319 | 376 |
| Add: Sales of PP&E | — | — | — | 29 |
| Free Cash Flow, reported | 605 | 344 | 1,107 | 835 |
| Plus: Restructuring Payments | 20 | 23 | 72 | 81 |
| Plus: Earnouts | — | 15 | 14 | 57 |
| Plus: Special Tax Refunds/Credits | (136) | (23) | (239) | (74) |
| Plus: Legal Settlements | 169 | 94 | 694 | 701 |
| Plus: Other | 28 | 18 | 81 | 22 |
| Adjusted Free Cash Flow | \$ 685 | \$ 472 | \$ 1,729 | \$ 1,622 |
| | YoY Growth 45% | | YoY Growth 7% | |

Appendix D - Guidance

| | Q1 2018 Estimate | | Estimated Growth | |
|---|------------------|---------|------------------|--------|
| | (Low) | (High) | (Low) | (High) |
| Estimated GAAP EPS | \$ 0.19 | \$ 0.22 | (10)% | 5% |
| Estimated acquisition-related net charges | 0.01 | 0.01 | | |
| Estimated restructuring and restructuring-related charges | 0.02 | 0.01 | | |
| Estimated amortization expense | 0.08 | 0.08 | | |
| Estimated Adjusted EPS | \$ 0.30 | \$ 0.32 | 5% | 12% |
| Less: Estimated impact of foreign currency fluctuations | 0.01 | 0.01 | 2% | 2% |
| Estimated Adjusted EPS, excluding FX | \$ 0.31 | \$ 0.33 | 7% | 14% |

| | Full Year 2018 Estimate | | Estimated Growth | |
|---|-------------------------|---------|------------------|--------|
| | (Low) | (High) | (Low) | (High) |
| Estimated GAAP EPS | \$ 0.93 | \$ 0.98 | 1,229% | 1,300% |
| Estimated acquisition-related net charges | 0.02 | 0.02 | | |
| Estimated restructuring and restructuring-related charges | 0.07 | 0.06 | | |
| Estimated amortization expense | 0.33 | 0.33 | | |
| Estimated Adjusted EPS | \$ 1.35 | \$ 1.39 | 7% | 10% |
| Less: Estimated impact of foreign currency fluctuations | 0.02 | 0.03 | 3% | 2% |
| Estimated Adjusted EPS, excluding FX | \$ 1.37 | \$ 1.42 | 10% | 12% |

| | Q1 2018 Estimate | | Full Year 2018 Estimate | |
|--|------------------|--------|-------------------------|--------|
| | (Low) | (High) | (Low) | (High) |
| Estimated GAAP sales growth | 7% | 9% | 7% | 8% |
| Less: Estimated impact of foreign currency fluctuations and significant acquisitions | 3% | 4% | 2% | 2% |
| Estimated sales growth, organic* | 4% | 5% | 5% | 6% |

*Excludes contribution of approximately 80 basis points for the first quarter and 30 basis points for the full year from Symetis.

Appendix D - Guidance

Previously Issued on October 26, 2017

| | Previously Issued October 26, 2017 Q4 2017 Guidance | |
|---|--|---------|
| | (Low) | (High) |
| Previously estimated GAAP results | \$ 0.19 | \$ 0.23 |
| Estimated acquisition-related net charges | 0.02 | 0.01 |
| Estimated restructuring and restructuring-related charges | 0.02 | 0.02 |
| Estimated amortization expense | 0.09 | 0.09 |
| Previously estimated adjusted results | \$ 0.32 | \$ 0.35 |

| | Previously Issued October 26, 2017 Q4 2017 Guidance | |
|---|--|--------|
| | (Low) | (High) |
| Previously estimated GAAP sales growth | 7% | 8% |
| Less: Estimated impact of foreign currency fluctuations | 2% | 2% |
| Previously estimated sales growth, operational* | 5% | 6% |

*Q4 2017 includes an estimated contribution of approximately 130 basis points from EndoChoice and Symetis

Appendix D - Guidance

Forward-Looking Non-GAAP Financial Measures

The following is an explanation of the adjustments that management excluded from GAAP measures to calculate the following forward-looking non-GAAP financial measures for the first quarter and full year 2018:

Adjusted Gross Margin: Excludes from GAAP gross margin the impacts of forecasted acquisition- and divestiture- and restructuring-related charges or credits.

Adjusted SG&A: Excludes from GAAP SG&A the impacts of forecasted acquisition- and divestiture- and restructuring-related charges or credits.

Adjusted R&D: Excludes from GAAP R&D the impacts of forecasted acquisition- and divestiture- and restructuring-related charges or credits.

Adjusted Operating Margin: Excludes from GAAP operating margin the impacts of forecasted acquisition- and divestiture- and restructuring- and restructuring-related charges or credits, and amortization expense.

Adjusted Tax Rate: Excludes from GAAP tax rate the tax impacts related to forecasted acquisition- and divestiture- and restructuring- and restructuring-related charges or credits, and amortization expense.

Adjusted Free Cash Flow: Adjusts GAAP operating cash flow to include the impacts of forecasted capital expenditures and excludes the impact of estimated after-tax acquisition- and divestiture-, restructuring- and litigation-payments.

Please refer to our Safe Harbor for forward-looking statements disclosure on slide 2 in conjunction with any forward looking information presented within.