



# Q3 2023 Highlights

October 26, 2023



# 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 fourth quarter and full year 2023; 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.

## 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 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 intangible asset impairment charges, acquisition/divestiture-related net charges (credits), investment portfolio gains and losses, restructuring and restructuring-related net charges (credits), certain litigation-related net charges (credits), EU MDR implementation costs, debt extinguishment charges, deferred tax expenses (benefits) and 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. We have revised prior year amounts to conform to the current year's presentation.

## Use of Document:

This document contains certain highlights with respect to our third quarter 2023 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 September 30, 2023 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 September 30, 2023 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:**
  - +11.2% reported, +11.1% operational\*, +10.2% organic\* Y/Y
- **Earnings per share:**
  - As reported: \$0.34 vs. \$0.12 Q3:22
  - Adjusted\*: \$0.50 vs. \$0.43 Q3:22
- **Gross margin:**
  - As reported: 68.8%, (30) bps Y/Y
  - Adjusted\*: 70.2%, (50) bps Y/Y
- **Operating margin:**
  - As reported: 19.6%, +830 bps Y/Y
  - Adjusted\*: 26.1%, +60 bps Y/Y
- **Q4 2023 guidance vs. Q4 2022:**
  - As reported net sales growth: 9% - 11%
  - As reported EPS: \$0.26 - \$0.30
  - Organic\* net sales growth: 8% - 10%
  - Adjusted EPS\*: \$0.49 - \$0.52
- **FY 2023 guidance vs. FY 2022:**
  - As reported net sales growth: ~11%
  - As reported EPS: \$1.00 - \$1.04
  - Organic\* net sales growth: ~11%
  - Adjusted EPS\*: \$1.99 - \$2.02

## Operational Highlights

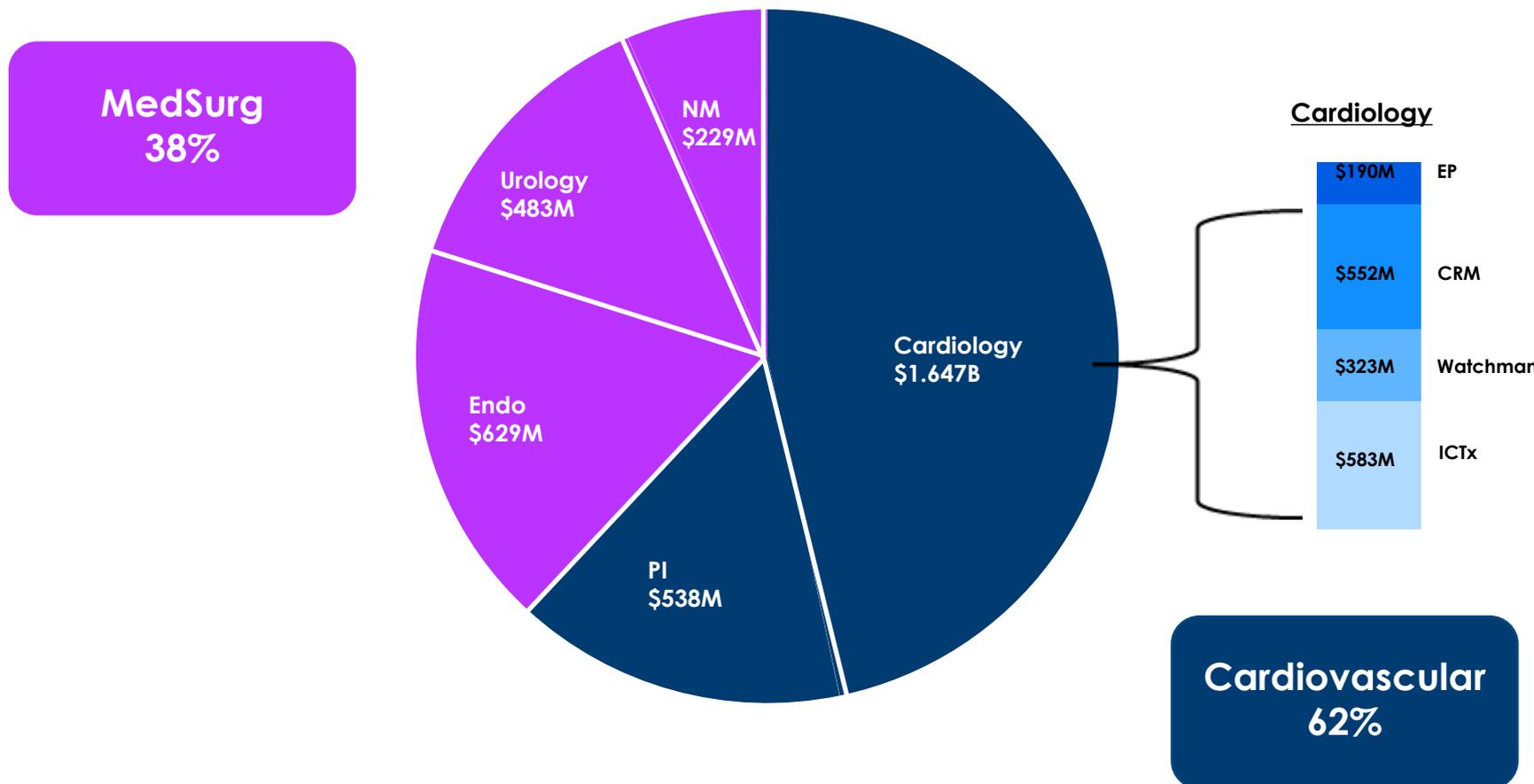
- Announced positive 12-month results from the ADVENT pivotal clinical trial of the **FARAPULSE™ Pulsed Field Ablation (PFA) System**, which met the primary safety and efficacy endpoints, and demonstrated non-inferiority to standard-of-care therapies.
- Received U.S. FDA approval for the **POLARx™ Cryoablation System**, which includes the POLARx FIT Cryoablation Balloon Catheter and is used to treat patients with paroxysmal atrial fibrillation.
- Announced the U.S. FDA approval of the latest-generation **WATCHMAN FLX™ Pro Left Atrial Appendage Closure (LAAC) Device**.
- Received U.S. FDA 510(k) clearance and launched the next-generation **LUX-Dx II/II+™ implantable cardiac monitor (ICM)** for long-term monitoring of arrhythmias.
- Received U.S. FDA approval for an expanded indication of the **WaveWriter Alpha™ Spinal Cord Stimulation (SCS) Systems** for the treatment of painful diabetic peripheral neuropathy (DPN).
- Received CE Mark, U.S. FDA clearance and Japanese Pharmaceuticals and Medical Devices Agency (PMDA) approval for the **AVVIGO™+ Multi-Modality Guidance System**, a next generation imaging system.
- Announced agreement to acquire Relieva Medsystems, Inc., a privately held medical technology company that has developed and commercialized the **Intrasept® Intraosseous Nerve Ablation System**, the only U.S. FDA-cleared system for vertebroplasty pain, subject to customary closing conditions.



# Reported Net Sales by Segment and Business

## Q3 2023 Reported Net Sales: \$3.527B

Net Sales by Business; Segment Percentage of Total Net Sales





# MedSurg Performance Summary

Measure (\$ in millions)	Q3 2023	Q3 2022	Change Y/Y
Reported Net Sales	\$1,341M	\$1,213M	+10.6%
Adjusted Operating Margin*	33.8%	30.0%	+380 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.

## Q3 2023 Highlights

- **Endoscopy: Global net sales +12.6% as reported, +11.9% operational\* and +10.6% organic\***
  - Broad-based strength across all regions.
  - Single Use Imaging and AXIOS™ technologies both grew double digits.
  - Received U.S. marketing authorization for expanded indication of the AXIOS™ stent to include gallbladder drainage.
- **Urology: Global net sales +11.5% as reported, +11.1% operational\*/organic\***
  - Stone Management franchise grew double digits, driven by LithoVue™ and Laser Therapies.
  - Rezum™ grew double digits, backed by long-term clinical data supporting international momentum and continued expansion, most recently launching in Korea.
- **Neuromodulation: Global net sales +3.7% as reported, +3.2% operational\*/organic\***
  - Pain business grew low single digits driven by SCS sales, which were slightly below expectations in light of competitive dynamics in the market.
  - Brain franchise grew low double digits with strength from new product launches including Vercise™ Neural Navigator 5 software in the U.S.



# Cardiovascular Performance Summary

Measure (\$ in millions)	Q3 2023	Q3 2022	Change Y/Y
Reported Net Sales	\$2,185M	\$1,958M	+11.6%
Adjusted Operating Margin*	26.5%	23.4%	+310 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.

## Q3 2023 Highlights

- **Cardiology: Global net sales +11.4% as reported, +11.4% operational\*/organic\***
  - **Interventional Cardiology Therapies: Global net sales 6.2% as reported, +7.2% operational\*/organic\***
    - Coronary Therapies franchise growth driven by ongoing success of our Imaging technologies; AGENT™ DCB performance in Japan continues to exceed our expectations; positive AGENT IDE trial data presented in October at TCT.
    - Structural Heart Valves franchise grew double digits, led by ACURATE Neo2™ in Europe.
  - **WATCHMAN: Global net sales +23.1% as reported, +23.3% operational\*/organic\***
    - Treated more than 350,000 patients globally to date with the WATCHMAN technology.
    - Began enrollment in HEAL-LAA, a U.S. post-market study of the WATCHMAN FLX™ Pro Left Atrial Appendage Closure Device.
  - **Cardiac Rhythm Management: Global net sales +6.2% as reported, +5.2% operational\*/organic\***
    - In Core CRM, high-voltage franchise grew low single digits and the low-voltage franchise grew mid single digits.
    - Diagnostics franchise grew double digits fueled by our diverse portfolio of Ambulatory ECGs and ICM.
  - **Electrophysiology: Global net sales +28.2% as reported, +27.1% operational\*/organic\***
    - International organic\* growth of 33% driven by excellent performance from our FARAPULSE™ and POLARx™ technologies.
    - U.S. organic\* growth of 22% was led by our Access Solutions franchise along with early contribution from our POLARx™ system.
    - Strong Access Solutions performance globally; expanded portfolio with the U.S. approval of VersaCross Connect™ Access Solution for POLARSHEATH™.
- **Peripheral Interventions: Global net sales +12.3% as reported, +12.9% operational\* and +8.4% organic\***
  - Arterial franchise grew low double digits, led by ongoing global success with our drug-eluting portfolio.
  - In Venous, presented REAL-PE study data in October, showing lower major bleeding rates in patients treated with EKOS™.
  - Interventional Oncology franchise grew double digits with ongoing momentum with our Embold™ Coil launch as well as strong demand for our cancer therapies.



# Living Our Values: ESG Update

## Building a sustainable supply chain



Kathryn Unger, Vice President of ESG, shares “How the Healthcare Industry Can Confront the Climate Crisis Through its Supply Chain,” highlighting BSC’s progress toward its carbon neutrality and emissions goals.

To learn more, read Kathryn’s op-ed on [Triple Pundit](#).

## Advancing care by addressing disparities



Key BSC leaders discuss innovative strategies and technologies shaping the urology field, how the company is addressing care disparities in underrepresented communities and advancing accessibility and equality.

To learn more, visit [Device Talks](#).

## Accelerating STEM opportunities



Encouraging and empowering tomorrow’s Science, Technology, Engineering and Math (STEM) pioneers who will help shape the future of health care, BSC highlights how its STEM councils have helped more than 70,000 young people explore careers in STEM in 2022.

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

## RECENT AWARDS

**2023 Global Partner Award from [Project HOPE](#)**

**100 Best Corporate Citizens from [3BL](#)**

**Best Investor Relations Website from [U.S. Transparency Awards](#)**



# Q3 2023 Net Sales vs. Q3 2022

<i>(in millions)</i>	Q3:23 Reported Net Sales	Organic* Growth
		vs Q3:22
Endoscopy	\$629	11%
Urology	\$483	11%
Neuromodulation	\$229	3%
<b>MedSurg</b>	<b>\$1,341</b>	<b>9%</b>
<i>Interventional Cardiology Therapies</i>	\$583	7%
<i>Watchman</i>	\$323	23%
<i>Cardiac Rhythm Management</i>	\$552	5%
<i>Electrophysiology</i>	\$190	27%
Cardiology	\$1,647	11%
Peripheral Interventions	\$538	8%
<b>Cardiovascular</b>	<b>\$2,185</b>	<b>11%</b>
<b>Total Company</b>	<b>\$3,527</b>	<b>10%</b>
<b>Guidance Range</b> <i>Disclosed July 27, 2023</i>		<b>7 to 9 percent</b>

Q3 2023 organic\* growth vs. Q3 2022 excludes:

- Majority stake investment in Acotec Scientific Holdings Limited, closed February 20, 2023
- Endoscopy Pathology business, divested April 1, 2023
- Apollo Endosurgery, Inc., acquired April 4, 2023



# Income Statement Information

## Non-GAAP Reconciliation

Three Months Ended September 30, 2023 (unaudited)

Boston  
Scientific

<i>in millions, except per share data</i>	GAAP Results	Amortization Expense	Intangible Asset Impairment Charges	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
<b>Net sales</b>	\$ 3,527	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,527
Cost of products sold	1,101	—	—	17	20	—	—	11	—	—	1,052
<b>Gross profit</b>	<b>2,426</b>	—	—	(17)	(20)	—	—	(11)	—	—	<b>2,475</b>
<i>Gross margin</i>	68.8 %										70.2 %
Selling, general and administrative expenses	1,242	—	—	22	12	—	—	0	—	—	1,208
<i>SG&amp;A as a percentage of sales</i>	35.2 %										34.3 %
Research and development expenses	356	—	—	15	0	—	—	5	—	—	336
<i>R&amp;D as a percentage of sales</i>	10.1 %										9.5 %
Royalty expense	11	—	—	—	—	—	—	—	—	—	11
<i>Royalty expense as a percentage of sales</i>	0.3 %										0.3 %
Amortization expense	208	208	—	—	—	—	—	—	—	—	—
Goodwill impairment charges	—	—	—	—	—	—	—	—	—	—	—
Intangible asset impairment charges	1	—	1	—	—	—	—	—	—	—	—
Contingent consideration expense (benefit)	12	—	—	12	—	—	—	—	—	—	—
Restructuring charges (credits)	15	—	—	—	15	—	—	—	—	—	—
Litigation-related net charges (credits)	(111)	—	—	—	—	(111)	—	—	—	—	—
	1,733	208	1	48	27	(111)	—	5	—	—	1,555
<b>Operating income (loss)</b>	<b>693</b>	<b>(208)</b>	<b>(1)</b>	<b>(66)</b>	<b>(47)</b>	<b>111</b>	<b>—</b>	<b>(17)</b>	<b>—</b>	<b>—</b>	<b>919</b>
<i>Operating margin</i>	19.6 %										26.1 %
Other income (expense):											
Interest expense	(66)	—	—	—	—	—	—	—	—	—	(66)
Other, net	(18)	—	—	(0)	—	—	(2)	—	—	—	(16)
<b>Income (loss) before income taxes</b>	<b>610</b>	<b>(208)</b>	<b>(1)</b>	<b>(66)</b>	<b>(47)</b>	<b>111</b>	<b>(2)</b>	<b>(17)</b>	<b>—</b>	<b>—</b>	<b>838</b>
Income tax expense (benefit)	105	(28)	(0)	(10)	(6)	25	0	(2)	23	0	104
<b>Net income (loss)</b>	<b>504</b>	<b>(179)</b>	<b>(0)</b>	<b>(56)</b>	<b>(41)</b>	<b>86</b>	<b>(2)</b>	<b>(14)</b>	<b>(23)</b>	<b>(0)</b>	<b>734</b>
Preferred stock dividends	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributable to noncontrolling interests	0	(2)	—	—	—	—	—	—	—	—	2
<b>Net income (loss) attributable to Boston Scientific common stockholders</b>	<b>\$ 505</b>	<b>\$ (177)</b>	<b>\$ (0)</b>	<b>\$ (56)</b>	<b>\$ (41)</b>	<b>86</b>	<b>\$ (2)</b>	<b>\$ (14)</b>	<b>\$ (23)</b>	<b>\$ (0)</b>	<b>\$ 732</b>
<b>Net income (loss) per diluted common share</b>	<b>\$ 0.34</b>	<b>\$ (0.12)</b>	<b>\$ (0.00)</b>	<b>\$ (0.04)</b>	<b>\$ (0.03)</b>	<b>\$ 0.06</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>	<b>\$ 0.50</b>
Weighted average diluted shares outstanding	1,475.0	1,475.0	1,475.0	1,475.0	1,475.0	1,475.0	1,475.0	1,475.0	1,475.0	1,475.0	1,475.0



# Working Capital & Cash Flow Metrics

## Days Sales Outstanding (DSO)

Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022
55	54	55	56	54

## Adjusted Free Cash Flow\*

Q3 2023	Q3 2022
\$582M	\$626M

## Days Inventory on Hand (DIOH)

Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022
201	194	177	170	168

## Capital Expenditures

Q3 2023	Q3 2022
\$190M	\$150M



## 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 September 30, 2023 and 2022

(in millions)	Q3 2023	Q3 2022	Year-over-Year Change		
			Reported Basis	Impact of Foreign Currency Fluctuations	Operational Basis
<b>MEDSURG SEGMENT:</b>					
<b>ENDOSCOPY</b>					
UNITED STATES	\$ 382	\$ 342	11.8 %	— %	11.8 %
INTERNATIONAL	247	217	13.9 %	(1.7)%	12.2 %
<b>WORLDWIDE</b>	<b>\$ 629</b>	<b>\$ 559</b>	<b>12.6 %</b>	<b>(0.7)%</b>	<b>11.9 %</b>
<b>UROLOGY</b>					
UNITED STATES	\$ 341	\$ 315	8.4 %	— %	8.4 %
INTERNATIONAL	142	118	20.0 %	(1.7)%	18.3 %
<b>WORLDWIDE</b>	<b>\$ 483</b>	<b>\$ 433</b>	<b>11.5 %</b>	<b>(0.5)%</b>	<b>11.1 %</b>
<b>NEUROMODULATION</b>					
UNITED STATES	\$ 175	\$ 173	1.1 %	— %	1.1 %
INTERNATIONAL	55	48	13.1 %	(2.0)%	11.1 %
<b>WORLDWIDE</b>	<b>\$ 229</b>	<b>\$ 221</b>	<b>3.7 %</b>	<b>(0.4)%</b>	<b>3.2 %</b>



# Appendix A - Net Sales Detail - Cardiovascular

## Three Months Ended September 30, 2023 and 2022

(in millions)	Q3 2023	Q3 2022	Year-over-Year Change		
			Reported Basis	Impact of Foreign Currency Fluctuations	Operational Basis
<b>CARDIOVASCULAR SEGMENT:</b>					
<b>ICTx</b>					
UNITED STATES	\$ 182	\$ 190	(4.0) %	— %	(4.0) %
INTERNATIONAL	401	359	11.6 %	1.5 %	13.1 %
<b>WORLDWIDE</b>	<b>\$ 583</b>	<b>\$ 549</b>	<b>6.2 %</b>	<b>1.0 %</b>	<b>7.2 %</b>
<b>Watchman</b>					
UNITED STATES	\$ 291	\$ 234	24.5 %	— %	24.5 %
INTERNATIONAL	31	28	11.3 %	1.9 %	13.2 %
<b>WORLDWIDE</b>	<b>\$ 323</b>	<b>\$ 262</b>	<b>23.1 %</b>	<b>0.2 %</b>	<b>23.3 %</b>
<b>CRM</b>					
UNITED STATES	\$ 355	\$ 338	4.9 %	— %	4.9 %
INTERNATIONAL	197	181	8.8 %	(2.8) %	5.9 %
<b>WORLDWIDE</b>	<b>\$ 552</b>	<b>\$ 519</b>	<b>6.2 %</b>	<b>(1.0) %</b>	<b>5.2 %</b>
<b>Electrophysiology</b>					
UNITED STATES	\$ 89	\$ 73	21.5 %	— %	21.5 %
INTERNATIONAL	101	75	34.7 %	(2.1) %	32.5 %
<b>WORLDWIDE</b>	<b>\$ 190</b>	<b>\$ 148</b>	<b>28.2 %</b>	<b>(1.1) %</b>	<b>27.1 %</b>
<b>CARDIOLOGY</b>					
UNITED STATES	\$ 918	\$ 836	9.8 %	— %	9.8 %
INTERNATIONAL	730	643	13.5 %	(0.1) %	13.3 %
<b>WORLDWIDE</b>	<b>\$ 1,647</b>	<b>\$ 1,479</b>	<b>11.4 %</b>	<b>(0.1) %</b>	<b>11.4 %</b>
<b>PERIPHERAL INTERVENTIONS</b>					
UNITED STATES	\$ 283	\$ 269	5.5 %	— %	5.5 %
INTERNATIONAL	255	210	21.0 %	1.4 %	22.4 %
<b>WORLDWIDE</b>	<b>\$ 538</b>	<b>\$ 479</b>	<b>12.3 %</b>	<b>0.6 %</b>	<b>12.9 %</b>



# Appendix B

## Additional Information - Statement of Operations



# Appendix B - Statement of Operations Profitability Margins

Adjusted Gross Margin	Three Months Ended		
	9/30/2023	9/30/2022	Basis Points Change
Gross Margin, as reported	68.8 %	69.1 %	(30)
Non-GAAP adjustments	1.4 %	1.6 %	
<b>Gross Margin, adjusted</b>	<b>70.2 %</b>	<b>70.7 %</b>	<b>(50)</b>

Adjusted Operating Margin	Three Months Ended		
	9/30/2023	9/30/2022	Basis Points Change
Operating Margin, as reported	19.6 %	11.3 %	830
Non-GAAP adjustments	6.5 %	14.2 %	
<b>Operating Margin, adjusted</b>	<b>26.1 %</b>	<b>25.5 %</b>	<b>60</b>

Estimated Adjusted Operating Margin	FY 2023
Operating Margin, as reported	17.0 %
Non-GAAP adjustments	9.4 %
<b>Operating Margin, adjusted</b>	<b>26.4 %</b>

Adjusted Operating Margin	Nine Months Ended
	9/30/2023
Operating Margin, as reported	16.7 %
Non-GAAP adjustments	9.4 %
<b>Operating Margin, adjusted</b>	<b>26.1 %</b>



# Appendix C

## Additional Non-GAAP Reconciliations



# Appendix C - Additional Non-GAAP Reconciliations

<i>(in millions)</i>	Q3 2023	Q3 2022	As Reported Basis	Impact of Foreign Currency Fluctuations	Operational Basis	Impact of Recent Acquisitions / Divestitures	Organic Basis
ENDOSCOPY	\$ 629	\$ 559	12.6 %	(0.7)%	11.9 %	(1.4)%	10.6 %
UROLOGY	483	433	11.5 %	(0.5)%	11.1 %	— %	11.1 %
NEUROMODULATION	229	221	3.7 %	(0.4)%	3.2 %	— %	3.2 %
<b>MEDSURG</b>	<b>1,341</b>	<b>1,213</b>	<b>10.6 %</b>	<b>(0.5)%</b>	<b>10.0 %</b>	<b>(0.6)%</b>	<b>9.4 %</b>
ICTx	583	549	6.2 %	1.0 %	7.2 %	— %	7.2 %
WATCHMAN	323	262	23.1 %	0.2 %	23.3 %	— %	23.3 %
CARDIAC RHYTHM MANAGEMENT	552	519	6.2 %	(1.0)%	5.2 %	— %	5.2 %
ELECTROPHYSIOLOGY	190	148	28.2 %	(1.1)%	27.1 %	— %	27.1 %
CARDIOLOGY	1,647	1,479	11.4 %	(0.1)%	11.4 %	— %	11.4 %
PERIPHERAL INTERVENTIONS	538	479	12.3 %	0.6 %	12.9 %	(4.5)%	8.4 %
<b>CARDIOVASCULAR</b>	<b>2,185</b>	<b>1,958</b>	<b>11.6 %</b>	<b>0.1 %</b>	<b>11.7 %</b>	<b>(1.1)%</b>	<b>10.6 %</b>
<b>NET SALES</b>	<b>\$ 3,527</b>	<b>\$ 3,170</b>	<b>11.2 %</b>	<b>(0.1)%</b>	<b>11.1 %</b>	<b>(0.9)%</b>	<b>10.2 %</b>



# Appendix C - Additional Non-GAAP Reconciliations

<b>Adjusted Free Cash Flow</b> <i>(in millions)</i>	<b>Three Months Ended</b>	
	<b>9/30/2023</b>	<b>9/30/2022</b>
<b>Cash provided by (used for) operating activities</b>	<b>\$ 698</b>	<b>\$ 470</b>
Purchases of property, plant and equipment and internal use software	(190)	(150)
Proceeds from sale of of property, plant and equipment	—	1
<b>Free Cash Flow</b>	<b>509</b>	<b>320</b>
Plus: Restructuring and restructuring-related payments	41	27
Plus: Acquisition-related payments	53	68
Plus: Certain EU MDR implementation-related payments	17	20
Plus: Special tax payments (refunds/credits)	20	(14)
Plus: Certain Litigation-related settlements	(57)	205
<b>Adjusted Free Cash Flow</b>	<b>\$ 582</b>	<b>\$ 626</b>

<b>Estimated Adjusted Free Cash Flow</b> <i>(in billions)</i>	<b>FY 2023</b>
<b>Cash provided by (used for) operating activities</b>	<b>\$ ~2.4</b>
Proceeds from sale (purchases) of property, plant and equipment	~(0.7)
<b>Free Cash Flow</b>	<b>~1.7</b>
Special Adjustments	~0.7
<b>Adjusted Free Cash Flow</b>	<b>\$ ~2.4</b>



# Appendix C - Additional Non-GAAP Reconciliations

Reconciliation of Debt to Adjusted EBITDA (in millions)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	12 Months Ended
					9/30/2023
<b>Net income (loss)</b>	\$ 140	\$ 314	\$ 270	\$ 504	\$ 1,228
Income tax (benefit) expense	256	131	156	105	648
Interest expense	64	65	70	66	264
Interest income	(4)	(6)	(1)	(5)	(17)
Depreciation expense	94	82	88	93	357
Amortization expense	199	203	210	208	819
<b>EBITDA</b>	<b>750</b>	<b>787</b>	<b>792</b>	<b>971</b>	<b>3,301</b>
<b>Non-GAAP Adjustments</b>					
Restructuring and restructuring-related net charges (credits)	28	44	42	47	161
Goodwill and other intangible asset impairment charges	—	—	57	1	58
Investment portfolio net losses (gains)	(38)	21	(2)	2	(17)
Acquisition/divestiture - related net charges (credits)	9	59	118	66	253
Litigation-related net charges (credits)	131	—	—	(111)	20
EU MDR implementation costs	19	16	20	17	72
<b>Adjusted EBITDA</b>	<b>\$ 900</b>	<b>\$ 928</b>	<b>\$ 1,028</b>	<b>\$ 991</b>	<b>\$ 3,847</b>
<b>Debt</b>					<b>\$ 8,900</b>
<b>Debt to Adjusted EBITDA</b>					<b>2.3x</b>



# Appendix C - Additional Non-GAAP Reconciliations

Net Sales Growth	Nine Months Ended	
	9/30/2023	
Net sales growth, as reported	11.4 %	
Impact of foreign currency fluctuations	1.2 %	
Net sales growth, operational	12.6 %	
Impact of recent acquisitions/divestitures	(0.7) %	
Net sales growth, organic	11.9 %	

Adjusted Tax Rate	Three Months Ended	
	9/30/2023	
Tax Rate, as reported	17.3 %	
Non-GAAP adjustments	(4.9) %	
Tax Rate, adjusted	12.4 %	
Discrete tax items	1.5 %	
Tax Rate, operational	13.9 %	

Adjusted Operating Margin - by Segment	Three Months Ended September 30, 2023	
	MedSurg	Cardiovascular
Operating Margin, as reported	33.9 %	26.8 %
Non-GAAP adjustments	(0.1) %	(0.3) %
Operating Margin, adjusted	33.8 %	26.5 %

Estimated Tax Rate	FY 2023	
	Tax Rate, as reported	23.7 %
Non-GAAP adjustments	(11.7) %	
Tax Rate, adjusted	12.0 %	
Discrete tax items	1.5 %	
Tax Rate, operational	13.5 %	

Estimated Adjusted Below-the-Line Expenses (in millions)	FY 2023	
Below-the-line expenses, as reported	\$	351
Non-GAAP adjustments		(11)
Below-the-line expenses, adjusted	\$	340

Net Sales Growth	2024E - 2026E (CAGR) <sup>1</sup>
Net sales growth, as reported	
Impact of foreign currency fluctuations	
Net sales growth, operational	
Impact of recent acquisitions/divestitures	
Net sales growth, organic	8.0 % - 10.0%

<sup>1</sup> - Components of the reconciliation of revenue growth, on an as reported and operational basis are not currently available without unreasonable efforts on a forward-looking basis because certain significant information necessary for such reconciliations is unavailable, dependent on future events outside our control and cannot be predicted without unreasonable efforts.



# BSX: Acronym Reference Guide

CODM	Chief Operating Decision Maker
CRM	Cardiac Rhythm Management
CTI	Cavotricuspid Isthmus
DCB	Drug Coated Balloon
DIOH	Days Inventory on Hand
DPN	Painful Diabetic Peripheral Neuropathy
DSO	Days Sales Outstanding
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ECG	Electrocardiogram
Endo	Endoscopy
EP	Electrophysiology
EPS	Earnings per Share
ESG	Environmental, Social & Governance
FDA	Food and Drug Administration
GAAP	Generally Accepted Accounting Principles
ICM	Implantable Cardiac Monitor
ICTx	Interventional Cardiology Therapies
LAAC	Left Atrial Appendage Closure
NM	Neuromodulation
PFA	Pulsed Field Ablation
PI	Peripheral Interventions
PMDA	Japanese Pharmaceuticals and Medical Devices Agency
SCS	Spinal Cord Stimulation
STEM	Science, Technology, Engineering and Mathematics
TCT	Transcatheter Cardiovascular Therapeutics Conference