

Q1 2021 Highlights

April 28, 2021

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

Safe Harbor for forward-looking statements:

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

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

Non-GAAP Measures:

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

Operational net sales growth excludes the impact of foreign currency fluctuations. Organic net sales growth excludes the impact of foreign currency fluctuations and net sales from the recent acquisition of Preventice Solutions, Inc. (Preventice). Organic net sales growth rates also exclude the intrauterine health franchise, which we divested in Q2 2020 and the Specialty Pharmaceuticals business, which we divested in Q1 2021. We define Emerging Markets as the 20 countries that we believe have strong growth potential based on their economic conditions, healthcare sectors and our global capabilities. Periodically, we assess our list of Emerging Markets countries, and effective January 1, 2021, modified our list to include the following countries: Brazil, Chile, China, Colombia, Czech Republic, India, Indonesia, Malaysia, Mexico, Philippines, Poland, Russia, Saudi Arabia, Slovakia, South Africa, South Korea, Taiwan, Thailand, Turkey and Vietnam. We have revised prior year amounts to conform to the current year's presentation. The revision had an immaterial impact on previously reported Emerging Markets net sales.

Medical Devices:

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

Specialty Pharmaceuticals

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

Use of Document:

This document contains certain highlights with respect to our first quarter 2021 performance and developments and does not purport to be a complete summary thereof. Accordingly, we encourage you to read our Earnings Release for the quarter ended March 31, 2021 located in the investor section of our website at www.bostonscientific.com and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 to be filed with the Securities and Exchange Commission.

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

Financial Highlights

- **Net sales growth Y/Y:**
 - +8.2% as reported, +5.6% operational*, +5.9% organic*
- **Earnings per share:**
 - GAAP: \$0.23 vs. \$0.01 Q1:20
 - Adjusted*: \$0.37 vs. \$0.28 Q1:20
- **Gross margin:**
 - GAAP: 67.5%, (80) bps Y/Y
 - Adjusted*: 68.9%, (160) bps Y/Y
- **Operating margin:**
 - GAAP: 13.4%, +770 bps Y/Y
 - Adjusted*: 24.3%, +270 bps Y/Y
- **Q2 2021 guidance vs. Q2 2020:**
 - GAAP net sales growth: 46% - 50%
 - GAAP EPS: \$0.16 - \$0.18
 - Organic* net sales growth: 44% - 48%
 - Adjusted EPS*: \$0.36 - \$0.38
- **FY 2021 guidance vs. FY 2020:**
 - GAAP net sales growth: 16% - 19%
 - GAAP EPS: \$0.81 - \$0.88
 - Organic* net sales growth: 15% - 18%
 - Adjusted EPS: \$1.53 - \$1.60

Operational Highlights

- Received U.S. PMA approval for the **TheraSphere™ Y-90 Glass Microspheres**, and approval from Japan's Ministry of Health, Labor and Welfare (MHLW) for the **Ranger™ DCB**.
- Published positive **12-month results from the PINNACLE FLX** clinical trial, demonstrating the next-gen **WATCHMAN FLX™ LAAC Device** is a **safe and effective alternative to oral anticoagulation therapy** for stroke risk reduction in patients with non-valvular AF and increased risk of bleeding.
- **Received FDA approval to modify the design of the ACURATE IDE trial to all “all-risk” protocol** to study patients with severe, symptomatic aortic stenosis who are at low risk of open-heart surgery, in addition to those at intermediate, high and extreme risk.
- Announced a definitive agreement with an affiliate of Baring Private Equity Asia to **acquire the global surgical business of Lumenis LTD., for ~\$1.07B**.
- **Completed the acquisition of Preventice Solutions, Inc. for ~\$720M** with up to an additional ~\$230M in a potential milestone payment.
- **Completed the sale of BTG Specialty Pharmaceuticals** business to Stark International Lux S.A.R.L. and SERB SAS, affiliates of SERB, for ~\$800M in cash.
- Named **8th on the Forbes list of America's Best Employers for Diversity 2021**.

WW Net Sales by Segment and Business

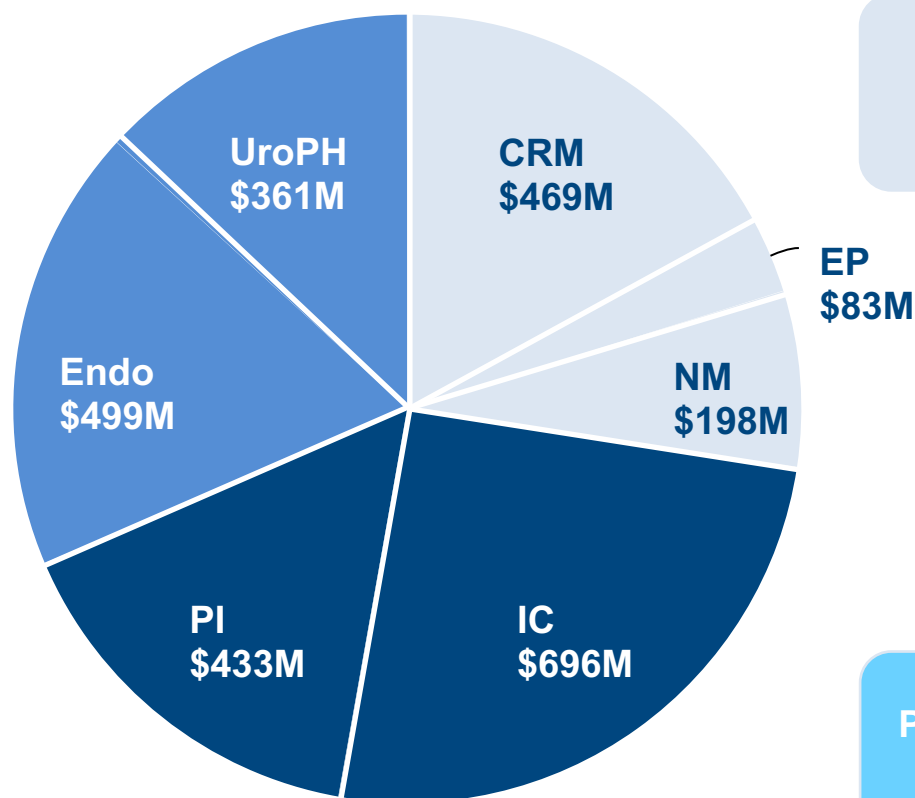
Q1 2021 Reported Net Sales: \$2,752M

Net sales by Business; Segment Percentage of Total Net Sales

MedSurg
31%

**Rhythm and
Neuro**
27%

Cardiovascular
41%



WW Net Sales Detail

Three Months Ended March 31, 2021 and 2020

<i>(in millions)</i>	Q1 2021	Q1 2020	As Reported Basis	Less: Impact of Foreign Currency Fluctuations	Operational Basis	Less: Impact of Recent Acquisitions / Divestitures	Organic Basis
ENDOSCOPY \$	499	\$ 442	12.9 %	3.0 %	9.9 %	— %	9.9 %
UROLOGY AND PELVIC HEALTH	361	332	8.7 %	1.9 %	6.8 %	(2.0)%	8.8 %
MEDSURG	860	774	11.1 %	2.5 %	8.6 %	(0.9)%	9.5 %
CARDIAC RHYTHM MANAGEMENT	469	437	7.4 %	2.9 %	4.4 %	3.9 %	0.5 %
ELECTROPHYSIOLOGY	83	74	11.9 %	4.2 %	7.7 %	— %	7.7 %
NEUROMODULATION	198	191	3.5 %	1.8 %	1.7 %	— %	1.7 %
RHYTHM AND NEURO	750	703	6.8 %	2.8 %	4.0 %	2.4 %	1.6 %
INTERVENTIONAL CARDIOLOGY	696	633	9.9 %	2.7 %	7.1 %	— %	7.1 %
PERIPHERAL INTERVENTIONS	433	392	10.3 %	2.6 %	7.7 %	— %	7.7 %
CARDIOVASCULAR	1,129	1,026	10.0 %	2.7 %	7.4 %	— %	7.4 %
MEDICAL DEVICES	2,739	2,502	9.5 %	2.7 %	6.8 %	0.4 %	6.4 %
SPECIALTY PHARMACEUTICALS	13	41	(67.5)	0.5 %	(68.0)	(23.6)%	(44.4)%
WORLDWIDE NET SALES \$	\$ 2,752	\$ 2,543	8.2 %	2.6 %	5.6 %	(0.3)%	5.9 %
EMERGING MARKETS NET SALES							
	\$ 317	\$ 273	16.0 %	2.8 %	13.2 %		
EMERGING MARKETS NET SALES PERCENTAGE OF TOTAL BSC							
			12 %		12 %		
MEDICAL DEVICES NET SALES							
			58 %		59 %		
			42 %		41 %		

MedSurg Performance Summary

Measure (\$ in millions)	Q1 2021	Q1 2020	Change Y/Y
Reported Net Sales	\$860M	\$774M	+11.1%
Operating Margin \$	\$332M	\$259M	+28.5%
Operating Margin %	38.6%	33.4%	+520 bps

Q1 2021 Highlights

- **Endoscopy: Global net sales +12.9% as reported, +9.9% Y/Y operational* and organic***
 - Broad-based strength with rebound in ERCP procedures driving growth in products such as SpyGlass™ DS, Discover, and AXIOS™; EXALT™ Model D momentum is improving as hospitals establish new protocols, hospital access has increased, and the outpatient pass-through payment provides an attractive financial scenario; continue to target EXALT™ Model B single-use bronchoscope launch in H2:21E and remain bullish on the long-term opportunity for single-use scopes.
 - Strong geographic recovery with double-digit growth in all regions vs. Q1:19 was led by strength in key franchises such as pancreaticobiliary, hemostasis and infection prevention.
- **Urology and Pelvic Health: Global net sales +8.7% as reported, +6.8% Y/Y operational*, +8.8% organic***
 - Good launch uptake for SpaceOAR Vue™ in the U.S. continues, and compelling 5-year results published demonstrating Rezūm™ durability supporting adoption in this under-penetrated market.
 - Strong growth led by continued performance in Stone and Prostate Health; excited to extend Stone Category leadership with the acquisition of Lumenis, expected to close in H2:21.

Rhythm and Neuro Performance Summary

Measure (\$ in millions)	Q1 2021	Q1 2020	Change Y/Y
Reported Net Sales	\$750M	\$703M	+6.8%
Operating Margin \$	\$148M	\$99M	+49.4%
Operating Margin %	19.7%	14.1%	+560 bps

Q1 2021 Highlights

- **Cardiac Rhythm Management: Global net sales +7.4% as reported, +4.4% Y/Y operational*, +0.5% organic***
 - LUX-Dx™ ICM is gaining share nicely given its high quality ECG signals, arrhythmia algorithm performance, and streamlined back-end monitoring, as well as remote programmability and event detection settings that may be adjusted without an in-person visit; anticipate beginning enrollment mid-year for MODULAR ATP, a dual track study for a stand-alone pacemaker and to provide anti-tachycardia pacing to EMBLEM™ S-ICD patients.
 - Estimate CRM performance was slightly below the overall market; forecast a slight tailwind from the replacement cycle this year.
 - Closed the Preventice acquisition on March 1 and are pleased that the Preventice portfolio grew mid-20s% on a pro forma basis for the full quarter; excited to have such a unique position in the field of cardiac diagnostics, with the ability to offer all diagnostic therapies modalities, as well as implantable and ablative therapies.
- **Electrophysiology: Global net sales +11.9% as reported, +7.7% Y/Y operational* and organic***
 - POLARx™, a second generation single-shot cryoablation catheter, is off to a strong launch in EU; STABLEPOINT™, a novel force-sensing therapeutic catheter with DirectSense, is also enjoying a good start in both Japan and EU, and began enrollment in its US IDE trial, NEWTON-AF.
 - Ablation procedures rebounding; continuing to drive uptake of POLARx™ and STABLEPOINT™ in EU, DIRECTSENSE™ in the U.S.
- **Neuromodulation: Global net sales +3.5% as reported, +1.7% Y/Y operational* and organic***
 - Bullish on the next gen WaveWriter Alpha™ (SCS) launch and Vercise Genus™ platform which expands MRI capabilities in the rechargeable and non-rechargeable segments.
 - SCS trends improved significantly in March due to waning patient reticence from the pandemic and the ongoing launch of our next-gen WaveWriter Alpha™ SCS system.

Cardiovascular Performance Summary

Measure (\$ in millions)	Q1 2021	Q1 2020	Change Y/Y
Reported Net Sales	\$1,129M	\$1,026M	+10.0%
Operating Margin \$	\$338M	\$199M	+70.3%
Operating Margin %	30.0%	19.4%	+1,060 bps

Q1 2021 Highlights

- **Interventional Cardiology: Global net sales +9.9% as reported, +7.1% Y/Y operational* and organic***
 - The WATCHMAN™ franchise accelerated its recovery with positive physician feedback on FLX performance and safety, completion of switch to consignment last quarter, and push for indication expansion as the CHAMPION study and OPTION trial enroll; in TAVR, ACURATE neo2™ IDE trial risk indication is expanding to include all risk categories; SENTINEL reached global milestone of treating 50,000 patients cumulatively; on track to begin enrollment in Q2 for the AGENT™ DCB study for coronary in-stent restenosis (first study of its kind; designated a breakthrough device).
 - Growth in each Structural Heart franchise (WATCHMAN™, ACURATE neo2™, SENTINEL™) along with strength in complex PCI and imaging offset drug-eluting stent price weakness in the U.S. and China to drive growth overall in total IC.
- **Peripheral Interventions: Global net sales +10.3% as reported, +7.7% Y/Y operational* and organic***
 - Strong performance in interventional oncology headlined by TheraSphere™, EKOS™ mid-teens growth vs. FY:20, and sequential acceleration of drug-eluting technologies as the Eluvia™ DES add-on payment and ongoing US launch of Ranger™ DCB helped drive overall share in the category's rebound.
 - Growth in the quarter was fueled by breadth of category-leading portfolio and strong cadence of new product launches.

BSX: Q1:21 Net Sales vs. 2020 and 2019

	Q1:21 Sales	Organic* Growth	
		Vs Q1:20	Vs Q1:19
IC	\$696M	7%	4%
PI	\$433M	8%	3%
CRM	\$469M	1%	(10)%
EP	\$83M	8%	2%
NM	\$198M	2%	(4)%
Endoscopy	\$499M	10%	12%
UroPH	\$361M	9%	13%
Spec Pharma [†]	\$13M	(44)%	n/a
Total Company	\$2,752M	6%	3%

Organic net sales growth excludes the impact of acquisitions and divestitures for which there are no comparable period net sales.

2021 organic growth vs. 2020 excludes:

- Preventice, acquired March 1, 2021
- Intrauterine health franchise, divested Q2 2020
- Specialty Pharmaceuticals, divested March 1, 2021

2021 organic growth vs. 2019 excludes:

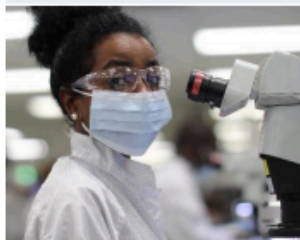
- Preventice, acquired March 1, 2021
- Vertiflex, acquired May 2019
- BTG Interventional Medicine, acquired mid-August 2019
- Specialty Pharmaceuticals, acquired mid-August 2019, divested Mar 1, 2021
- Global embolic microspheres portfolio, divested in mid-August 2019
- Intrauterine health franchise, divested Q2 2020

2020 Performance Report and Addendum

TRANSFORMING CARE

+\$1 billion
invested in R&D

~30 million
patients served



INVESTING IN OUR PEOPLE

+99%
pay equity

Top 10%
globally recognized
leader for workplace
inclusion



ADVANCING POSSIBILITIES

+\$70 million
medical research,
fellowships, educational
and charitable giving

+\$18 million
COVID-19 relief

15 years
closing the health
disparity gap



PROTECTING THE ENVIRONMENT

100%
renewable electricity
by 2024

**Carbon
neutrality**
in manufacturing
and key distribution
sites by 2030



CREATING VALUE RESPONSIBLY

Newsweek
America's Most
Responsible
Companies

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

Forbes
America's Most
JUST Companies

Culture
Champion 2020
MIT Sloan Management
Review/Glassdoor

Q1
Awards

**2021 Top Supporters of HBCU
Engineering Schools**
BSC ranks #6

**Forbes America's Best
Employers for Diversity 2021**
BSC ranks #8

Income Statement Information

Non-GAAP Reconciliation

Three Months Ended March 31, 2021 (unaudited)

Boston
Scientific

<i>in millions, except per share data</i>	GAAP Results	Amortization Expense	Acquisition / Divestitures-Related Net Charges (Credits)	Restructuring and Restructuring-Related Net Charges (Credits)	Litigation-Related Net Charges (Credits)	Investment Portfolio Net Losses (Gains)	EU MDR Implementation Costs	Deferred Tax Expenses (Benefits)	Discrete Tax Items	Adjusted** Results
Net sales	\$ 2,752									\$ 2,752
Cost of products sold	894		14	18			7			855
Gross profit	1,858	—	(14)	(18)	—	—	(7)	—	—	1,897
<i>Gross margin</i>	<i>67.5 %</i>									<i>68.9 %</i>
Selling, general and administrative expenses	1,019		40	26						952
<i>SG&A margin</i>	<i>37.0 %</i>									<i>34.6 %</i>
Research and development expenses	276		9				3			264
<i>R&D margin</i>	<i>10.0 %</i>									<i>9.6 %</i>
Royalty expense	12									12
<i>Royalty expense margin</i>	<i>0.4 %</i>									<i>0.4 %</i>
Amortization expense	185	185								—
Contingent consideration expense (benefit)	(6)		(6)							—
Restructuring charges (credits)	5			5						—
Gain/loss on divestitures	(6)		(6)							—
Litigation-related charges (credits)	4				4					—
	1,488	185	37	31	4	—	3	—	—	1,228
Operating income (loss)	370	(185)	(50)	(49)	(4)	—	(11)	—	—	669
<i>Operating margin</i>	<i>13.4 %</i>									<i>24.3 %</i>
Other income (expense):										
Interest expense	(82)									(82)
Other, net	37	—	198			(146)			—	(15)
Income (loss) before taxes	325	(185)	148	(49)	(4)	(146)	(11)	—	—	572
Income tax expense (benefit)	(16)	(18)	(6)	(6)	—	(34)	(1)	17	(3)	34
Net income (loss)	341	(167)	153	(44)	(4)	(112)	(10)	(17)	3	538
Preferred stock dividends	(14)									(14)
Net income (loss) available to common stockholders	\$ 327	\$ (167)	\$ 153	\$ (44)	\$ (4)	\$ (112)	\$ (10)	\$ (17)	\$ 3	\$ 524
Net income (loss) per diluted common share⁵	\$ 0.23	\$ (0.12)	\$ 0.11	\$ (0.03)	\$ (0.00)	\$ (0.08)	\$ (0.01)	\$ (0.01)	\$ 0.00	\$ 0.37
Weighted average diluted shares outstanding	1,430.8	1,430.8	1,430.8	1,430.8	1,430.8	1,430.8	1,430.8	1,430.8	1,430.8	1,430.8

⁵ For the three months ended March 31, 2021, the effect of assuming the conversion of Mandatory Convertible Preferred Stock (MCPS) into shares of common stock was anti-dilutive, and therefore excluded from the calculation of EPS. Accordingly, GAAP net income and adjusted net income were reduced by cumulative Preferred stock dividends, as presented in our unaudited condensed consolidated statements of operations, for purposes of calculating net income available to common stockholders.

Balance Sheet & Cash Flow Metrics

Days Sales Outstanding (DSO)

Mar 2021	Dec 2020	Sept 2020	Jun 2020	Mar 2020
53	52	55	66	56

Adjusted Free Cash Flow*

Q1 2021	Q1 2020
\$404M	\$218M

Days Inventory on Hand (DIOH)

Mar 2021	Dec 2020	Sept 2020	Jun 2020	Mar 2020
142	124	156	174	184

Capital Expenditures

Q1 2021	Q1 2020
\$75M	\$100M

Weighted Average Diluted Shares

(in millions)

BSX Share Count	Q1:20	Q2:20 ¹	Q3:20 ²	Q4:20 ³	FY:20 ⁴	Q1:21	Q2:21E	FY:21E
May 2020 Common Stock Issuance	-	11	29	29	17	29	29	29
May 2020 MCPS Issuance	Preferred shares not expected to convert prior to maturity based on if-converted method [†] June 1, 2023: equivalent to 23.98M-29.38M shares of common stock							
Weighted Average Diluted Shares (no MCPS conversion)	1,413	1,424	1,445	1,441	1,431	1,431	1,435	1,436

[†]The dilutive effect of MCPS is calculated using the if-converted method. The if-converted method assumes that these securities were converted to shares of common stock at the later of the May 27, 2020 issuance date or the beginning of the reporting period to the extent that the effect is dilutive. If the effect is anti-dilutive, we calculate Net income (loss) per common share by adjusting Net income (loss) in the numerator for the effect of the cumulative MCPS dividends for the respective period.

¹Assumes dilution of 12.6 million shares, excluded for the calculation of GAAP EPS for Q2:20.

²Assumes dilution of 13.6 million shares, excluded for the calculation of GAAP EPS for Q3:20.

³Repurchased 15.7 million shares in Q4:20.

⁴Assumes dilution of 13.8 million shares, excluded for the calculation of GAAP EPS for FY:20.

P&L Calculations:

Adjusted Earnings Per Share⁵

Adj Net Income – Preferred Dividends

Weighted Average Diluted
Shares Outstanding

Preferred Stock Dividends

10,062,500 x \$100 x 5.5% x 1/4
preferred shares liquidation dividend P&L
outstanding preference period

\$13.8M quarterly / \$55.3M annually

⁵Expected WASO calculation excludes MCPS issuance because dividend is more dilutive than share conversion ("if-converted" method).

Use of Non-GAAP Measures

To supplement Boston Scientific's consolidated financial statements presented on a GAAP basis, the Company discloses certain non-GAAP financial measures. These 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 the Appendix. In addition, an explanation of the ways in which Boston Scientific management uses these supplemental non-GAAP measures to evaluate its business and the substantive reasons why Boston Scientific management believes that these 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

Sales Detail

Appendix A - Sales Detail

Three Months Ended March 31, 2021 and 2020



(in millions)	Q1 2021	Q1 2020	Year-over-Year Change			
			Reported Basis	Less: Impact of Foreign Currency Fluctuations	Operational Basis	
MEDSURG SEGMENT:						
ENDOSCOPY						
UNITED STATES	\$ 280	\$ 256	9.6 %	— %	9.6 %	
INTERNATIONAL	219	186	17.4 %	7.1 %	10.3 %	
WORLDWIDE	<u>\$ 499</u>	<u>\$ 442</u>				
UROLOGY AND PELVIC HEALTH						
UNITED STATES	\$ 257	\$ 237	8.4 %	— %	8.4 %	
INTERNATIONAL	104	95	9.3 %	6.6 %	2.8 %	
WORLDWIDE	<u>\$ 361</u>	<u>\$ 332</u>				
RHYTHM AND NEURO SEGMENT:						
CARDIAC RHYTHM MANAGEMENT						
UNITED STATES	\$ 276	\$ 255	8.3 %	— %	8.3 %	
INTERNATIONAL	193	182	6.0 %	7.0 %	(1.1)%	
WORLDWIDE	<u>\$ 469</u>	<u>\$ 437</u>				
ELECTROPHYSIOLOGY						
UNITED STATES	\$ 30	\$ 32	(5.5)%	— %	(5.5)%	
INTERNATIONAL	53	43	24.9 %	7.4 %	17.6 %	
WORLDWIDE	<u>\$ 83</u>	<u>\$ 74</u>				
NEUROMODULATION						
UNITED STATES	\$ 151	\$ 151	0.3 %	— %	0.3 %	
INTERNATIONAL	46	40	15.5 %	8.7 %	6.8 %	
WORLDWIDE	<u>\$ 198</u>	<u>\$ 191</u>				
CARDIOVASCULAR SEGMENT:						
INTERVENTIONAL CARDIOLOGY						
UNITED STATES	\$ 343	\$ 297	15.5 %	— %	15.5 %	
INTERNATIONAL	352	336	4.9 %	5.1 %	(0.2)%	
WORLDWIDE	<u>\$ 696</u>	<u>\$ 633</u>				
PERIPHERAL INTERVENTIONS						
UNITED STATES	\$ 238	\$ 224	6.2 %	— %	6.2 %	
INTERNATIONAL	195	168	15.8 %	6.1 %	9.6 %	
WORLDWIDE	<u>\$ 433</u>	<u>\$ 392</u>				
SPECIALTY PHARMACEUTICALS:						
UNITED STATES	\$ 10	\$ 37	(74.2)%	— %	(74.2)	
INTERNATIONAL	4	4	— %	— %	—	
WORLDWIDE	<u>\$ 13</u>	<u>\$ 41</u>				

Appendix B

Income Statement Information

Appendix B - Income Statement Information

Margins

	Three Months Ended		
	3/31/2021	3/31/2020	Basis Points Change
Adjusted Gross Margin			
Gross Margin, as reported	67.5 %	68.3 %	(80)
Less: Non-GAAP adjustments	(1.4)%	(2.2)%	
Adjusted Gross Margin	68.9 %	70.5 %	(160)

	Three Months Ended		
	3/31/2021	3/31/2020	Basis Points Change
Adjusted Operating Margin			
Operating Margin, as reported	13.4 %	5.7 %	770
Less: Non-GAAP adjustments	(10.9)%	(15.9)%	
Adjusted Operating Margin	24.3 %	21.6 %	270

	Three Months Ended		
	3/31/2021	3/31/2020	Basis Points Change
Adjusted SG&A Margin			
SG&A Margin, as reported	37.0 %	38.5 %	(150)
Less: Non-GAAP adjustments	2.4 %	1.3 %	
Adjusted SG&A Margin	34.6 %	37.2 %	(260)

	Three Months Ended
	3/31/2021
Adjusted Tax Rate	
Tax Rate, as reported	(4.9)%
Less: Non-GAAP adjustments	(10.8)%
Adjusted Tax Rate	5.9 %

Appendix B - Income Statement Information

Segment Operating Income

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

SEGMENT NET SALES (dollars in millions)	Q1 2021	Q1 2020
MedSurg	\$ 860	\$ 774
Rhythm & Neuro	750	703
Cardiovascular	1,129	1,026
Total net sales of reportable segments (Medical Devices)	2,739	2,502
All other (Specialty Pharmaceuticals)	13	41
Consolidated net sales	\$ 2,752	\$ 2,543

SEGMENT OPERATING INCOME (dollars in millions)	Q1 2021	% of Segment Sales	Q1 2020	% of Segment Sales	YoY Change (%)	YoY Change (bps)	Less: Fx Impact	YoY Change, excl. Fx
MedSurg	\$ 332	38.6 %	\$ 259	33.4 %	5.2 %	520	0.4%	4.8%
Rhythm & Neuro	148	19.7 %	99	14.1 %	5.6 %	560	0.6%	5.0%
Cardiovascular	338	30.0 %	199	19.4 %	10.6 %	1060	0.3%	10.3%
Total operating income of reportable segments (Medical Devices)	819		556					
All other (Specialty Pharmaceuticals)	4		26					
Unallocated amounts:								
Corporate expenses, including hedging activities	(153)		(33)					
Intangible asset impairment charges, acquisition/divestiture-related net charges (credits), restructuring and restructuring-related net charges (credits), certain litigation-related net charges (credits) and EU MDR implementation costs	(114)		(202)					
Amortization expense	(185)		(201)					
Operating income (loss)	\$ 370		\$ 146					

Appendix C

Additional Non-GAAP Reconciliations

Appendix C - Additional Reconciliations

Adjusted Free Cash Flow

<i>in millions</i>		Three Months Ended	
Adjusted Free Cash Flow		3/31/2021	3/31/2020
Operating cash flow, reported	\$	284	\$ (77)
Less: Purchases of property, plant and equipment		75	100
Add: Proceeds on disposals of property, plant and equipment		4	3
Free Cash Flow		213	(175)
Plus: Restructuring and restructuring-related payments		53	27
Plus: Acquisition-related payments		45	63
Plus: EU medical device regulation payments		11	5
Plus: Special tax payments (refunds/credits)		(37)	8
Plus: Litigation-related settlements		118	290
Adjusted Free Cash Flow	\$	404	\$ 218

Appendix C - Additional Reconciliations

Estimated Tax Rate	FY 2021
Tax Rate, as reported	12 %
Less: Non-GAAP adjustments	2 %
Adjusted Tax Rate	10 %

	Three Months Ended
China Net Sales Growth	3/31/2021
Net sales growth, as reported	29 %
Less: Impact of foreign currency fluctuations	9 %
Net sales growth, operational	20 %

	Three Months Ended
WATCHMAN™ Net Sales Growth	3/31/2021
Net sales growth, as reported	35 %
Less: Impact of foreign currency fluctuations	1 %
Net sales growth, operational	34 %

Appendix C - Additional Reconciliations

Q2 and Full Year 2021 Estimated Net Sales Growth vs. 2019	Q2 2021 Estimate vs. Q2 2019		Full Year 2021 Estimate vs. Full Year 2019	
	(Low)	(High)	(Low)	(High)
Estimated GAAP sales growth	11 %	14 %	7 %	10 %
Less: Estimated impact of foreign currency fluctuations & recent acquisitions/divestitures	8 %	8 %	5 %	5 %
Estimated sales growth, organic	<u>3 %</u>	<u>6 %</u>	<u>2 %</u>	<u>5 %</u>

Q1 2021 vs. Q1 2019 Net Sales	Q1 2021	Q1 2019	Reported Basis	Less: Impact of foreign currency fluctuations & recent acquisitions/ divestitures		Organic Basis
Endoscopy	\$ 499	\$ 440	13 %	(2)%		12 %
Urology and Pelvic Health	361	326	11 %	2 %		13 %
Cardiac Rhythm Management	469	491	(4)%	(5)%		(10)%
Electrophysiology	83	79	5 %	(3)%		2 %
Neuromodulation	198	186	6 %	(10)%		(4)%
Interventional Cardiology	696	661	5 %	(1)%		4 %
Peripheral Interventions	433	311	39 %	(37)%		3 %
Specialty Pharmaceuticals	13	n/a	n/a	n/a		n/a
Total Company	<u>\$ 2,752</u>	<u>\$ 2,493</u>	<u>10 %</u>	<u>7 %</u>		<u>3 %</u>

Q1 2021 vs. Q1 2019 Japan Net Sales	Three Months Ended
	3/31/2021
Net sales growth, as reported	5 %
Less: Impact of foreign currency fluctuations	4 %
Net sales growth, operational	<u>1 %</u>

BSX: Acronym Reference Guide

BPH	Benign Prostatic Hyperplasia
CLI	Critical Limb Ischemia
CRT-D	Cardiac Resynchronization Therapy Defibrillator
DBS	Deep Brain Stimulation
DCB	Drug-Coated Balloon
DES	Drug-Eluting Stent
DVT	Deep Vein Thrombosis
ERCP	Endoscopic Retrograde Cholangiopancreatography
ICD	Implantable Cardioverter-defibrillator
ICM	Insertable Cardiac Monitor
LAAC	Left Atrial Appendage Closure
PE	Pulmonary Embolism
SCS	Spinal Cord Stimulation
SUI	Stress Urinary Incontinence
TAVR	Transcatheter Aortic Valve Replacement