

Q2 2021 Highlights

July 27, 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 and adjusted EPS for the third 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 as well as net sales from the acquisition of Preventice Solutions, Inc. (Preventice) in Q1 2021, as well as prior period net sales from the intrauterine health franchise and Specialty Pharmaceuticals business, divested in Q2 2020 and Q1 2021, respectively. 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 period amounts to conform to the current year's presentation which 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 second 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 June 30, 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 June 30, 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 vs. 2020:**
 - +53.6% as reported, +49.6% operational*, +52.4% organic*
- **Earnings per share:**
 - GAAP: \$0.12 vs. \$(0.11) Q2:20
 - Adjusted*: \$0.40 vs. \$0.08 Q2:20
- **Gross margin:**
 - GAAP: 69.3%, 880 bps Y/Y
 - Adjusted*: 70.5%, 740 bps Y/Y
- **Operating margin:**
 - GAAP: 8.5%, +1,210 bps Y/Y
 - Adjusted*: 25.1%, +1,250 bps Y/Y
- **Q3 2021 guidance vs. Q3 2020:**
 - GAAP net sales growth: 12% - 14%
 - GAAP EPS: \$0.20 - \$0.22
 - Organic* net sales growth: 12% - 14%
 - Adjusted EPS*: \$0.39 - \$0.41
- **FY 2021 guidance vs. FY 2020:**
 - GAAP net sales growth: 21% - 22%
 - GAAP EPS: \$0.79 - \$0.83
 - Organic* net sales growth: 19% - 20%
 - Adjusted EPS*: \$1.58 - \$1.62

Operational Highlights

- Completed **EU CE Mark for the EXALT™ Model B** Single-Use Bronchoscope and **initiated EU launch of SpaceOAR Vue™ Hydrogel**.
- At TVT, announced **positive 2-year results from the PINNACLE FLX clinical trial** assessing the safety and efficacy of the WATCHMAN FLX™ LAAC Device for patients with non-valvular atrial fibrillation (NVAf), and presented late-breaking clinical trial results for the **Early Neo2 Registry of the ACURATE neo2™ Aortic Valve System** which demonstrated **excellent procedural outcomes, including a low permanent pacemaker implementation and low rate of paravalvular leakage**.
- **Completed patient enrollment in the OPTION clinical trial**, a randomized controlled study comparing WATCHMAN FLX™ to first-line oral anticoagulants for 1,600 NVAf patients.
- **Began enrollment in the AGENT IDE trial**, the first randomized study in the U.S. designed to assess safety and effectiveness of the AGENT™ DCB vs. plain old balloon angioplasty in patients with in-stent restenosis.
- **Commenced enrollment in the ELEGANCE registry**, a post-market study gathering real-world clinical evidence to assess long-term outcomes of patients following treatment with either Ranger™ DCB or Eluvia™ DES.
- Announced **one-year follow-up results of the COMBO** randomized controlled clinical trial at NANS, demonstrating that Combination Therapy delivered by the Spectra WaveWriter™ SCS System achieved a **sustained, high level of clinical and functional success**.
- **Exercised option to acquire the remaining shares of Farapulse, Inc** which is expected to close Q3:21E and will complement the existing Boston Scientific Electrophysiology portfolio to include the FARAPULSE Pulsed Field Ablation System.
- Announced the election of **David S. Wichmann**, former chief executive officer of UnitedHealth Group, to the company's board of directors.

WW Net Sales by Segment and Business

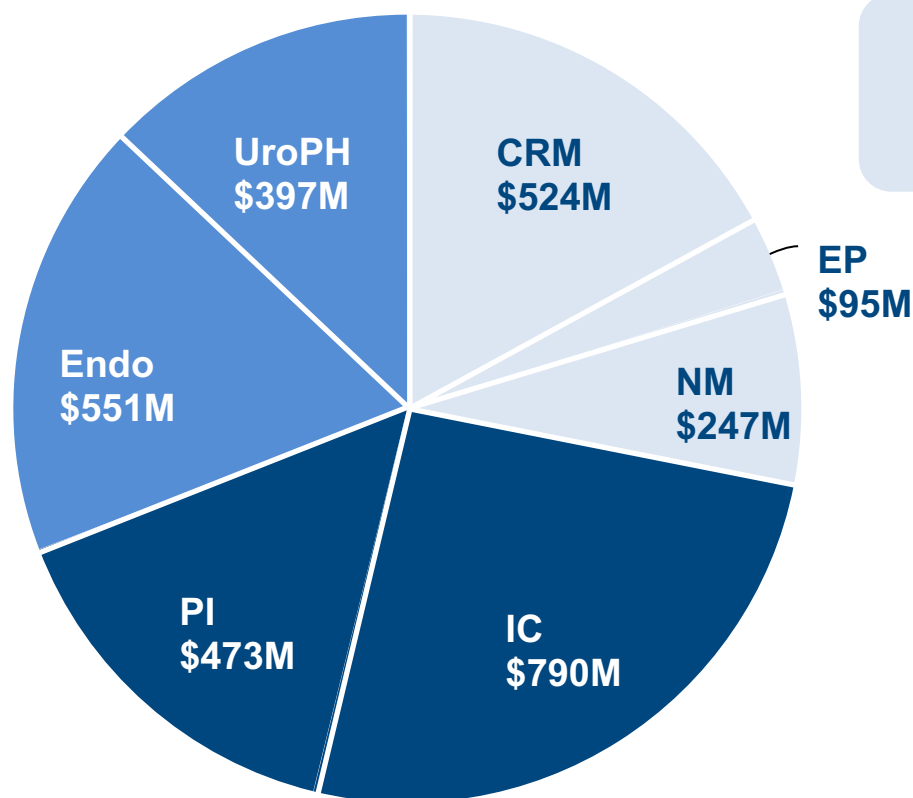
Q2 2021 Reported Net Sales: \$3,077M

Net sales by Business; Segment Percentage of Total Net Sales

MedSurg
31%

Rhythm and
Neuro
28%

Cardiovascular
41%



WW Net Sales Detail

Three Months Ended June 30, 2021 and 2020

<i>(in millions)</i>	Q2 2021	Q2 2020	As Reported Basis	Less: Impact of Foreign Currency Fluctuations	Operational Basis	Less: Impact of Recent Acquisitions / Divestitures	Organic Basis
ENDOSCOPY \$	551	\$ 348	58.5 %	4.4 %	54.1 %	— %	54.1 %
UROLOGY AND PELVIC HEALTH	397	228	73.9 %	3.5 %	70.4 %	(0.4)%	70.8 %
MEDSURG	948	576	64.6 %	4.0 %	60.6 %	(0.1)%	60.7 %
CARDIAC RHYTHM MANAGEMENT	524	351	49.2 %	4.3 %	44.9 %	13.8 %	31.2 %
ELECTROPHYSIOLOGY	95	51	85.8 %	7.1 %	78.7 %	— %	78.7 %
NEUROMODULATION	247	122	101.5 %	3.6 %	98.0 %	— %	98.0 %
RHYTHM AND NEURO	866	525	65.0 %	4.4 %	60.6 %	9.2 %	51.4 %
INTERVENTIONAL CARDIOLOGY	790	495	59.8 %	4.6 %	55.2 %	— %	55.2 %
PERIPHERAL INTERVENTIONS	473	340	39.1 %	3.5 %	35.6 %	— %	35.6 %
CARDIOVASCULAR	1,263	834	51.4 %	4.2 %	47.2 %	— %	47.2 %
MEDICAL DEVICES	3,077	1,935	59.0 %	4.2 %	54.9 %	2.5 %	52.4 %
SPECIALTY PHARMACEUTICALS	—	68	(100.0)	— %	(100.0)	(100.0)%	— %
WORLDWIDE NET SALES \$	\$ 3,077	\$ 2,003	53.6 %	4.0 %	49.6 %	(2.8)%	52.4 %
EMERGING MARKETS NET SALES							
	\$ 359	\$ 268	33.8 %	8.0 %	25.8 %		
EMERGING MARKETS NET SALES PERCENTAGE OF TOTAL BSC							
			12 %		11 %		
MEDICAL DEVICES NET SALES							
			58 %		60 %		
			42 %		40 %		

MedSurg Performance Summary

Measure (\$ in millions)	Q2 2021	Q2 2020	Change Y/Y
Reported Net Sales	\$948M	\$576M	+64.6%
Operating Margin \$	\$363M	\$173M	+109.6%
Operating Margin %	38.3%	30.1%	+820 bps

Q2 2021 Highlights

- **Endoscopy: Global net sales +58.5% as reported, +54.1% Y/Y operational* and organic***
 - Grew double digits vs. 2019 across all major franchises with notable strength in Biliary, Hemostasis, and Infection Prevention due to differentiated product portfolio headlined by AXIOS™, SpyGlass™ DS, and Resolution™ hemostasis clip.
 - Completed CE Mark for EXALT™ Model B which has garnered positive early launch feedback and remain on track to launch in the U.S. in H2:21E.
- **Urology and Pelvic Health: Global net sales +73.9% as reported, +70.4% Y/Y operational*, +70.8% organic***
 - Strong Q2 growth vs. 2019 balanced across the Stone, Prostate Health, and Pelvic Health franchises; enthusiastic that the Lumenis acquisition will expand category-leading Urology portfolio with its differentiated laser technology.
 - Within Prostate Health, momentum continued for Rezūm and within the SpaceOAR business, where growth was supported by the ongoing launch of next generation SpaceOAR Vue™ hydrogel in the U.S. and recent launch in EU.

Rhythm and Neuro Performance Summary

Measure (\$ in millions)	Q2 2021	Q2 2020	Change Y/Y
Reported Net Sales	\$866M	\$525M	+65.0%
Operating Margin \$	\$168M	\$32M	+426.8%
Operating Margin %	19.3%	6.1%	+1,320 bps

Q2 2021 Highlights

- **Cardiac Rhythm Management: Global net sales +49.2% as reported, +44.9% Y/Y operational*, +31.2% organic***
 - Estimate CRM performance was slightly below the overall market, and inclusive of a temporary impact from the recent EMBLEM™ S-ICD physician advisories; launched enhanced S-ICD electrode and anticipate improved performance in overall CRM in H2:21E.
 - LUX-Dx™ ICM continues to perform well and gain market share; additionally, pleased with the strong growth and execution of the Preventice team and continue to anticipate FY:21E growth in that business of at least 20% vs. 2020.
- **Electrophysiology: Global net sales +85.8% as reported, +78.7% Y/Y operational* and organic***
 - Sales grew double digits vs. 2019 as we estimate international sales outpaced the market; international sales strength was driven by the ongoing launches of POLARx™, a second generation single-shot cryoablation catheter, and STABLEPOINT™, a novel force-sensing therapeutic catheter with DirectSense.
 - Exercised the option to acquire Farapulse, Inc., a leading company in pulsed field ablation and the only commercially approved pulsed ablation product in the EU.
- **Neuromodulation: Global net sales +101.5% as reported, +98.0% 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.
 - Beyond advancing outcomes for our existing indications, commenced enrollment in SOLIS study in Q1, focused on non-surgical back population, and look forward to beginning our painful diabetic peripheral neuropathy (DPN) clinical study by the end of this year.

Cardiovascular Performance Summary

Measure (\$ in millions)	Q2 2021	Q2 2020	Change Y/Y
Reported Net Sales	\$1,263M	\$834M	+51.4%
Operating Margin \$	\$418M	\$186M	+125.0%
Operating Margin %	33.1%	22.3%	+1,080 bps

Q2 2021 Highlights

- **Interventional Cardiology: Global net sales +59.8% as reported, +55.2% Y/Y operational* and organic***
 - The WATCHMAN™ franchise accelerated sequentially primarily due to increasing hospital and physician utilization rates in the U.S. as nearly all U.S. accounts have fully transitioned from WATCHMAN 2.5™ and are now using FLX exclusively; pleased with the two-year results of PINNACLE FLX and remain excited about the outlook for the WATCHMAN™ franchise.
 - In TAVR, ACURATE neo2™ launch continues to do well in EU supported by positive real-world data presented at Euro PCR and reiterated in the Early Neo2 Registry at TVT; SENTINEL™ achieved its highest quarterly sales to date.
 - Strength in Complex PCI with key products such as ROTAPRO™ and IVUS™ were offset by DES performance, impacted by China tenders and global price pressures.
- **Peripheral Interventions: Global net sales +39.1% as reported, +35.6% Y/Y operational* and organic***
 - Strong growth in the quarter was fueled by breadth of category-leading portfolio and robust cadence of ongoing product launches headlined by TheraSphere™ growth of >30% vs. 2019, double digit Varithena™ growth and varicose vein share gain, and record sales in the drug-eluting portfolio.

BSX: Q2:21 Net Sales vs. 2020 and 2019

	Q2:21 Sales	Organic* Growth	
		vs Q2:20	vs Q2:19
Endoscopy	\$551M	54%	15%
UroPH	\$397M	71%	16%
CRM	\$524M	31%	(6)%
EP	\$95M	79%	10%
NM	\$247M	98%	14%
IC	\$790M	55%	10%
PI	\$473M	36%	10%
Total Company	\$3,077M	52%	9%

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

Playing Our Part: Combating Racism

**\$3.5 Million
Multiyear Strategy**

Our work is focused on five pillars that are intended to create a deeper awareness of racism and its impact on communities, advocate for anti-racist policies and practices that support equity and inclusion, and empower key partners to take action in the fight against racism.

COMBATING RACISM STRATEGY



Community

Expand the conversation on anti-racism and support social justice organizations



Economic Empowerment

Accelerate the development of Black-owned businesses



Education

Educate and create professional opportunities for Black youth



Health Care Disparities

Address health care disparities in the community



Government/Policies

Advocate for change

Global Signature Health Grants

"We are incredibly thankful for Boston Scientific's commitment to improving the world's health and for a partnership that is helping people around the world access the care they need."

Rabih Torbay, president and CEO, Project HOPE



To date, our efforts have helped train +3,500 community health workers and provided screenings for +23,000 people.

Q2
Awards

**Glassdoor Top CEOs 2021
Employees' Choice**

**Seramount Best
Companies for
Multicultural Women**

**DEI Best Place to Work for
Disability Inclusion 2021**

Income Statement Information

Non-GAAP Reconciliation

Three Months Ended June 30, 2021 (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
Net sales	\$ 3,077										\$ 3,077
Cost of products sold	945			7	22			8			908
Gross profit	2,132	—	—	(7)	(22)	—	—	(8)	—	—	2,169
<i>Gross margin</i>	69.3 %										70.5 %
Selling, general and administrative expenses	1,121			11	13						1,096
<i>SG&A as a percentage of sales</i>	36.4 %										35.6 %
Research and development expenses	298			6				4			288
<i>R&D as a percentage of sales</i>	9.7 %										9.4 %
Royalty expense	12										12
<i>Royalty expense as a percentage of sales</i>	0.4 %										0.4 %
Amortization expense	180	180									—
Intangible asset impairment charges	45		45								—
Contingent consideration expense (benefit)	(85)			(85)							—
Restructuring charges (credits)	3				3						—
Gain/loss on divestitures	(2)		—	(2)							—
Litigation-related charges (credits)	298					298					—
	1,870	180	45	(70)	16	298	—	4	—	—	1,396
Operating income (loss)	262	(180)	(45)	63	(39)	(298)	—	(12)	—	—	773
<i>Operating margin</i>	8.5 %										25.1 %
Other income (expense):											
Interest expense	(86)										(86)
Other, net	(26)	—		1			(6)			—	(21)
Income (loss) before taxes	149	(180)	(45)	64	(39)	(298)	(6)	(12)	—	—	665
Income tax expense (benefit)	(37)	(19)	(6)	(1)	(4)	(69)	(1)	(1)	25	(35)	74
Net income (loss)	186	(161)	(39)	65	(35)	(229)	(5)	(11)	(25)	35	591
Preferred stock dividends	(14)										(14)
Net income (loss) available to common stockholders	\$ 172	\$ (161)	\$ (39)	\$ 65	\$ (35)	\$ (229)	\$ (5)	\$ (11)	\$ (25)	\$ 35	\$ 577
Net income (loss) per diluted common share	\$ 0.12	\$ (0.11)	\$ (0.03)	\$ 0.05	\$ (0.02)	\$ (0.16)	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ 0.02	\$ 0.40
Weighted average diluted shares outstanding	1,432.5	1,432.5	1,432.5	1,432.5	1,432.5	1,432.5	1,432.5	1,432.5	1,432.5	1,432.5	1,432.5

For the three months ended June 30, 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.

Income Statement Information

Non-GAAP Reconciliation

Six Months Ended June 30, 2021 (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
Net sales	\$ 5,829										\$ 5,829
Cost of products sold	1,839			21	40			15			1,763
Gross profit	3,990	—	—	(21)	(40)	—	—	(15)	—	—	4,066
<i>Gross margin</i>	68.4 %										69.8 %
Selling, general and administrative expenses	2,139			51	40			—			2,048
<i>SG&A as a percentage of sales</i>	36.7 %										35.1 %
Research and development expenses	574			15	—			8			552
<i>R&D as a percentage of sales</i>	9.9 %										9.5 %
Royalty expense	24										24
<i>Royalty expense as a percentage of sales</i>	0.4 %										0.4 %
Amortization expense	365	365									—
Intangible asset impairment charges	45		45								—
Contingent consideration expense (benefit)	(91)			(91)							—
Restructuring charges (credits)	8				8						—
Gain/loss on divestitures	(9)			(9)							—
Litigation-related charges (credits)	302					302					—
Operating income (loss)	3,358	365	45	(34)	48	302	—	8	—	—	2,625
<i>Operating margin</i>	632	(365)	(45)	13	(88)	(302)	—	(23)	—	—	1,442
	10.8 %										24.7 %
Other income (expense):											
Interest expense	(168)			—							(168)
Other, net	11	—		199			(152)	—			(37)
Income (loss) before taxes	474	(365)	(45)	212	(88)	(302)	(152)	(23)	—	—	1,237
Income tax expense (benefit)	(53)	\$ (37)	\$ (6)	\$ (7)	\$ (10)	\$ (69)	\$ (35)	(2)	43	(38)	108
Net income (loss)	\$ 527	\$ (328)	\$ (39)	\$ 219	\$ (79)	\$ (233)	\$ (117)	\$ (20)	\$ (43)	\$ 38	\$ 1,129
Preferred stock dividends	\$ (28)										\$ (28)
Net income (loss) available to common stockholders	\$ 500	\$ (328)	\$ (39)	\$ 219	\$ (79)	\$ (233)	\$ (117)	\$ (20)	\$ (43)	\$ 38	\$ 1,102
Net income (loss) per diluted common share	\$ 0.35	\$ (0.23)	\$ (0.03)	\$ 0.15	\$ (0.05)	\$ (0.16)	\$ (0.08)	\$ (0.01)	\$ (0.03)	\$ 0.03	\$ 0.77
Weighted average diluted shares outstanding	1,431.7	1,431.7	1,431.7	1,431.7	1,431.7	1,431.7	1,431.7	1,431.7	1,431.7	1,431.7	1,431.7

For the six months ended June 30, 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)

Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020
50	53	52	55	66

Adjusted Free Cash Flow*

Q2 2021	Q2 2020
\$838M	\$340M

Days Inventory on Hand (DIOH)

Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020
138	142	124	156	174

Capital Expenditures

Q2 2021	Q2 2020
\$105M	\$68M

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 June 30, 2021 and 2020



			Year-over-Year Change		
(in millions)	Q2 2021	Q2 2020	Reported Basis	Less: Impact of Foreign Currency Fluctuations	Operational Basis
MEDSURG SEGMENT:					
ENDOSCOPY					
UNITED STATES	\$ 316	\$ 190	66.7 %	— %	66.7 %
INTERNATIONAL	235	158	48.6 %	9.6 %	39.1 %
WORLDWIDE	<u>\$ 551</u>	<u>\$ 348</u>			
UROLOGY AND PELVIC HEALTH					
UNITED STATES	\$ 285	\$ 162	75.3 %	— %	75.3 %
INTERNATIONAL	112	66	70.4 %	12.0 %	58.4 %
WORLDWIDE	<u>\$ 397</u>	<u>\$ 228</u>			
RHYTHM AND NEURO SEGMENT:					
CARDIAC RHYTHM MANAGEMENT					
UNITED STATES	\$ 314	\$ 208	50.9 %	— %	50.9 %
INTERNATIONAL	210	143	46.8 %	10.5 %	36.3 %
WORLDWIDE	<u>\$ 524</u>	<u>\$ 351</u>			
ELECTROPHYSIOLOGY					
UNITED STATES	\$ 34	\$ 22	57.0 %	— %	57.0 %
INTERNATIONAL	62	30	106.6 %	12.1 %	94.4 %
WORLDWIDE	<u>\$ 95</u>	<u>\$ 51</u>			
NEUROMODULATION					
UNITED STATES	\$ 194	\$ 100	94.4 %	— %	94.4 %
INTERNATIONAL	53	23	133.0 %	19.3 %	113.8 %
WORLDWIDE	<u>\$ 247</u>	<u>\$ 122</u>			
CARDIOVASCULAR SEGMENT:					
INTERVENTIONAL CARDIOLOGY					
UNITED STATES	\$ 398	\$ 189	110.6 %	— %	110.6 %
INTERNATIONAL	392	306	28.4 %	7.4 %	20.9 %
WORLDWIDE	<u>\$ 790</u>	<u>\$ 495</u>			
PERIPHERAL INTERVENTIONS					
UNITED STATES	\$ 260	\$ 189	37.8 %	— %	37.8 %
INTERNATIONAL	213	151	40.8 %	8.0 %	32.8 %
WORLDWIDE	<u>\$ 473</u>	<u>\$ 340</u>			
SPECIALTY PHARMACEUTICALS:					
UNITED STATES	\$ —	\$ 60	(100.0)%	— %	(100.0)
INTERNATIONAL	—	8	— %	— %	—
WORLDWIDE	<u>\$ —</u>	<u>\$ 68</u>			

Appendix A - Sales Detail

Six Months Ended June 30, 2021 and 2020

(in millions)	2021	2020	Year-over-Year Change		
			As Reported Basis	Less: Impact of Foreign Currency Fluctuations	Operational Basis
MEDSURG SEGMENT:					
ENDOSCOPY					
UNITED STATES	\$ 596	\$ 445	33.9 %	— %	33.9 %
INTERNATIONAL	454	345	31.7 %	8.2 %	23.5 %
WORLDWIDE	<u>\$ 1,050</u>	<u>\$ 790</u>			
UROLOGY AND PELVIC HEALTH					
UNITED STATES	\$ 542	\$ 400	35.6 %	— %	35.6 %
INTERNATIONAL	216	161	34.4 %	8.8 %	25.6 %
WORLDWIDE	<u>\$ 758</u>	<u>\$ 560</u>			
RHYTHM AND NEURO SEGMENT:					
CARDIAC RHYTHM MANAGEMENT					
UNITED STATES	\$ 590	\$ 463	27.4 %	— %	27.4 %
INTERNATIONAL	403	325	23.9 %	8.6 %	15.4 %
WORLDWIDE	<u>\$ 993</u>	<u>\$ 788</u>			
ELECTROPHYSIOLOGY					
UNITED STATES	\$ 64	\$ 53	19.6 %	— %	19.6 %
INTERNATIONAL	115	72	58.6 %	9.3 %	49.3 %
WORLDWIDE	<u>\$ 179</u>	<u>\$ 126</u>			
NEUROMODULATION					
UNITED STATES	\$ 345	\$ 250	37.8 %	— %	37.8 %
INTERNATIONAL	99	63	58.1 %	12.5 %	45.5 %
WORLDWIDE	<u>\$ 444</u>	<u>\$ 313</u>			
CARDIOVASCULAR SEGMENT:					
INTERVENTIONAL CARDIOLOGY					
UNITED STATES	\$ 741	\$ 486	52.4 %	— %	52.4 %
INTERNATIONAL	745	642	16.1 %	6.2 %	9.8 %
WORLDWIDE	<u>\$ 1,486</u>	<u>\$ 1,128</u>			
PERIPHERAL INTERVENTIONS					
UNITED STATES	\$ 498	\$ 413	20.7 %	— %	20.7 %
INTERNATIONAL	407	319	27.6 %	7.0 %	20.6 %
WORLDWIDE	<u>\$ 906</u>	<u>\$ 732</u>			
SPECIALTY PHARMACEUTICALS:					
UNITED STATES	\$ 10	\$ 97	(90.2)%	— %	(90.2)%
INTERNATIONAL	4	12	(68.1)%	— %	(68.1)%
WORLDWIDE	<u>\$ 13</u>	<u>\$ 109</u>			

Appendix B

Income Statement Information

Appendix B - Income Statement Information

Margins

	Three Months Ended		
	6/30/2021	6/30/2020	Basis Points Change
Adjusted Gross Margin			
Gross Margin, as reported	69.3 %	60.5 %	880
Less: Non-GAAP adjustments	(1.2)%	(2.6)%	
Adjusted Gross Margin	70.5 %	63.1 %	740

	Three Months Ended		
	6/30/2021	6/30/2020	Basis Points Change
Adjusted Operating Margin			
Operating Margin, as reported	8.5 %	(3.6)%	1,210
Less: Non-GAAP adjustments	(16.6)%	(16.2)%	
Adjusted Operating Margin	25.1 %	12.6 %	1,250

	Three Months Ended		
	6/30/2021	6/30/2020	Basis Points Change
Adjusted SG&A as a percentage of Sales			
SG&A as a percentage of Sales, as reported	36.4 %	39.9 %	(350)
Less: Non-GAAP adjustments	0.8 %	1.4 %	
Adjusted SG&A as a percentage of Sales	35.6 %	38.5 %	(290)

	Three Months Ended
	6/30/2021
Adjusted Tax Rate	
Tax Rate, as reported	(24.9)%
Less: Non-GAAP adjustments	(36.0)%
Adjusted Tax Rate	11.1 %

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)	Q2 2021	Q2 2020
MedSurg	\$ 948	\$ 576
Rhythm & Neuro	866	525
Cardiovascular	1,263	834
Total net sales of reportable segments (Medical Devices)	3,077	1,935
All other (Specialty Pharmaceuticals)	—	68
Consolidated net sales	\$ 3,077	\$ 2,003

SEGMENT OPERATING INCOME (dollars in millions)	Q2 2021	% of Segment Sales	Q2 2020	% of Segment Sales	YoY Change (%)	YoY Change (bps)	Less: Fx Impact	YoY Change, excl. Fx
MedSurg	\$ 363	38.3 %	\$ 173	30.1 %	8.2 %	822	0.3%	7.9%
Rhythm & Neuro	168	19.3 %	32	6.1 %	13.3 %	1329	0.9%	12.4%
Cardiovascular	418	33.1 %	186	22.3 %	10.8 %	1084	0.3%	10.5%
Total operating income of reportable segments (Medical Devices)	949		391					
All other (Specialty Pharmaceuticals)	—		49					
Unallocated amounts:								
Corporate expenses, including hedging activities	(176)		(189)					
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	(331)		(125)					
Amortization expense	(180)		(197)					
Operating income (loss)	\$ 262		\$ (71)					

Appendix C

Additional Non-GAAP Reconciliations

Appendix C - Additional Reconciliations

Adjusted Free Cash Flow

<i>in millions</i>	Three Months Ended	
	6/30/2021	6/30/2020
Adjusted Free Cash Flow		
Operating cash flow, reported	\$ 643	\$ 269
Less: Purchases of property, plant and equipment	105	68
Add: Proceeds on disposals of property, plant and equipment	3	1
Free Cash Flow	541	203
Plus: Restructuring and restructuring-related payments	40	26
Plus: Acquisition-related payments	36	59
Plus: EU medical device regulation payments	12	7
Plus: Special tax payments (refunds/credits)	42	4
Plus: Litigation-related settlements	167	42
Adjusted Free Cash Flow	\$ 838	\$ 340

Appendix C - Additional Reconciliations

Estimated Tax Rate	FY 2021
Tax Rate, as reported	7 %
Less: Non-GAAP adjustments	(3)%
Adjusted Tax Rate	10 %

	Three Months Ended
China Net Sales Growth Q2'21 vs. Q2'19	June 30
Net sales growth, as reported	23 %
Less: Impact of foreign currency fluctuations	7 %
Net sales growth, operational	16 %

	Three Months Ended
International EP Net Sales Growth Q2'21 vs. Q2'19	June 30
Net sales growth, as reported	35 %
Less: Impact of foreign currency fluctuations	6 %
Net sales growth, operational	29 %

	Three Months Ended
U.S. Organic Net Sales Growth Q2'21 vs. Q2'19	June 30
Net sales growth, as reported	22 %
Less: Impact of recent acquisitions/divestitures	10 %
Net sales growth, organic	12 %

Appendix C - Additional Reconciliations

Q3 and Full Year 2021 Estimated Net Sales Growth vs. 2019	Q3 2021 Estimate vs. Q3 2019		Full Year 2021 Estimate vs. Full Year 2019	
	(Low)	(High)	(Low)	(High)
Reported sales growth	10 %	12 %	12 %	13 %
Less: Impact of foreign currency fluctuations & certain acquisitions/divestitures	5 %	5 %	6 %	6 %
Organic sales growth	5 %	7 %	6 %	7 %

Q2 2021 vs. Q2 2019 Net Sales	Q2 2021	Q2 2019	Reported Growth	Less: Impact of foreign currency fluctuations & recent acquisitions/ divestitures	Organic Growth
Endoscopy	\$ 551	470	17 %	2 %	15 %
Urology and Pelvic Health	397	348	14 %	(2)%	16 %
Cardiac Rhythm Management	524	498	5 %	12 %	(6)%
Electrophysiology	95	84	13 %	3 %	10 %
Neuromodulation	247	204	21 %	7 %	14 %
Interventional Cardiology	790	706	12 %	2 %	10 %
Peripheral Interventions	473	320	48 %	38 %	10 %
Specialty Pharmaceuticals	—	n/a	n/a	n/a	n/a
Total Company	\$ 3,077	\$ 2,631	17 %	8 %	9 %

Q2 2021 vs. Q2 2019 Net Sales	Q2 2021	Q2 2019	Reported Growth	Less: Impact of foreign currency fluctuations	Operational Growth
United States	\$ 1,800	1,478	22 %	— %	22 %
EMEA (Europe, Middle East and Africa)	662	571	16 %	7 %	9 %
Asia-Pacific (APAC)	520	481	8 %	4 %	4 %
Emerging Markets	359	318	13 %	2 %	11 %

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
IDE	Investigation Device Exemption
LAAC	Left Atrial Appendage Closure
PCI	Percutaneous Coronary Interventions
PE	Pulmonary Embolism
SCS	Spinal Cord Stimulation
SUI	Stress Urinary Incontinence
TAVR	Transcatheter Aortic Valve Replacement