



# Q2 2024 Highlights

July 24, 2024



# 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," "may," "intend" and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. These forward-looking statements include, among other things, statements regarding our expected net sales; reported, operational and organic revenue growth rates; reported and adjusted EPS for the third quarter and full year 2024; our financial performance; acquisitions; clinical trials; our business plans and product performance; and new and anticipated product approvals and launches. 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, except as required by law.

## Non-GAAP Measures:

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

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

We measure and evaluate our reportable segments based on their respective net sales, operating income, excluding intersegment profits, and operating income as a percentage of net sales, all based on internally-derived standard currency exchange rates to exclude the impact of foreign currency, which may be updated from year to year. We exclude from operating income of reportable segments certain corporate-related expenses and certain transactions or adjustments considered to be non-operational. Please refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission or Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Quarterly Reports on Form 10-Q that we file thereafter for an explanation of each of these adjustments and the reasons for excluding each item.

Adjusted EPS excludes the impacts of certain charges (credits) which may include amortization expense, goodwill and other intangible asset impairment charges, acquisition/divestiture-related net charges (credits), investment portfolio net losses (gains) and impairments, restructuring and restructuring-related net charges (credits), certain litigation-related net charges (credits), European Union Medical Device Regulation (EU MDR) implementation costs, debt extinguishment net charges, deferred tax expenses (benefits) and certain discrete tax items.

## Emerging Markets:

Periodically, we assess our list of Emerging Markets countries, and effective January 1, 2023, modified our list to include all countries except the United States, Western and Central Europe, Japan, Australia, New Zealand and Canada.

## Use of Document:

This document contains certain highlights with respect to our second quarter 2024 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 June 30, 2024 located in the investor section of our website at [www.bostonscientific.com](http://www.bostonscientific.com) and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 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 unrounded amounts.



## Financial Highlights

- **Net sales growth:**
  - +14.5% reported, +16.1% operational\*, +14.7% organic\* Y/Y
- **Earnings per share:**
  - As reported: \$0.22 vs. \$0.18 Q2:23
  - Adjusted\*: \$0.62 vs. \$0.53 Q2:23
- **Gross margin:**
  - As reported: 69.2%, (140) bps Y/Y
  - Adjusted\*: 70.4%, (160) bps Y/Y
- **Operating margin:**
  - As reported: 12.6%, (170) bps Y/Y
  - Adjusted\*: 27.2%, +40 bps Y/Y
- **Q3 2024 guidance vs. Q3 2023:**
  - As reported net sales growth: 13% - 15%
  - As reported EPS: \$0.36 - \$0.38
  - Organic\* net sales growth: 13% - 15%
  - Adjusted EPS\*: \$0.57 - \$0.59
- **FY 2024 guidance vs. FY 2023:**
  - As reported net sales growth: 13.5% - 14.5%
  - As reported EPS: \$1.34 - \$1.38
  - Organic\* net sales growth: 13% - 14%
  - Adjusted EPS\*: \$2.38 - \$2.42

## Operational Highlights

- Received National Medical Administration (NMPA) approval in China for the **FARAPULSE™ Pulsed Field Ablation (PFA) System**.
- Presented the following clinical data at Heart Rhythm 2024:
  - Outcomes from a sub-analysis of the pivotal ADVENT clinical trial of the **FARAPULSE PFA System**, which demonstrated treatment with the system resulted in an atrial arrhythmia burden (i.e., the total arrhythmia duration experienced by a patient) of less than 0.1% - a clinically meaningful threshold - in significantly more patients compared to thermal ablation.
  - Acute outcomes from the global FARADISE registry, which demonstrated favorable 30-day outcomes in more than 1,100 patients treated with the **FARAPULSE PFA system**, with no deaths or reports of coronary spasm, persistent phrenic nerve palsy, atrioesophageal fistula or pulmonary vein stenosis.
  - Positive results from the ongoing pivotal MODULAR ATP clinical trial of the **Modular CRM (mCRM™) System**<sup>1</sup>, which met all pre-specified six-month safety and effectiveness endpoints. This is the first modular cardiac rhythm management (mCRM) system that consists of the EMBLEM Subcutaneous Implantable Defibrillator (S-ICD) System and the EMPOWER Leadless Pacemaker.
- Initiated the U.S. launch of the **AGENT™ Drug-Coated Balloon**, indicated to treat in-stent restenosis in patients with coronary artery disease, and received NMPA approval for the device in China.
- Announced **agreement to acquire Silk Road Medical, Inc.**, (Nasdaq: SILK) a publicly traded medical technology company that commercialized a platform of products to prevent stroke in patients with carotid artery disease, subject to customary closing conditions.
- Presented outcomes at the 2024 American Society of Pain & Neuroscience meeting from three follow-up studies of patients treated with the **Intrasept™ Intraseous Nerve Ablation System**, which demonstrated significant improvements in vertebrogenic pain with nearly one-third of patients 100% pain free after five years.
- Elected to the company's board of directors Dr. Cheryl Pegus, former partner at Morgan Health and former executive vice president of Health & Wellness at Walmart.

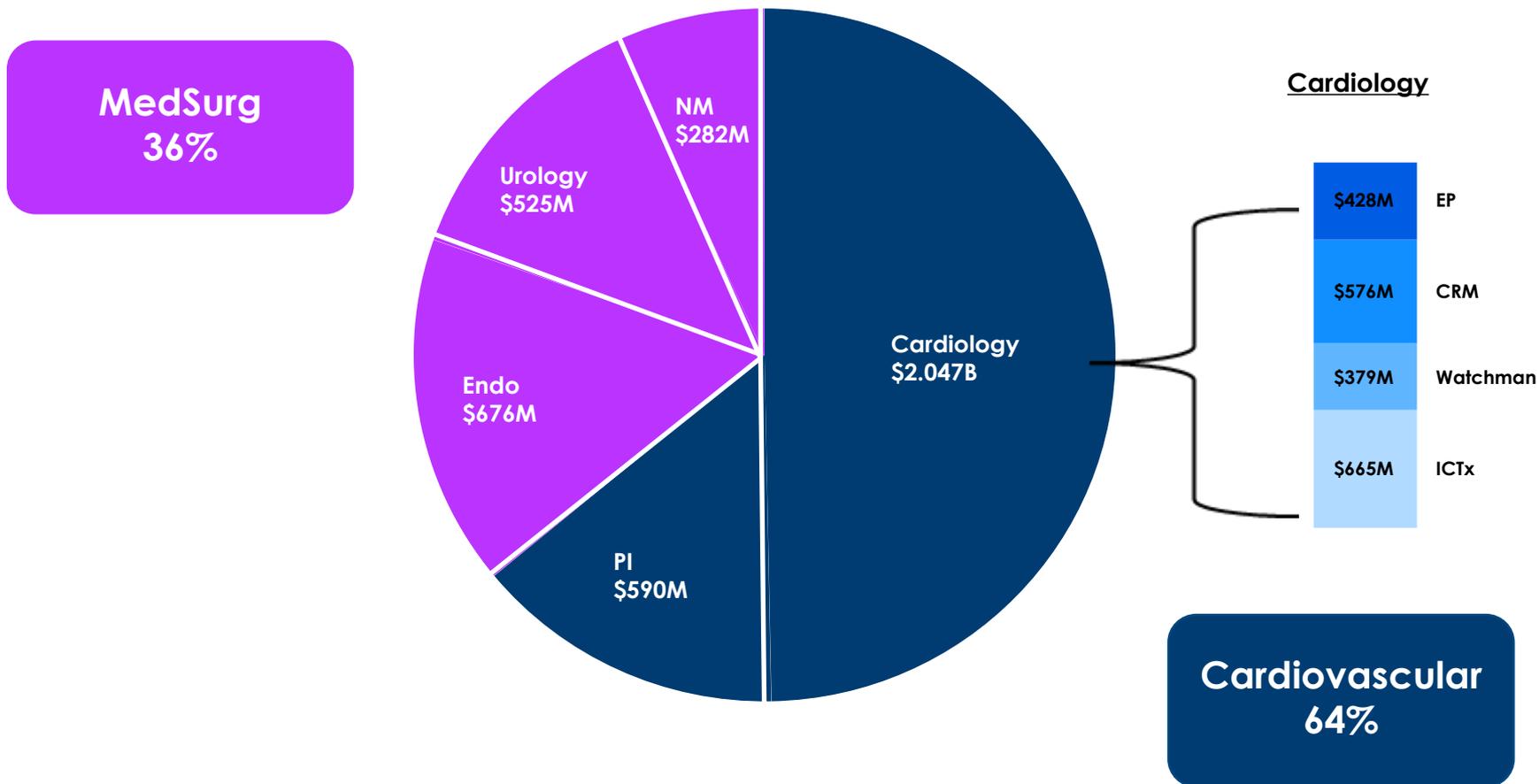
<sup>1</sup>The EMPOWER Leadless Pacemaker is an investigational device and limited by U.S. law to investigational use only. It is not available for sale. Some device references are for informational purposes only and are pending CE Mark. Not available in the European Economic Area.



# Reported Net Sales by Segment and Business

Q2 2024 Reported Net Sales: \$4.120B

Net Sales by Business; Segment Percentage of Total Net Sales





Measure	Q2 2024	Q2 2023	Change Y/Y
Reported Net Sales	\$1,483M	\$1,360M	+9.0%
Adjusted Operating Margin*	34.6%	34.0%	+60 bps

\* Represents operating income as a percentage of operational net sales, both based on internally-derived standard currency exchange rates to exclude the impact of foreign currency, which may be updated from year to year. This measure is reported to the chief operating decision maker (CODM) for purposes of making decisions about allocating resources to the segment and assessing its performance. Prior period adjusted operating margin has been restated at constant currency rates to conform to current year presentation.

## Q2 2024 Highlights

- **Endoscopy: Global net sales +7.1% as reported, +8.4% operational\* and +7.9% organic\***
  - Above-market growth in the Biliary franchise, led by high-teens growth in AXIOS™.
  - High-teens growth in the Endoluminal Surgery franchise.
- **Urology: Global net sales +8.2% as reported, +9.1% operational\*/organic\***
  - Double digit growth in Stone Management and Prosthetic Urology, supported by our direct-to-patients efforts and early contribution from the limited market release of the AMST™ 700 with Tenacio™ Pump.
  - International growth of 14% was driven by laser therapies and Rezum™.
- **Neuromodulation: Global net sales +15.5% as reported, +16.2% operational\* and +3.7% organic\***
  - Brain franchise grew low single digits with impact from competitive product launches.
  - Pain franchise grew strong double digits operationally\* and mid single digits on an organic\* basis, with strong U.S. trialing cadence in the SCS business.
  - Relieva continues to perform well with more than 30,000 patients treated with the Intracept™ system to date.

Measure	Q2 2024	Q2 2023	Change Y/Y
Reported Net Sales	\$2,637M	\$2,239M	+17.8%
Adjusted Operating Margin*	28.9%	26.4%	+250 bps

\* Represents operating income as a percentage of operational net sales, both based on internally-derived standard currency exchange rates to exclude the impact of foreign currency, which may be updated from year to year. This measure is reported to the chief operating decision maker (CODM) for purposes of making decisions about allocating resources to the segment and assessing its performance. Prior period adjusted operating margin has been restated at constant currency rates to conform to current year presentation.

## Q2 2024 Highlights

- **Cardiology: Global net sales +20.1% as reported, +22.0% operational\*/organic\***
  - **Interventional Cardiology Therapies: Global net sales 5.7% as reported, +8.7% operational\*/organic\***
    - Coronary Therapies franchise growth driven by continued strength in the global Imaging portfolio and APAC Calcium business.
    - Structural Heart Valves franchise grew strong double digits, led by ACURATE Neo2™.
  - **WATCHMAN: Global net sales +19.6% as reported, +20.0% operational\*/organic\***
    - Strong contribution from the ongoing launch of WATCHMAN FLX™ Pro in the U.S. and Japan.
    - U.S. growth led by further penetration into the existing indicated patient population to mid-teens.
  - **Cardiac Rhythm Management: Global net sales +1.9% as reported, +2.9% operational\*/organic\***
    - In Core CRM, both the high-voltage franchise and the low-voltage franchise grew low single digits.
    - Diagnostics franchise grew double digits, driven by broad cardiac diagnostic portfolio.
  - **Electrophysiology: Global net sales +121.9% as reported, +124.6% operational\*/organic\***
    - U.S. sales driven by outstanding commercial execution, robust supply and positive real-world outcomes, as well as increased AF ablation volumes supported by efficiency of the FARAPULSE™ PFA system workflow.
    - The Access Solutions franchise continues to see strong double digit growth in the U.S.
    - International sales supported by continued FARAPULSE™ account openings and robust utilization in Europe, and launched APAC markets.
- **Peripheral Interventions: Global net sales +10.2% as reported, +12.3% operational\* and +9.4% organic\***
  - Arterial franchise grew high single digits, driven by continued momentum in the Drug-Eluting portfolio, which grew double digits.
  - In Venous, mid single digit growth was driven by momentum of EKOST™ and continued double digit growth of Varithena™.
  - Interventional Oncology franchise grew double digits, driven by broad offering across embolization devices and cancer therapies.



# Living our values: ESG update



## Shaping a healthier planet through emissions reduction



Reducing our carbon footprint is a cornerstone of our efforts to confront climate change, mitigate climate risk to our business and ultimately create a healthier planet for all.

To learn more, read [How we approach emissions reduction](#).

## Empowering people by improving clinical trial diversity



Boston Scientific has long been committed to overcoming disparities in care. We help identify and address opportunities to improve clinical trial enrollment for underrepresented patient populations

To learn more, visit our [Newsroom](#).

## Advancing care by bridging gaps for Asian-Americans



Boston Scientific is committed to improving patient outcomes and helping create a healthier world. This work includes addressing the vast inequities in care that exist across the U.S.

To learn more, visit our [Newsroom](#).

## RECENT AWARDS

**Forbes Best Company for Diversity**

**Seramount Best Company for Multicultural Women and 100 Best Companies**

**Disability Equality Index Top Scorer**



# Q2 2024 Net Sales vs. Q2 2023

(in millions)	Q2:24 Reported Net Sales	Organic* Growth
		vs Q2:23
Endoscopy	\$676	8%
Urology	\$525	9%
Neuromodulation	\$282	4%
<b>MedSurg</b>	<b>\$1,483</b>	<b>8%</b>
<i>Interventional Cardiology Therapies</i>	\$665	9%
<i>Watchman</i>	\$379	20%
<i>Cardiac Rhythm Management</i>	\$576	3%
<i>Electrophysiology</i>	\$428	125%
Cardiology	\$2,047	22%
Peripheral Interventions	\$590	9%
<b>Cardiovascular</b>	<b>\$2,637</b>	<b>19%</b>
<b>Total Company</b>	<b>\$4,120</b>	<b>15%</b>
<b>Guidance Range</b> <i>Disclosed April 24, 2024</i>		<b>10 to 12 percent</b>

Q2 2024 organic\* growth vs. Q2 2023 excludes:

- Majority stake investment in Acotec Scientific Holdings Limited, closed February 20, 2023
- Relivant Medsystems, Inc., acquired November 17, 2023
- Endoluminal vacuum therapy portfolio from B. Braun Medical Inc., acquired March 1, 2024



# Income Statement Information

## Non-GAAP Reconciliation

Three Months Ended June 30, 2024 (unaudited)

Boston  
Scientific

<i>in millions, except per share data</i>	GAAP Results	Amortization Expense	Intangible Asset Impairment Charges	Acquisition/Divestiture-Related Net Charges (Credits)	Restructuring and Restructuring-Related Net Charges (Credits)	Investment Portfolio Net Losses (Gains)	EU MDR Implementation Costs	Deferred Tax Expenses (Benefits)	Discrete Tax Items	Adjusted* Results
<b>Net sales</b>	\$ 4,120	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,120
Cost of products sold	1,270	—	—	11	30	—	8	—	—	1,221
<b>Gross profit</b>	<b>2,850</b>	—	—	(11)	(30)	—	(8)	—	—	<b>2,899</b>
<i>Gross margin</i>	69.2 %									70.4 %
Selling, general and administrative expenses	1,446	—	—	23	19	—	0	—	—	1,404
<i>SG&amp;A as a percentage of sales</i>	35.1 %									34.1 %
Research and development expenses	383	—	—	12	0	—	4	—	—	367
<i>R&amp;D as a percentage of sales</i>	9.3 %									8.9 %
Royalty expense	9	—	—	—	—	—	—	—	—	9
<i>Royalty expense as a percentage of sales</i>	0.2 %									0.2 %
Amortization expense	213	213	—	—	—	—	—	—	—	—
Intangible asset impairment charges	276	—	276	—	—	—	—	—	—	—
Contingent consideration net expense (benefit)	2	—	—	2	—	—	—	—	—	—
Restructuring net charges (credits)	1	—	—	—	1	—	—	—	—	—
	2,330	213	276	37	20	—	4	—	—	1,780
<b>Operating income (loss)</b>	<b>520</b>	<b>(213)</b>	<b>(276)</b>	<b>(48)</b>	<b>(50)</b>	—	<b>(12)</b>	—	—	<b>1,119</b>
<i>Operating margin</i>	12.6 %									27.2 %
Other income (expense):										
Interest expense	(77)	—	—	—	—	—	—	—	—	(77)
Other, net	(23)	—	—	(1)	—	(31)	—	—	—	9
<b>Income (loss) before income taxes</b>	<b>420</b>	<b>(213)</b>	<b>(276)</b>	<b>(49)</b>	<b>(50)</b>	<b>(31)</b>	<b>(12)</b>	—	—	<b>1,051</b>
Income tax expense (benefit)	98	(29)	(33)	(11)	(7)	(3)	(2)	44	—	138
<b>Net income (loss)</b>	<b>322</b>	<b>(184)</b>	<b>(243)</b>	<b>(38)</b>	<b>(44)</b>	<b>(29)</b>	<b>(10)</b>	<b>(44)</b>	—	<b>913</b>
Preferred stock dividends	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributable to noncontrolling interests	(2)	(2)	—	—	—	—	—	—	—	—
<b>Net income (loss) attributable to Boston Scientific common stockholders</b>	<b>\$ 324</b>	<b>\$ (182)</b>	<b>\$ (243)</b>	<b>\$ (38)</b>	<b>\$ (44)</b>	<b>\$ (29)</b>	<b>\$ (10)</b>	<b>\$ (44)</b>	<b>\$ —</b>	<b>\$ 914</b>
<b>Net income (loss) per diluted common share</b>	<b>\$ 0.22</b>	<b>\$ (0.12)</b>	<b>\$ (0.16)</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ 0.00</b>	<b>\$ 0.62</b>
Weighted average diluted shares outstanding	1,484.2	1,484.2	1,484.2	1,484.2	1,484.2	1,484.2	1,484.2	1,484.2	1,484.2	1,484.2



# Working Capital & Cash Flow Metrics

## Days Sales Outstanding (DSO)

Jun 2024	Mar 2024	Dec 2023	Sep 2023	Jun 2023
53	54	55	55	54

## Free Cash Flow\*

Q2 2024	Q2 2023
\$660M	\$514M

## Days Inventory on Hand (DIOH)

Jun 2024	Mar 2024	Dec 2023	Sep 2023	Jun 2023
187	193	199	201	194

## Capital Expenditures

Q2 2024	Q2 2023
\$155M	\$143M



## Use of Non-GAAP Measures

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

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



# Appendix A

## Net Sales Detail



# Appendix A - Net Sales Detail - MedSurg

## Three Months Ended June 30, 2024 and 2023

(in millions)	Q2 2024	Q2 2023	Year-over-Year Change		
			Reported Basis	Impact of Foreign Currency Fluctuations	Operational Basis
<b>MEDSURG SEGMENT:</b>					
<b>ENDOSCOPY</b>					
UNITED STATES	\$ 415	\$ 384	8.0 %	— %	8.0 %
INTERNATIONAL	261	246	5.9 %	3.3 %	9.1 %
<b>WORLDWIDE</b>	<b>\$ 676</b>	<b>\$ 631</b>	<b>7.1 %</b>	<b>1.3 %</b>	<b>8.4 %</b>
<b>UROLOGY</b>					
UNITED STATES	\$ 363	\$ 340	6.8 %	— %	6.8 %
INTERNATIONAL	162	146	11.3 %	3.2 %	14.4 %
<b>WORLDWIDE</b>	<b>\$ 525</b>	<b>\$ 485</b>	<b>8.2 %</b>	<b>0.9 %</b>	<b>9.1 %</b>
<b>NEUROMODULATION</b>					
UNITED STATES	\$ 214	\$ 183	16.8 %	— %	16.8 %
INTERNATIONAL	68	61	11.4 %	2.7 %	14.1 %
<b>WORLDWIDE</b>	<b>\$ 282</b>	<b>\$ 244</b>	<b>15.5 %</b>	<b>0.7 %</b>	<b>16.2 %</b>



# Appendix A - Net Sales Detail - Cardiovascular

## Three Months Ended June 30, 2024 and 2023

(in millions)	Q2 2024	Q2 2023	Year-over-Year Change		
			Reported Basis	Impact of Foreign Currency Fluctuations	Operational Basis
<b>CARDIOVASCULAR SEGMENT:</b>					
<b>ICTx</b>					
UNITED STATES	\$ 201	\$ 189	6.4 %	— %	6.4 %
INTERNATIONAL	464	440	5.3 %	4.3 %	9.7 %
<b>WORLDWIDE</b>	<b>\$ 665</b>	<b>\$ 629</b>	<b>5.7 %</b>	<b>3.0 %</b>	<b>8.7 %</b>
<b>Watchman</b>					
UNITED STATES	\$ 342	\$ 286	19.5 %	— %	19.5 %
INTERNATIONAL	36	30	20.3 %	4.7 %	25.0 %
<b>WORLDWIDE</b>	<b>\$ 379</b>	<b>\$ 317</b>	<b>19.6 %</b>	<b>0.5 %</b>	<b>20.0 %</b>
<b>CRM</b>					
UNITED STATES	\$ 352	\$ 356	(1.3) %	— %	(1.3) %
INTERNATIONAL	224	209	7.3 %	2.8 %	10.1 %
<b>WORLDWIDE</b>	<b>\$ 576</b>	<b>\$ 566</b>	<b>1.9 %</b>	<b>1.1 %</b>	<b>2.9 %</b>
<b>Electrophysiology</b>					
UNITED STATES	\$ 271	\$ 85	218.0 %	— %	218.0 %
INTERNATIONAL	157	108	45.9 %	4.9 %	50.7 %
<b>WORLDWIDE</b>	<b>\$ 428</b>	<b>\$ 193</b>	<b>121.9 %</b>	<b>2.7 %</b>	<b>124.6 %</b>
<b>CARDIOLOGY</b>					
UNITED STATES	\$ 1,166	\$ 917	27.2 %	— %	27.2 %
INTERNATIONAL	881	787	12.0 %	4.0 %	16.0 %
<b>WORLDWIDE</b>	<b>\$ 2,047</b>	<b>\$ 1,704</b>	<b>20.1 %</b>	<b>1.9 %</b>	<b>22.0 %</b>
<b>PERIPHERAL INTERVENTIONS</b>					
UNITED STATES	\$ 308	\$ 285	8.0 %	— %	8.0 %
INTERNATIONAL	281	250	12.7 %	4.5 %	17.2 %
<b>WORLDWIDE</b>	<b>\$ 590</b>	<b>\$ 535</b>	<b>10.2 %</b>	<b>2.1 %</b>	<b>12.3 %</b>



# Appendix B

## Additional Information - Statement of Operations



# Appendix B - Statement of Operations Profitability Margins

Adjusted Gross Margin	Three Months Ended		
	6/30/2024	6/30/2023	Basis Points Change
Gross Margin, as reported	69.2 %	70.6 %	(140)
Non-GAAP adjustments	1.2 %	1.4 %	
<b>Gross Margin, adjusted</b>	<b>70.4 %</b>	<b>72.0 %</b>	<b>(160)</b>

Adjusted Operating Margin	Three Months Ended		
	6/30/2024	6/30/2023	Basis Points Change
Operating Margin, as reported	12.6 %	14.3 %	(170)
Non-GAAP adjustments	14.5 %	12.5 %	
<b>Operating Margin, adjusted</b>	<b>27.2 %</b>	<b>26.8 %</b>	<b>40</b>



# Appendix C

## Additional Non-GAAP Reconciliations



# Appendix C - Additional Non-GAAP Reconciliations

Free Cash Flow (in millions)	Three Months Ended	
	6/30/2024	
<b>Cash provided by (used for) operating activities</b>	\$	<b>814</b>
Purchases of property, plant and equipment and internal use software		(155)
Proceeds on disposals of property, plant and equipment		0
<b>Free Cash Flow</b>	<b>\$</b>	<b>660</b>

Q2 2024 free cash flow includes approximately \$200 million of payments related to acquisitions, restructuring, litigation and other special items.

Estimated Free Cash Flow (in billions)	FY 2024	
<b>Cash provided by (used for) operating activities</b>	\$	<b>~2.9</b>
Purchases of property, plant and equipment		(0.7)
<b>Free Cash Flow</b>	<b>\$</b>	<b>~2.2</b>

Estimated FY 2024 free cash flow includes approximately \$800 million of expected payments related to acquisitions, restructuring, litigation and other special items.

Adjusted Operating Margin - by Segment	Three Months Ended 6/30/2024	
	MedSurg	Cardiovascular
<b>Operating Margin, as reported</b>	<b>34.5 %</b>	<b>29.0 %</b>
Non-GAAP adjustments	0.1 %	(0.1) %
<b>Operating Margin, adjusted</b>	<b>34.6 %</b>	<b>28.9 %</b>

Adjusted Operating Margin - by Segment	Three Months Ended 6/30/2023	
	MedSurg	Cardiovascular
<b>Operating Margin, as reported</b>	<b>34.3 %</b>	<b>27.4 %</b>
Non-GAAP adjustments	(0.3) %	(1.0) %
<b>Operating Margin, adjusted</b>	<b>34.0 %</b>	<b>26.4 %</b>



# Appendix C - Additional Non-GAAP Reconciliations

<i>(in millions)</i>	Q2 2024	Q2 2023	As Reported Basis	Impact of Foreign Currency Fluctuations	Operational Basis	Impact of Recent Acquisitions/ Divestitures	Organic Basis
ENDOSCOPY	\$ 676	\$ 631	7.1 %	1.3 %	8.4 %	(0.5)%	7.9 %
UROLOGY	525	485	8.2 %	0.9 %	9.1 %	— %	9.1 %
NEUROMODULATION	282	244	15.5 %	0.7 %	16.2 %	(12.5)%	3.7 %
<b>MEDSURG</b>	<b>1,483</b>	<b>1,360</b>	<b>9.0 %</b>	<b>1.0 %</b>	<b>10.1 %</b>	<b>(2.5)%</b>	<b>7.6 %</b>
ICTx	665	629	5.7 %	3.0 %	8.7 %	— %	8.7 %
WATCHMAN	379	317	19.6 %	0.5 %	20.0 %	— %	20.0 %
CARDIAC RHYTHM MANAGEMENT	576	566	1.9 %	1.1 %	2.9 %	— %	2.9 %
ELECTROPHYSIOLOGY	428	193	121.9 %	2.7 %	124.6 %	— %	124.6 %
CARDIOLOGY	2,047	1,704	20.1 %	1.9 %	22.0 %	— %	22.0 %
PERIPHERAL INTERVENTIONS	590	535	10.2 %	2.1 %	12.3 %	(2.8)%	9.4 %
<b>CARDIOVASCULAR</b>	<b>2,637</b>	<b>2,239</b>	<b>17.8 %</b>	<b>1.9 %</b>	<b>19.7 %</b>	<b>(0.7)%</b>	<b>19.0 %</b>
<b>NET SALES</b>	<b>\$ 4,120</b>	<b>\$ 3,599</b>	<b>14.5 %</b>	<b>1.6 %</b>	<b>16.1 %</b>	<b>(1.4)%</b>	<b>14.7 %</b>



# Appendix C - Additional Non-GAAP Reconciliations

Reconciliation of Debt to Adjusted EBITDA (in millions)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	12 Months Ended
					6/30/2024
<b>Net income (loss)</b>	\$ 504	\$ 504	\$ 493	\$ 322	\$ 1,823
Income tax (benefit) expense	105	1	115	98	320
Interest expense	66	65	69	77	276
Interest income	(5)	(9)	(13)	(30)	(58)
Depreciation expense	93	104	90	98	385
Amortization expense	208	208	214	213	843
<b>EBITDA</b>	<b>971</b>	<b>873</b>	<b>967</b>	<b>778</b>	<b>3,589</b>
<b>Non-GAAP Adjustments</b>					
Restructuring and restructuring-related net charges (credits)	47	52	46	50	195
Goodwill and other intangible asset impairment charges	1	—	—	276	277
Investment portfolio net losses (gains)	2	(0)	(14)	31	19
Acquisition/divestiture - related net charges (credits)	66	129	64	49	308
Litigation-related net charges (credits)	(111)	—	—	—	(111)
EU MDR implementation costs	17	16	14	12	58
<b>Adjusted EBITDA</b>	<b>\$ 991</b>	<b>\$ 1,070</b>	<b>\$ 1,078</b>	<b>\$ 1,196</b>	<b>\$ 4,335</b>
<b>Debt</b>					<b>\$ 10,571</b>
<b>Debt to Adjusted EBITDA</b>					<b>2.44x</b>



# Appendix C - Additional Non-GAAP Reconciliations

Adjusted Tax Rate	Three Months Ended 6/30/2024
<b>Tax Rate, as reported</b>	<b>23.4 %</b>
Non-GAAP adjustments	(10.3)%
<b>Tax Rate, adjusted</b>	<b>13.1 %</b>
Discrete tax items	0.5 %
<b>Tax Rate, operational</b>	<b>13.6 %</b>

Estimated Adjusted Tax Rate	FY 2024
<b>Tax Rate, as reported</b>	<b>19.0 %</b>
Non-GAAP adjustments	(6.5)%
<b>Tax Rate, adjusted</b>	<b>12.5 %</b>
Discrete tax items	1.0 %
<b>Tax Rate, operational</b>	<b>13.5 %</b>

Estimated Adjusted Below-the-Line Expenses (in millions)	FY 2024
<b>Below-the-line expenses, as reported</b>	<b>\$ 316</b>
Non-GAAP adjustments	~(16)
<b>Below-the-line expenses, adjusted</b>	<b>\$ ~300</b>

Watchman U.S. Net Sales Growth	Three Months Ended 6/30/2024
<b>Net sales growth, as reported</b>	<b>19.5 %</b>
Impact of foreign currency fluctuations	— %
<b>Net sales growth, operational</b>	<b>19.5 %</b>
Impact of acquisitions/divestitures	— %
<b>Net sales growth, organic</b>	<b>19.5 %</b>

Urology International Net Sales Growth	Three Months Ended 6/30/2024
<b>Net sales growth, as reported</b>	<b>11.3 %</b>
Impact of foreign currency fluctuations	3.1 %
<b>Net sales growth, operational</b>	<b>14.4 %</b>
Impact of acquisitions/divestitures	— %
<b>Net sales growth, organic</b>	<b>14.4 %</b>

Adjusted Below-the-Line Expenses (in millions)	Three Months Ended 6/30/2024
<b>Below-the-line expenses, as reported</b>	<b>\$ (100)</b>
Non-GAAP adjustments	32
<b>Below-the-line expenses, adjusted</b>	<b>\$ (68)</b>



# Appendix C - Additional Non-GAAP Reconciliations

Net Sales Guidance	Q3 2024 Estimate		Full Year 2024 Estimate	
	(Low)	(High)	(Low)	(High)
<b>Reported growth</b>	<b>13.0 %</b>	<b>15.0 %</b>	<b>13.5 %</b>	<b>14.5 %</b>
Impact of foreign currency fluctuations	1.0 %	1.0 %	1.0 %	1.0 %
<b>Operational growth</b>	<b>14.0 %</b>	<b>16.0 %</b>	<b>14.5 %</b>	<b>15.5 %</b>
Impact of acquisitions/divestitures	(1.0)%	(1.0)%	(1.5)%	(1.5)%
<b>Organic growth</b>	<b>13.0 %</b>	<b>15.0 %</b>	<b>13.0 %</b>	<b>14.0 %</b>

Earnings per Share Guidance	Q3 2024 Estimate		Full Year 2024 Estimate	
	(Low)	(High)	(Low)	(High)
<b>GAAP results</b>	<b>\$ 0.36</b>	<b>\$ 0.38</b>	<b>\$ 1.34</b>	<b>\$ 1.38</b>
Amortization expense	0.12	0.12	0.48	0.48
Intangible asset impairment charges	—	—	0.16	0.16
Acquisition/divestiture-related net charges (credits)	0.03	0.03	0.13	0.13
Restructuring and restructuring-related net charges (credits)	0.03	0.03	0.11	0.11
Other adjustments	0.04	0.04	0.16	0.16
<b>Adjusted results</b>	<b>\$ 0.57</b>	<b>\$ 0.59</b>	<b>\$ 2.38</b>	<b>\$ 2.42</b>



# BSX: Acronym Reference Guide

AF	Atrial Fibrillation
APAC	Asia-Pacific
ATP	Antitachycardia Pacing
CODM	Chief Operating Decision Maker
CRM	Cardiac Rhythm Management
DCB	Drug-Coated Balloon
DIOH	Days Inventory on Hand
DSO	Days Sales Outstanding
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
Endo	Endoscopy
EP	Electrophysiology
EPS	Earnings per Share
FDA	Food and Drug Administration
FY	Full Year
GAAP	Generally Accepted Accounting Principles
ICTx	Interventional Cardiology Therapies
NM	Neuromodulation
NMPA	National Medical Products Administration
PFA	Pulsed Field Ablation
PI	Peripheral Interventions
R&D	Research and Development
S-ICD	Subcutaneous Implantable Defibrillator
SCS	Spinal Cord Stimulation