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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File No. 1-11083

BOSTON SCIENTIFIC CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**04-2695240**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
300 Boston Scientific Way, Marlborough, Massachusetts	**01752-1234**
(Address of Principal Executive Offices)	(Zip Code)

508 683-4000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	BSX	New York Stock Exchange
0.625% Senior Notes due 2027	BSX27	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of shares outstanding of Common Stock, $0.01 par value per share, as of October 29, 2024 was 1,473,827,485.

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PART I
FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

BOSTON SCIENTIFIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in millions, except per share data)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net sales	$ 4,209	$ 3,527	$ 12,186	$ 10,515
Cost of products sold	1,312	1,101	3,791	3,198
Gross profit	2,897	2,426	8,395	7,317
Operating expenses:				
Selling, general and administrative expenses	1,562	1,242	4,372	3,811
Research and development expenses	407	356	1,156	1,051
Royalty expense	5	11	24	35
Amortization expense	205	208	631	620
Intangible asset impairment charges	—	1	276	58
Contingent consideration net expense (benefit)	(23)	12	(4)	43
Restructuring net charges (credits)	8	15	12	51
Litigation-related net charges (credits)	—	(111)	—	(111)
	2,164	1,733	6,467	5,558
Operating income (loss)	733	693	1,928	1,759
Other income (expense):				
Interest expense	(79)	(66)	(225)	(200)
Other, net	14	(18)	(7)	(78)
Income (loss) before income taxes	669	610	1,697	1,480
Income tax expense (benefit)	200	105	413	392
Net income (loss)	**468**	**504**	**1,284**	**1,088**
Preferred stock dividends	—	—	—	(23)
Net income (loss) attributable to noncontrolling interests	(0)	(0)	(4)	(0)
Net income (loss) attributable to Boston Scientific common stockholders	**$ 469**	**$ 505**	**$ 1,288**	**$ 1,065**
Net income (loss) per common share — basic	**$ 0.32**	**$ 0.34**	**$ 0.88**	**$ 0.74**
Net income (loss) per common share — diluted	**$ 0.32**	**$ 0.34**	**$ 0.87**	**$ 0.73**
Weighted-average shares outstanding				
Basic	1,472.7	1,464.5	1,470.6	1,448.8
Diluted	1,487.4	1,475.0	1,484.5	1,459.1

Refer to notes to the unaudited consolidated financial statements. Amounts may not foot due to rounding.

BOSTON SCIENTIFIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
Net income (loss)	$ 468	$ 504	$ 1,284	$ 1,088
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment	(181)	21	(79)	(7)
Net change in derivative financial instruments	(100)	3	(95)	(25)
Net change in defined benefit pensions and other items	(0)	(0)	0	(5)
Other comprehensive income (loss)	(282)	23	(173)	(37)
Comprehensive income (loss)	**$ 187**	**$ 528**	**$ 1,110**	**$ 1,051**
Net income (loss) attributable to noncontrolling interests	(0)	—	(4)	—
Other comprehensive income (loss) attributable to noncontrolling interests	10	(16)	4	(16)
Comprehensive income (loss) attributable to noncontrolling interests	**10**	**(16)**	**0**	**(16)**
Comprehensive income attributable to Boston Scientific common stockholders	**$ 177**	**$ 511**	**$ 1,110**	**$ 1,035**

Refer to notes to the unaudited consolidated financial statements. Amounts may not foot due to rounding.

BOSTON SCIENTIFIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions, except share and per share data)	As of September 30, 2024	As of December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,502	$ 865
Trade accounts receivable, net	2,501	2,228
Inventories	2,753	2,484
Prepaid income taxes	332	315
Other current assets	674	621
Total current assets	8,761	6,514
Property, plant and equipment, net	3,072	2,859
Goodwill	15,033	14,387
Other intangible assets, net	5,754	6,003
Deferred tax assets	3,816	3,841
Other long-term assets	1,642	1,531
TOTAL ASSETS	**$ 38,078**	**$ 35,136**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current debt obligations	$ 1,652	$ 531
Accounts payable	907	942
Accrued expenses	2,460	2,646
Other current liabilities	891	814
Total current liabilities	5,910	4,933
Long-term debt	9,233	8,571
Deferred income taxes	138	134
Other long-term liabilities	1,841	1,967
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.01 par value - authorized 50,000,000 shares - 0 shares issued as of September 30, 2024 and December 31, 2023	—	—
Common stock, $0.01 par value - authorized 2,000,000,000 shares - issued 1,736,731,395 shares as of September 30, 2024 and 1,729,000,224 shares as of December 31, 2023	17	17
Treasury stock, at cost - 263,289,848 shares as of September 30, 2024 and December 31, 2023	(2,251)	(2,251)
Additional paid-in capital	20,963	20,647
Retained earnings	2,107	819
Accumulated other comprehensive income (loss), net of tax	(128)	49
Total stockholders' equity	20,708	19,282
Noncontrolling interests	248	248
Total equity	**20,956**	**19,530**
TOTAL LIABILITIES AND EQUITY	**$ 38,078**	**$ 35,136**

Refer to notes to the unaudited consolidated financial statements. Amounts may not foot due to rounding.

BOSTON SCIENTIFIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions, except share data)	**2024**	**2023**	**2024**	**2023**
Preferred stock shares issued				
Beginning	—	—	—	10,062,500
Conversion of mandatory convertible preferred stock to common stock	—	—	—	(10,062,500)
Ending	**—**	**—**	**—**	**—**
Common stock shares issued				
Beginning	1,734,329,744	1,725,956,141	1,729,000,224	1,696,633,993
Impact of stock-based compensation plans	2,401,651	2,202,383	7,731,171	7,541,629
Conversion of mandatory convertible preferred stock to common stock	—	—	—	23,982,902
Ending	**1,736,731,395**	**1,728,158,524**	**1,736,731,395**	**1,728,158,524**
Preferred stock				
Beginning	**$ —**	$ —	$ —	$ 0
Conversion of mandatory convertible preferred stock to common stock	—	—	—	(0)
Ending	**$ —**	**$ —**	**$ —**	**$ —**
Common stock				
Beginning	$ 17	$ 17	$ 17	$ 17
Impact of stock-based compensation plans	0	0	0	0
Conversion of mandatory convertible preferred stock to common stock	—	—	—	0
Ending	**$ 17**	**$ 17**	**$ 17**	**$ 17**
Treasury stock				
Beginning	$ (2,251)	$ (2,251)	$ (2,251)	$ (2,251)
Repurchase of common stock	—	—	—	—
Ending	**$ (2,251)**	**$ (2,251)**	**$ (2,251)**	**$ (2,251)**
Additional paid-in capital				
Beginning	$ 20,803	$ 20,441	$ 20,647	$ 20,289
Impact of stock-based compensation plans	160	132	316	285
Ending	**$ 20,963**	**$ 20,573**	**$ 20,963**	**$ 20,573**
Retained earnings/(Accumulated deficit)				
Beginning	$ 1,639	$ (189)	$ 819	$ (750)
Net income (loss)	468	504	1,284	1,088
Net (income) loss attributable to noncontrolling interests	0	0	4	0
Preferred stock dividends	—	—	—	(23)
Ending	**$ 2,107**	**$ 315**	**$ 2,107**	**$ 315**
Accumulated other comprehensive income (loss), net of tax				
Beginning	$ 164	$ 208	$ 49	$ 269
Changes in other comprehensive income (loss)	(292)	23	(178)	(37)
Ending	**$ (128)**	**$ 231**	**$ (128)**	**$ 231**
Total stockholders' equity	**$ 20,708**	**$ 18,886**	**$ 20,708**	**$ 18,886**
Noncontrolling interests				
Beginning	$ 238	$ 259	$ 248	$ —
Net income (loss) attributable to noncontrolling interests	(0)	(0)	(4)	(0)
Changes in other comprehensive income (loss)	10	(16)	4	(16)
Changes to noncontrolling ownership interest	—	—	—	259
Ending	**$ 248**	**$ 243**	**$ 248**	**$ 243**
Total equity	**$ 20,956**	**$ 19,129**	**$ 20,956**	**$ 19,129**

Refer to notes to the unaudited consolidated financial statements. Amounts may not foot due to rounding.

BOSTON SCIENTIFIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)	Nine Months Ended September 30, 2024	2023
Net income (loss)	**$ 1,284**	**$ 1,088**
Adjustments to reconcile net income (loss) to cash provided by (used for) operating activities		
Depreciation and amortization	921	883
Deferred and prepaid income taxes	10	(74)
Stock-based compensation expense	197	174
Goodwill and other intangible asset impairment charges	276	58
Net loss (gain) on investments and notes receivable	60	48
Contingent consideration net expense (benefit)	(4)	43
Inventory step-up amortization	—	6
Other, net	22	33
Increase (decrease) in operating assets and liabilities, excluding purchase accounting:		
Trade accounts receivable	(261)	(164)
Inventories	(274)	(601)
Other assets	(109)	(43)
Accounts payable, accrued expenses and other liabilities	(142)	95
Cash provided by (used for) operating activities	**1,979**	**1,546**
Investing activities:		
Purchases of property, plant and equipment and internal use software	(513)	(444)
Proceeds from sale of property, plant and equipment	1	4
Payments for acquisitions of businesses, net of cash acquired	(1,222)	(1,018)
Payments for investments and acquisitions of certain technologies, net of investment proceeds	(264)	(89)
Proceeds from royalty rights	16	23
Proceeds from settlements of hedge contracts	—	2
Cash provided by (used for) investing activities	**(1,983)**	**(1,521)**
Financing activities:		
Payment of contingent consideration previously established in purchase accounting	(131)	(39)
Payments for royalty rights	(26)	(50)
Payments for finance leases	(25)	—
Payments on short-term borrowings	(504)	—
Proceeds from short-term borrowings, net of debt issuance costs	22	—
Net increase (decrease) in commercial paper	—	(4)
Proceeds from long-term borrowings, net of debt issuance costs	2,145	—
Cash dividends paid on preferred stock	—	(28)
Cash used to net share settle employee equity awards	(83)	(54)
Proceeds from issuances of common stock pursuant to employee stock compensation and purchase plans	202	165
Cash provided by (used for) financing activities	**1,600**	**(10)**
Effect of foreign exchange rates on cash	(2)	(8)
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	1,594	7
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	1,055	1,126
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	**$ 2,649**	**$ 1,132**

Refer to notes to the unaudited consolidated financial statements. Amounts may not foot due to rounding.

BOSTON SCIENTIFIC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(SUPPLEMENTAL INFORMATION)

(in millions)	Nine Months Ended September 30, 2024	2023
Supplemental Information		
Stock-based compensation expense	$ 197	$ 174
Fair value of contingent consideration recorded in purchase accounting	29	—
Non-cash impact of transferred royalty rights	(16)	(23)

Reconciliation to amounts within the unaudited consolidated balance sheets:	As of September 30, 2024	2023
Cash and cash equivalents	$ 2,502	$ 952
Restricted cash and restricted cash equivalents included in *Other current assets*	70	123
Restricted cash equivalents included in *Other long-term assets*	78	58
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	**$ 2,649**	**$ 1,132**

Refer to notes to the unaudited consolidated financial statements. Amounts may not foot due to rounding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE A – BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Boston Scientific Corporation have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) and with the instructions to Form 10-Q and Article 10 of Regulation S-X, and they do not include all of the information and footnotes required by GAAP for complete financial statements. When used in this report, the terms, "we," "us," "our," and "the Company" mean Boston Scientific Corporation and its divisions and subsidiaries. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for fair presentation have been included. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. Accordingly, our unaudited consolidated financial statements and footnotes thereto should be read in conjunction with our audited consolidated financial statements and footnotes thereto included in Item 8 of our most recent Annual Report on Form 10-K.

The accompanying unaudited consolidated financial statements include the accounts of the Company's wholly owned- subsidiaries and entities for which the Company has a controlling financial interest. All intercompany balances and transactions have been eliminated in consolidation. In the first quarter of 2023, we acquired a majority stake investment in Acotec Scientific Holdings Limited (Acotec) and have elected to consolidate their financial statements on a one quarter lag.

Amounts reported in millions within this Quarterly Report on Form 10-Q are computed based on the amounts in thousands. As a result, the sum of the components 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.

NOTE B – ACQUISITIONS AND STRATEGIC INVESTMENTS

Our accompanying unaudited consolidated financial statements include the operating results for acquired entities from the respective dates of acquisition. We have not presented supplemental pro forma financial information for completed acquisitions or divestitures given their results are not material to our accompanying unaudited consolidated financial statements. Further, transaction costs were immaterial to our accompanying unaudited consolidated financial statements and were expensed as incurred.

On January 8, 2024, we announced our entry into a definitive agreement to acquire 100 percent of Axonics, Inc. (Axonics), a publicly traded medical technology company primarily focused on the development and commercialization of devices to treat urinary and bowel dysfunction. The purchase price is $71.00 in cash per share, or approximately $3.670 billion for 100% of the fully diluted equity. On April 3, 2024, we and Axonics each received a request for additional information (Second Request) from the United States Federal Trade Commission (FTC) in connection with the FTC's review of the transaction. The issuance of the Second Request extends the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (HSR Act), until 30 days after both we and Axonics have substantially complied with the Second Request, unless the waiting period is extended voluntarily by the parties or terminated earlier by the FTC. We and Axonics have responded to the Second Request and continue to work cooperatively with the FTC in its review. The transaction is expected to be completed in the fourth quarter of 2024, subject to the expiration or termination of the waiting period under the HSR Act and the satisfaction (or waiver) of other customary closing conditions. The Axonics business will be integrated into our Urology division.

2024 Acquisitions

On September 17, 2024, we completed our acquisition of 100 percent of the outstanding equity of Silk Road Medical, Inc. (Silk Road Medical), a publicly traded medical device company that has developed an innovative platform of products to prevent stroke in patients with carotid artery disease through a minimally invasive procedure called transcarotid artery revascularization (TCAR). The transaction consisted of an upfront cash payment of $27.50 per share, or approximately $1.126 billion, net of cash acquired. The Silk Road Medical business is being integrated into our Peripheral Interventions division.

Purchase Price Allocation

We accounted for this transaction as a business combination in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 805, *Business Combinations* (FASB ASC Topic 805). The preliminary purchase price was comprised of the amount presented below:

(in millions)	Silk Road Medical
Payment for acquisition, net of cash acquired	$ 1,126
	$ 1,126

We recorded the assets acquired and liabilities assumed at their respective fair values as of the closing date of the transaction. The preliminary purchase price allocation was comprised of the components presented below, which represent the preliminary determination of the fair value of identifiable assets acquired and liabilities assumed, with the excess of the purchase price over the fair value of net assets acquired recorded to goodwill. The final determination of the fair value of certain assets and liabilities will be completed within the measurement period in accordance with FASB ASC Topic 805.

(in millions)	Silk Road Medical
Goodwill	$ 563
Amortizable intangible assets	507
Other assets acquired	124
Liabilities assumed	(46)
Net deferred tax liabilities	(22)
	$ 1,126

Goodwill was primarily established due to synergies expected to be gained from leveraging our existing operations, as well as revenue and cash flow projections associated with future technologies, none of which is deductible for tax purposes.

We allocated a portion of the purchase price to the specific intangible asset categories as follows:

	Amount Assigned *(in millions)*	Weighted Average Amortization Period *(in years)*	Risk-Adjusted Discount Rates used in Purchase Price Allocation
Amortizable intangible assets:			
Technology-related	$ 447	12	13%
Customer relationships	61	12	13%
	$ 507		

2023 Acquisitions

On April 4, 2023, we completed our acquisition of 100 percent of the outstanding equity of Apollo Endosurgery, Inc. (Apollo), a public company which offers a portfolio of devices used during endoluminal procedures to close gastrointestinal defects, manage gastrointestinal complications and aid in weight loss for patients suffering from obesity. The transaction consisted of an upfront cash payment of $636 million, net of cash acquired. The Apollo business is being integrated into our Endoscopy division.

On February 20, 2023, we completed the acquisition of a majority stake investment in Acotec Scientific Holdings Limited (Acotec), a publicly traded Chinese manufacturer of drug-coated balloons and other products used in the treatment of vascular and other diseases. We consolidated this majority stake investment in Acotec based on the conclusion we control the entity, and recorded a noncontrolling interest for the portion we do not own. We acquired approximately 65 percent of the outstanding shares of Acotec, for an upfront cash payment of HK$20.00 per share, or $519 million at foreign currency exchange rates at closing. The Acotec portfolio complements our existing Peripheral Interventions portfolio.

Purchase Price Allocation

We accounted for these transactions as business combinations in accordance with FASB ASC Topic 805. The final purchase prices were comprised of the amounts presented below:

(in millions)	Acotec[1]	Apollo
Payment for acquisition, net of cash acquired[2]	$ 381	$ 636
	$ 381	**$ 636**

[1] Excludes approximately $140 million of cash on hand at the closing of the transaction
[2] Related to Acotec, represents our majority stake investment

We recorded the assets acquired, liabilities assumed and specific to Acotec, the noncontrolling interest, at their respective fair values as of the closing date of the transaction. The final purchase price allocations were comprised of the components presented below, with the excess of the purchase price over the fair value of net assets acquired recorded to goodwill:

(in millions)	Acotec	Apollo
Goodwill	$ 337	$ 378
Amortizable intangible assets	334	248
Other assets acquired	93	50
Liabilities assumed	(48)	(33)
Net deferred tax liabilities	(76)	(5)
Fair value of noncontrolling interest	(259)	—
	$ 381	**$ 636**

The fair value of Acotec's noncontrolling interest was based on the publicly traded market value of the remaining 35 percent of the outstanding shares we did not acquire as of the transaction date and is presented in *Stockholders' equity* within our accompanying unaudited consolidated balance sheets. Goodwill was primarily established for Acotec due to opportunities for collaboration in research and development, manufacturing and commercial strategies, and for Apollo, due to synergies expected to be gained from leveraging our existing operations, as well as revenue and cash flow projections associated with future technologies, none of which is deductible for tax purposes.

We allocated a portion of the purchase price to the specific intangible asset categories as follows:

	Amount Assigned *(in millions)*	Weighted Average Amortization Period *(in years)*	Risk-Adjusted Discount Rates used in Purchase Price Allocation
Acotec:			
Amortizable intangible assets:			
Technology-related	$ 308	11	14%
Customer relationships	15	11	14%
Other intangible assets	11	13	14%
	$ 334		
Apollo:			
Amortizable intangible assets:			
Technology-related	$ 222	11	12%
Customer relationships	26	11	12%
	$ 248		

Contingent Consideration

Changes in the fair value of our contingent consideration liability during the first nine months of 2024 associated with prior period acquisitions were as follows:

(in millions)	
Balance as of December 31, 2023	**$ 404**
Amount recorded related to current year acquisitions	29
Contingent consideration net expense (benefit)	(4)
Contingent consideration payments and other adjustments	(258)
Balance as of September 30, 2024	**$ 171**

The payments made during the first nine months of 2024 primarily related to our acquisition of Farapulse, Inc. (Farapulse) and Relievant Medsystems, Inc. (Relievant) following the achievement of revenue-based earnouts and sales milestones, respectively. The maximum amount we could be required to pay for certain contingent consideration is not determinable as it is uncapped and based on a percent of certain sales. As of September 30, 2024, the fair value of such uncapped contingent consideration is estimated at $139 million. As of September 30, 2024, the maximum amount that we could be required to pay under our other contingent consideration arrangements (undiscounted) is approximately $220 million. Refer to *Note B – Acquisitions and Strategic Investments* to our audited financial statements contained in Item 8. Financial Statements and Supplementary Data of our most recent Annual Report on Form 10-K for additional information.

The recurring Level 3 fair value measurements of our contingent consideration liability that we expect to be required to settle include the following significant unobservable inputs:

Contingent Consideration Liability	Fair Value as of September 30, 2024	Valuation Technique	Unobservable Input	Range	Weighted Average[1]
Revenue-based Payments and Milestones	$171 million	Discounted Cash Flow	Discount Rate	6% - 15%	7%
			Probability of Payment	90% - 100%	98%
			Projected Year of Payment	2025 - 2029	2027

[1] Unobservable inputs were weighted by the relative fair value of the contingent consideration liability. For projected year of payment, the amount represents the median of the inputs and is not a weighted average.

Projected contingent payment amounts related to our revenue-based payments and milestones are discounted back to the current period, primarily using a discounted cash flow model. Significant increases or decreases in projected revenues, probabilities of payment, discount rates or the time until payment is made would have resulted in a significantly lower or higher fair value measurement as of September 30, 2024.

Strategic Investments

The aggregate carrying amount of our strategic investments was comprised of the following:

	As of	
(in millions)	**September 30, 2024**	**December 31, 2023**
Equity method investments	$ 256	$ 219
Measurement alternative investments[1, 2]	276	194
	$ 532	**$ 413**

[1] Measurement alternative investments are privately-held equity securities without readily determinable fair values that are measured at cost less impairment, if any, adjusted to fair value for any observable price changes in orderly transactions for the identical or a similar investment of the same issuer, recognized in *Other, net* within our accompanying unaudited consolidated statements of operations.
[2] Includes publicly-held securities and convertible notes measured at fair value with changes in fair value recognized in *Other, net* within our accompanying unaudited consolidated statements of operations.

These investments are classified as *Other long-term assets* within our accompanying unaudited consolidated balance sheets, in accordance with GAAP and our accounting policies.

As of September 30, 2024, the cost of our aggregated equity method investments exceeded our share of the underlying equity in net assets by $255 million, which represents amortizable intangible assets, in-process research and development (IPR&D), goodwill and deferred tax liabilities.

NOTE C – GOODWILL AND OTHER INTANGIBLE ASSETS

The gross carrying amount of goodwill and other intangible assets and the related accumulated amortization for intangible assets subject to amortization and accumulated goodwill impairment charges are as follows:

	As of September 30, 2024		As of December 31, 2023	
(in millions)	Gross Carrying Amount	Accumulated Amortization/ Write-offs	Gross Carrying Amount	Accumulated Amortization/ Write-offs
Technology-related	$ 13,431	$ (8,555)	$ 13,207	$ (8,101)
Patents	480	(381)	480	(387)
Other intangible assets	2,270	(1,584)	2,130	(1,500)
Amortizable intangible assets	**$ 16,181**	**$ (10,521)**	**$ 15,817**	**$ (9,988)**
Goodwill	**$ 24,933**	**$ (9,900)**	**$ 24,287**	**$ (9,900)**
IPR&D	$ 94		$ 54	
Technology-related	—		120	
Indefinite-lived intangible assets	**$ 94**		**$ 174**	

The increase in our balance of goodwill and amortizable intangible assets is related primarily to our acquisition of Silk Road Medical in the third quarter of 2024.

The following represents a roll-forward of our goodwill balance by reportable segment:

(in millions)	MedSurg	Cardiovascular	Total
As of December 31, 2023	**$ 5,347**	**$ 9,041**	**$ 14,387**
Goodwill acquired	24	609	633
Impact of foreign currency fluctuations and purchase price and other adjustments	(22)	34	12
As of September 30, 2024	**$ 5,349**	**$ 9,684**	**$ 15,033**

Goodwill and Other Intangible Asset Impairments

We did not record any goodwill impairment charges in the first nine months of 2024 or 2023. We test our goodwill balances in the second quarter of each year as of April 1 for impairment, or more frequently if impairment indicators are present or changes in circumstances suggest an impairment may exist.

We assess goodwill for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment, referred to as a component. We identified the following reporting units for purposes of our annual goodwill impairment test: Interventional Cardiology, Rhythm Management, Peripheral Interventions, Endoscopy, Urology and Neuromodulation. Based on the criteria prescribed in FASB ASC Topic 350, *Intangibles - Goodwill and Other* (FASB ASC Topic 350), we aggregated the Interventional Cardiology Therapies and Watchman components of our Cardiology operating segment into a single Interventional Cardiology reporting unit and aggregated the Cardiac Rhythm Management and Electrophysiology components of our Cardiology operating segment into a single Rhythm Management reporting unit.

In the second quarter of 2024, we performed our annual goodwill impairment test utilizing both the qualitative and quantitative approach described in FASB ASC Topic 350. The qualitative approach was used for testing certain reporting units where fair value has historically exceeded carrying value by greater than 100 percent, and all other reporting units were tested using the quantitative approach. For the reporting units tested using the qualitative approach, after assessing the totality of events, it was determined that it was not more likely than not that the fair value of the reporting units was less than their carrying value, and it was not deemed necessary to proceed to the quantitative test. For the reporting units tested using the quantitative approach, we determined that the fair value of the reporting units exceeded the carrying value and concluded that goodwill was not impaired or at risk of impairment. There were no impairment indicators in the third quarter of 2024 that necessitated an interim impairment test.

In 2024, we did not record any *Intangible asset impairment charges* in the third quarter and recorded $276 million in the first nine months. The impairment charges recorded in 2024 were associated with amortizable intangible assets established in connection with our acquisitions of Cryterion Medical, Inc. (Cryterion) and Devoro Medical, Inc. (Devoro), which were integrated into our Electrophysiology and Peripheral Interventions business units, respectively. Intangible assets acquired from Cryterion were impaired due to strong commercial adoption of our Farapulse™ Pulsed Field Ablation System and the resulting lower revenue projections and cannibalization of our cryoablation business in major markets like the U.S. Intangible assets acquired from Devoro were impaired following management's decision to cancel the related program in the second quarter of 2024. We calculated the fair value of our Cryterion and Devoro intangible assets as the present value of estimated future cash flows we expect to generate from the assets based on estimates and assumptions about future revenue contributions, cost structures and the remaining useful lives of the assets.

In 2023, we recorded *Intangible asset impairment charges* of less than $1 million in the third quarter and $58 million in the first nine months. The impairment charges recorded in 2023 were primarily associated with the cancellation of an IPR&D program due to the incremental time and cost to complete the program and bring the technology to market.

We review intangible assets subject to amortization quarterly to determine if any adverse conditions exist or a change in circumstances has occurred that would indicate impairment or a change in the remaining useful life. Conditions that may indicate impairment include, but are not limited to, a significant adverse change in legal factors or business climate that could affect the value of an asset, a product recall or an adverse action or assessment by a regulator. If we determine it is more likely than not that the asset is impaired based on our qualitative assessment of impairment indicators, we test the intangible asset for recoverability. If the carrying value of the intangible asset or asset group exceeds the undiscounted cash flows expected to result from the use and eventual disposition of the intangible asset or asset group, we will write the carrying value down to fair value in the period impairment is identified. We test our indefinite-lived intangible assets at least annually during the third quarter for impairment and reassess their classification as indefinite-lived assets. In addition, we review our indefinite-lived intangible assets for classification and impairment more frequently if impairment indicators exist.

During the third quarter of 2024, we performed our annual IPR&D impairment test and evaluated our indefinite-lived core technology assets for impairment and concluded the assets were not impaired. We also reclassified our indefinite-lived core technology assets to amortizable intangible assets after determining the intangibles no longer have an indefinite useful life and verified that the classification of IPR&D projects recognized within our unaudited consolidated balance sheets continues to be appropriate.

Refer to *Note A – Significant Accounting Policies* to our audited financial statements contained in Item 8. Financial Statements and Supplementary Data of our most recent Annual Report on Form 10-K for further discussion of our annual goodwill and intangible asset impairment testing.

NOTE D – HEDGING ACTIVITIES AND FAIR VALUE MEASUREMENTS

Derivative Instruments and Hedging Activities

We address market risk from changes in foreign currency exchange rates and interest rates through risk management programs which include the use of derivative and nonderivative financial instruments. We manage concentration of counterparty credit risk by limiting acceptable counterparties to major financial institutions with investment grade credit ratings, limiting the amount of credit exposure to individual counterparties and by actively monitoring counterparty credit ratings and the amount of individual credit exposure. We also employ master netting arrangements that limit the risk of counterparty non-payment on a particular settlement date to the net gain that would have otherwise been received from the counterparty. Although not completely eliminated, we do not consider the risk of counterparty default to be significant as a result of these protections. Further, none of our derivative instruments are subject to collateral or other security arrangements, nor do they contain provisions that are dependent on our credit ratings from any credit rating agency.

Currency Hedging Instruments

Risk Management Strategy

Our risk from changes in currency exchange rates consists primarily of monetary assets and liabilities; forecasted intercompany and third-party transactions; and net investments in certain subsidiaries. We manage currency exchange rate risk at a consolidated level to reduce the cost of hedging by taking advantage of offsetting transactions. We employ derivative and nonderivative instruments, primarily forward currency contracts, to reduce the risk to our earnings and cash flows associated with changes in currency exchange rates.

The success of our currency risk management program depends, in part, on forecasted transactions denominated primarily in euro, Chinese renminbi, Japanese yen, British pound sterling, Australian dollar and Swiss franc. We may experience unanticipated currency exchange gains or losses to the extent the actual activity is different than forecasted. In addition, changes in currency exchange rates related to any unhedged transactions may impact our earnings and cash flows.

Hedge Designations and Relationships

Certain of our currency derivative instruments are designated as cash flow hedges under FASB ASC Topic 815*, Derivatives and Hedging* (FASB ASC Topic 815), and are intended to protect the U.S. dollar value of forecasted transactions. The gain or loss on a derivative instrument designated as a cash flow hedge is recorded in the *Net change in derivative financial instruments* component of *Other comprehensive income (loss), net of tax* (OCI) within our unaudited consolidated statements of comprehensive income (loss) until the underlying third-party transaction occurs. When the underlying third-party transaction occurs, we recognize the gain or loss in earnings within *Cost of products sold* within our unaudited consolidated statements of operations. In the event the hedging relationship is no longer effective, or if the occurrence of the hedged forecast transaction becomes no longer probable, we reclassify the gains or losses within *Accumulated other comprehensive income (loss), net of tax* (AOCI) to earnings at that time. The cash flows related to the derivative instruments designated as cash flow hedges are reported as operating activities within our unaudited consolidated statements of cash flows.

We also designate certain forward currency contracts as net investment hedges to hedge a portion of our net investments in certain of our entities with functional currencies denominated in the Chinese renminbi and Japanese yen. For these derivative instruments, we elected to use the spot method to assess hedge effectiveness. We also elected to exclude the spot-forward difference, referred to as the excluded component, from the assessment of hedge effectiveness and are amortizing this amount separately, as calculated at the date of designation, on a straight-line basis over the term of the currency forward contracts. As such, we defer recognition of foreign currency gains and losses within the *Foreign currency translation adjustment* (CTA) component of OCI, and we reclassify amortization of the excluded component from AOCI to current period earnings within *Interest expense* within our unaudited consolidated statements of operations.

We designate certain euro-denominated debt as net investment hedges to hedge a portion of our net investments in certain of our entities with functional currencies denominated in the euro. As of September 30, 2024 and December 31, 2023, we designated as a net investment hedge our €900 million in aggregate principal amount of 0.625% senior notes issued in November 2019 and due in 2027 (2027 Notes). For these nonderivative instruments, we defer recognition of the foreign currency remeasurement gains and losses within the CTA component of OCI. We reclassify these gains and losses to current period earnings within *Other, net* within our accompanying unaudited consolidated statements of operations only when the hedged item affects earnings, which would occur upon disposal or substantial liquidation of the underlying foreign subsidiary.

We also use forward currency contracts that are not part of designated hedging relationships as a part of our strategy to manage our exposure to currency exchange rate risk related to monetary assets and liabilities and related forecast transactions. These non-designated currency forward contracts have an original time to maturity consistent with the hedged currency transaction exposures, generally less than one year, and are marked-to-market with changes in fair value recorded to earnings within *Other, net* within our accompanying unaudited consolidated statements of operations.

Interest Rate Hedging Instruments

Risk Management Strategy

Our interest rate risk relates primarily to U.S. dollar and euro-denominated borrowings partially offset by U.S. dollar cash investments. We use interest rate derivative instruments to mitigate the risk to our earnings and cash flows associated with exposure to changes in interest rates. Under these agreements, we and the counterparty, at specified intervals, exchange the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. We designate these derivative instruments either as fair value or cash flow hedges in accordance with FASB ASC Topic 815.

Hedge Designations and Relationships

We had no interest rate derivative instruments designated as cash flow hedges outstanding as of September 30, 2024 or December 31, 2023. In the event that we designate outstanding interest rate derivative instruments as cash flow hedges, we record the changes in the fair value of the derivatives within OCI until the underlying hedged transaction occurs.

We had no interest rate derivative instruments designated as fair value hedges outstanding as of September 30, 2024 or December 31, 2023. In the event that we designate outstanding interest rate derivative instruments as fair value hedges, we record the changes in the fair values of interest-rate derivatives designated as fair value hedges and of the underlying hedged debt instruments in *Interest expense*, which generally offset.

The following table presents the contractual amounts of our hedging instruments outstanding:

		As of	
(in millions)	**FASB ASC Topic 815 Designation**	**September 30, 2024**	**December 31, 2023**
Forward currency contracts	Cash flow hedge	$ 2,763	$ 2,284
Forward currency contracts	Net investment hedge	645	333
Foreign currency-denominated debt[(1)]	Net investment hedge	997	997
Forward currency contracts	Non-designated	3,072	3,282
Total Notional Outstanding		**$ 7,477**	**$ 6,896**

[(1)] Foreign currency-denominated debt is the €900 million debt principal associated with our 2027 Notes designated as a net investment hedge.

The remaining time to maturity as of September 30, 2024 is within 36 months for all forward currency contracts designated as cash flow hedges and generally less than one year for all non-designated forward currency contracts. The forward currency contracts designated as net investment hedges generally mature between one and two years. The euro-denominated debt principal designated as a net investment hedge has a contractual maturity of December 1, 2027.

The following presents the effect of our derivative and nonderivative instruments designated as cash flow and net investment hedges under FASB ASC Topic 815 within our accompanying unaudited consolidated statements of operations. Refer to *Note M – Changes in Other Comprehensive Income* for the total amounts relating to derivative and nonderivative instruments presented within our accompanying unaudited consolidated statements of comprehensive income (loss).

	Effect of Hedging Relationships on Accumulated Other Comprehensive Income							
	Amount Recognized in OCI on Hedges			Unaudited Consolidated Statements of Operations[1]		Amount Reclassified from AOCI into Earnings		
(in millions)	Pre-Tax Gain (Loss)	Tax Benefit (Expense)	Gain (Loss) Net of Tax	Location of Amount Reclassified and Total Amount of Line Item		Pre-Tax (Gain) Loss	Tax (Benefit) Expense	(Gain) Loss Net of Tax
	Three Months Ended September 30, 2024							
Forward currency contracts								
Cash flow hedges	$ (86)	$ 19	$ (66)	Cost of products sold	$ 1,312	$ (44)	$ 10	$ (34)
Net investment hedges[2]	(35)	8	(27)	Interest expense	79	(4)	1	(3)
Foreign currency-denominated debt								
Net investment hedges[3]	(44)	10	(34)	Other, net	(14)	—	—	—
Interest rate derivative contracts								
Cash flow hedges	—	—	—	Interest expense	79	0	(0)	0

	Effect of Hedging Relationships on Accumulated Other Comprehensive Income							
	Amount Recognized in OCI on Hedges			Unaudited Consolidated Statements of Operations[1]		Amount Reclassified from AOCI into Earnings		
(in millions)	Pre-Tax Gain (Loss)	Tax Benefit (Expense)	Gain (Loss) Net of Tax	Location of Amount Reclassified and Total Amount of Line Item		Pre-Tax (Gain) Loss	Tax (Benefit) Expense	(Gain) Loss Net of Tax
	Three Months Ended September 30, 2023							
Forward currency contracts								
Cash flow hedges	$ 54	$ (12)	$ 42	Cost of products sold	$ 1,101	$ (51)	$ 11	$ (39)
Net investment hedges[2]	12	(3)	9	Interest expense	66	(2)	1	(2)
Foreign currency-denominated debt								
Net investment hedges[3]	26	(6)	20	Other, net	18	—	—	—
Interest rate derivative contracts								
Cash flow hedges	—	—	—	Interest Expense	66	1	(0)	1

	Effect of Hedging Relationships on Accumulated Other Comprehensive Income							
	Amount Recognized in OCI on Hedges			Unaudited Consolidated Statements of Operations[1]		Amount Reclassified from AOCI into Earnings		
(in millions)	Pre-Tax Gain (Loss)	Tax Benefit (Expense)	Gain (Loss) Net of Tax	Location of Amount Reclassified and Total Amount of Line Item		Pre-Tax (Gain) Loss	Tax (Benefit) Expense	(Gain) Loss Net of Tax
	Nine Months Ended September 30, 2024							
Forward currency contracts								
Cash flow hedges	$ 22	$ (5)	$ 17	Cost of products sold	$ 3,791	$ (146)	$ 33	$ (113)
Net investment hedges[2]	12	(3)	9	Interest expense	225	(12)	3	(10)
Foreign currency-denominated debt								
Net investment hedges[3]	(12)	3	(10)	Other, net	7	—	—	—
Interest rate derivative contracts								
Cash flow hedges	—	—	—	Interest expense	225	1	(0)	1

	Effect of Hedging Relationships on Accumulated Other Comprehensive Income							
	Amount Recognized in OCI on Hedges			Unaudited Consolidated Statements of Operations[1]	Amount Reclassified from AOCI into Earnings		
(in millions)	Pre-Tax Gain (Loss)	Tax Benefit (Expense)	Gain (Loss) Net of Tax	Location of Amount Reclassified and Total Amount of Line Item	Pre-Tax (Gain) Loss	Tax (Benefit) Expense	(Gain) Loss Net of Tax
	Nine Months Ended September 30, 2023						
Forward currency contracts							
Cash flow hedges	$ 141	$ (32)	$ 109	Cost of products sold	$ 3,198	$ (176)	$ 40	$ (136)
Net investment hedges[2]	40	(9)	31	Interest expense	200	(7)	2	(6)
Foreign currency-denominated debt								
Net investment hedges[3]	8	(2)	6	Other, net	78	—	—	—
Interest rate derivative contracts								
Cash flow hedges	—	—	—	Interest expense	200	2	(0)	2

[1] In all periods presented in the table above, the pre-tax (gain) loss amounts reclassified from AOCI to earnings represent the effect of the hedging relationships on earnings.
[2] For our outstanding forward currency contracts designated as net investment hedges, the net gain or loss reclassified from AOCI to earnings as a reduction of *Interest expense* represents the straight-line amortization of the excluded component as calculated at the date of designation. This initial value of the excluded component has been excluded from the assessment of effectiveness in accordance with FASB ASC Topic 815. In the current and prior periods, we did not recognize any gains or losses on the components included in the assessment of hedge effectiveness in earnings.
[3] For our outstanding euro-denominated debt principal designated as a net investment hedge, the change in fair value attributable to changes in the spot rate is recorded in the CTA component of OCI. No amounts were reclassified from AOCI to current period earnings.

As of September 30, 2024, pre-tax net gains or losses for our derivative instruments designated, or previously designated, as cash flow and net investment hedges under FASB ASC Topic 815 that may be reclassified from AOCI to earnings within the next twelve months are presented below (in millions):

Designated Hedging Instrument	FASB ASC Topic 815 Designation	Location on Unaudited Consolidated Statements of Operations	Amount of Pre-Tax Gain (Loss) that may be Reclassified to Earnings
Forward currency contracts	Cash flow hedge	Cost of products sold	$ 72
Forward currency contracts	Net investment hedge	Interest expense	6
Interest rate derivative contracts	Cash flow hedge	Interest expense	(1)

Net gains and losses on currency hedge contracts not designated as hedging instruments offset by net gains and losses from currency transaction exposures are presented below:

	Location on Unaudited Consolidated Statements of Operations	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)		2024	2023	2024	2023
Net gain (loss) on currency hedge contracts	Other, net	$ (48)	$ 10	$ (4)	$ 13
Net gain (loss) on currency transaction exposures	Other, net	44	(16)	(7)	(42)
Net currency exchange gain (loss)		**$ (4)**	**$ (6)**	**$ (11)**	**$ (30)**

Fair Value Measurements

FASB ASC Topic 815 requires all derivative and nonderivative instruments to be recognized at their fair values as either assets or liabilities on the balance sheet. We determine the fair value of our derivative and nonderivative instruments using the framework prescribed by FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (FASB ASC Topic 820), and considering the estimated amount we would receive or pay to transfer these instruments at the reporting date with respect to current currency exchange rates, interest rates, the creditworthiness of the counterparty for unrealized gain positions and our own creditworthiness for unrealized loss positions. In certain instances, we may utilize financial models to measure fair value of our derivative and nonderivative instruments. In doing so, we use inputs that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, other observable inputs for the asset or liability and inputs derived principally from, or corroborated by, observable market data by correlation or other means. The following are the balances of our derivative and nonderivative assets and liabilities:

(in millions)	**Location on Unaudited Consolidated Balance Sheets[1]**	**As of September 30, 2024**	**As of December 31, 2023**
Derivative and Nonderivative Assets:			
Designated Hedging Instruments			
Forward currency contracts	Other current assets	$ 146	$ 140
Forward currency contracts	Other long-term assets	20	107
		166	246
Non-Designated Hedging Instruments			
Forward currency contracts	Other current assets	22	20
Total Derivative and Nonderivative Assets		**$ 188**	**$ 266**
Derivative and Nonderivative Liabilities:			
Designated Hedging Instruments			
Forward currency contracts	Other current liabilities	$ 36	$ 15
Forward currency contracts	Other long-term liabilities	13	9
Foreign currency-denominated debt[2]	Long-term debt	1,002	988
		1,052	1,012
Non-Designated Hedging Instruments			
Forward currency contracts	Other current liabilities	36	38
Total Derivative and Nonderivative Liabilities		**$ 1,087**	**$ 1,050**

[1] We classify derivative and nonderivative assets and liabilities as current when the settlement date of the contract is one year or less.
[2] Foreign currency-denominated debt is the €900 million debt principal associated with our 2027 Notes designated as a net investment hedge. A portion of this notional is subject to de-designation and re-designation based on changes in the underlying hedged item.

Recurring Fair Value Measurements

On a recurring basis, we measure certain financial assets and financial liabilities at fair value based upon quoted market prices. Where quoted market prices or other observable inputs are not available, we apply valuation techniques to estimate fair value. FASB ASC Topic 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The category of a financial asset or a financial liability within the valuation hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy are defined as follows:

- Level 1 – Inputs to the valuation methodology are quoted market prices for identical assets or liabilities.
- Level 2 – Inputs to the valuation methodology are other observable inputs, including quoted market prices for similar assets or liabilities and market-corroborated inputs.
- Level 3 – Inputs to the valuation methodology are unobservable inputs based on management's best estimate of inputs market participants would use in pricing the asset or liability at the measurement date, including assumptions about risk.

Assets and liabilities measured at fair value on a recurring basis consist of the following:

	As of							
	September 30, 2024				December 31, 2023			
(in millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Money market funds and time deposits	$ 1,733	$ —	$ —	$ 1,733	$ 454	$ —	$ —	$ 454
Publicly-held equity securities	19	—	—	19	18	—	—	18
Hedging instruments	—	188	—	188	—	266	—	266
Licensing arrangements	—	—	37	37	—	—	77	77
	$ 1,752	**$ 188**	**$ 37**	**$ 1,977**	**$ 472**	**$ 266**	**$ 77**	**$ 816**
Liabilities								
Hedging instruments	$ —	$ 1,087	$ —	$ 1,087	$ —	$ 1,050	$ —	$ 1,050
Contingent consideration liability	—	—	171	171	—	—	404	404
Licensing arrangements	—	—	41	41	—	—	90	90
	$ —	**$ 1,087**	**$ 212**	**$ 1,300**	**$ —**	**$ 1,050**	**$ 494**	**$ 1,545**

Our investments in money market funds and time deposits are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. These investments are classified as *Cash and cash equivalents* or *Other current assets* within our accompanying unaudited consolidated balance sheets, in accordance with GAAP and our accounting policies. In addition to $1.733 billion invested in money market funds and time deposits as of September 30, 2024 and $454 million as of December 31, 2023, we held $803 million in interest-bearing and non-interest-bearing bank accounts as of September 30, 2024 and $411 million as of December 31, 2023.

Our recurring fair value measurements using Level 3 inputs include those related to our contingent consideration liability. Refer to *Note B – Acquisitions and Strategic Investments* for a discussion of the changes in the fair value of our contingent consideration liability. In addition, our recurring fair value measurements using Level 3 inputs related to our licensing arrangements, including the contractual right to receive future royalty payments related to the Zytiga™ Drug. We maintain a financial asset and associated liability for our licensing arrangements measured at fair value within our unaudited consolidated balance sheets in accordance with FASB ASC Topic 825, *Financial Instruments.* We elected the fair value option to measure the financial asset and associated liability as it provides for consistency and comparability of these financial instruments with others. Refer to *Note D – Hedging Activities and Fair Value Measurements* to our audited financial statements contained in Item 8. Financial Statements and Supplementary Data of our most recent Annual Report on Form 10-K for additional information.

The recurring Level 3 fair value measurements of our licensing arrangements recognized within our accompanying unaudited consolidated balance sheet as of September 30, 2024 include the following significant unobservable inputs:

Licensing Arrangements	Fair Value as of September 30, 2024	Valuation Technique	Unobservable Input	Range	Weighted Average [1]
Financial Asset	$37 million	Discounted Cash Flow	Discount Rate	15%	15%
			Projected Year of Payment	2024 - 2025	2025
Financial Liability	$41 million	Discounted Cash Flow	Discount Rate	12 % - 15%	13%
			Projected Year of Payment	2024 - 2026	2025

[1] Unobservable inputs relate to a single financial asset and liability. As such, unobservable inputs were not weighted by the relative fair value of the instruments. For projected year of payment, the amount represents the median of the inputs and is not a weighted average.

Changes in the fair value of our licensing arrangements' financial asset were as follows:

(in millions)		
Balance as of December 31, 2023	**$**	**77**
Proceeds from royalty rights		(31)
Fair value adjustment (expense) benefit		(9)
Balance as of September 30, 2024	**$**	**37**

Changes in the fair value of our licensing arrangements' financial liability were as follows:

(in millions)		
Balance as of December 31, 2023	**$**	**90**
Payments for royalty rights		(41)
Fair value adjustment expense (benefit)		(8)
Balance as of September 30, 2024	**$**	**41**

Non-Recurring Fair Value Measurements

We hold certain assets and liabilities that are measured at fair value on a non-recurring basis in periods after initial recognition. The fair value of a measurement alternative investment is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment. Refer to *Note B – Acquisitions and Strategic Investments* for a discussion of our strategic investments and *Note C – Goodwill and Other Intangible Assets* for a discussion of the fair values of our intangible assets including goodwill.

The fair value of our outstanding debt obligations, excluding finance leases, was $10.734 billion as of September 30, 2024 and $8.735 billion as of December 31, 2023. We determined fair value by using quoted market prices for our publicly registered senior notes, classified as Level 1 within the fair value hierarchy, and face value for commercial paper, term loans and credit facility borrowings outstanding. Refer to *Note E – Contractual Obligations and Commitments* for a discussion of our debt obligations.

NOTE E – CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Borrowings and Credit Arrangements

We had total debt outstanding of $10.885 billion as of September 30, 2024 and $9.102 billion as of December 31, 2023, with current obligations of $1.652 billion as of September 30, 2024 and $531 million as of December 31, 2023. The debt maturity schedule for our long-term debt obligations is presented below:

			As of		
(in millions, except interest rates)	**Issuance Date**	**Maturity Date**	**September 30, 2024**	**December 31, 2023**	**Coupon Rate[1]**
March 2025 Senior Notes[3]	March 2022	March 2025	—	1,105	0.750%
June 2025 Senior Notes	May 2020	June 2025	—	500	1.900%
March 2026 Senior Notes	February 2019	March 2026	255	255	3.750%
December 2027 Senior Notes[3]	November 2019	December 2027	1,007	995	0.625%
March 2028 Senior Notes[3]	March 2022	March 2028	839	829	1.375%
March 2028 Senior Notes	February 2018	March 2028	344	344	4.000%
March 2029 Senior Notes	February 2019	March 2029	272	272	4.000%
March 2029 Senior Notes[3]	February 2024	March 2029	839	—	3.375%
June 2030 Senior Notes	May 2020	June 2030	1,200	1,200	2.650%
March 2031 Senior Notes[3]	March 2022	March 2031	839	829	1.625%
March 2032 Senior Notes[3]	February 2024	March 2032	1,399	—	3.500%
March 2034 Senior Notes[3]	March 2022	March 2034	560	553	1.875%
November 2035 Senior Notes[2]	November 2005	November 2035	350	350	6.500%
March 2039 Senior Notes	February 2019	March 2039	450	450	4.550%
January 2040 Senior Notes	December 2009	January 2040	300	300	7.375%
March 2049 Senior Notes	February 2019	March 2049	650	650	4.700%
Unamortized Debt Issuance Discount and Deferred Financing Costs		2024 - 2049	(75)	(65)	
Finance Lease Obligation		Various	4	5	
Long-term debt			**$ 9,233**	**$ 8,571**	

[1] Coupon rates are semi-annual, except for the euro-denominated notes, which bear an annual coupon.
[2] Corporate credit rating improvements may result in a decrease in the adjusted interest rate on our November 2035 Notes to the extent that our lowest credit rating is above BBB- or Baa3. The interest rates on our November 2035 Notes will be permanently reinstated to the issuance rate of 6.25% if the lowest credit ratings assigned to these senior notes is either A- or A3 or higher.
[3] These notes are euro-denominated and presented in U.S. dollars based on the exchange rate in effect as of September 30, 2024 and December 31, 2023, respectively.

Revolving Credit Facility

On May 10, 2021, we entered into a $2.750 billion revolving credit facility (as amended, supplemented or otherwise modified from time to time, the 2021 Revolving Credit Facility) with a global syndicate of commercial banks. On May 10, 2024, we entered into a third amendment to the 2021 Revolving Credit Facility credit agreement, which provided for, among other things, an extension of the scheduled maturity date to May 10, 2029, an amendment of the Ratings based pricing grid of the Applicable Margin, each as defined in the credit agreement, and reset the applicable date for purposes of determining the amounts of restructuring charges and restructuring-related expenses that may be excluded from consolidated Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), as defined by the credit agreement, for purposes of our maximum leverage ratio covenant, from December 31, 2022 to March 31, 2024, as further discussed under *Financial Covenant* below. This facility provides backing for our commercial paper program, and outstanding commercial paper directly reduces borrowing capacity under the 2021 Revolving Credit Facility. We had no amounts outstanding under the 2021 Revolving Credit Facility as of September 30, 2024 or December 31, 2023.

Financial Covenant

As of September 30, 2024, we were in compliance with the financial covenant required by the 2021 Revolving Credit Facility.

	Covenant Requirement as of September 30, 2024	Actual as of September 30, 2024
Maximum permitted leverage ratio[(1)]	3.75 times	1.95 times

[(1)] Ratio of total debt to deemed consolidated EBITDA, as defined by the 2021 Revolving Credit Facility credit agreement, as amended.

The 2021 Revolving Credit Facility includes the financial covenant requirement for all of our credit arrangements that we maintain the maximum permitted leverage ratio of 3.75 times for the remaining term. The credit agreement provides for higher leverage ratios, at our election, for the period following a Qualified Acquisition, as defined by the agreement, for which consideration exceeds $1.000 billion. In the event of such an acquisition, for the four succeeding quarters immediately following, including the quarter in which the acquisition occurs, the maximum permitted leverage ratio is 4.75 times. It steps down for the fifth, sixth and seventh succeeding quarters to 4.50 times, 4.25 times and 4.00 times, respectively. Thereafter, a maximum leverage ratio of 3.75 times is required through the remaining term of the 2021 Revolving Credit Facility. We have elected to designate the Axonics acquisition as a Qualified Acquisition under the credit agreement, and upon closing, will increase the maximum permitted leverage ratio at that time. The agreement also provides for an exclusion of any debt incurred to fund a Qualified Acquisition, until the earlier of the acquisition close date or date of abandonment, termination or expiration of the acquisition agreement. As of September 30, 2024, we excluded from our leverage ratio calculation $2.218 billion of debt incurred in connection with the Axonics acquisition.

The financial covenant requirement, as amended on May 10, 2024, provides for an exclusion from the calculation of consolidated EBITDA, as defined by the credit agreement, through maturity, of certain charges and expenses. The credit agreement amendment reset the starting date for purposes of calculating such permitted exclusions related to restructuring charges and restructuring-related expenses from December 31, 2022 to March 31, 2024. Permitted exclusions include up to $500 million in cash and non-cash restructuring charges and restructuring-related expenses associated with our current or future restructuring plans. As of September 30, 2024, we had $401 million of the restructuring charge exclusion remaining. In addition, any cash litigation payments (net of any cash litigation receipts), as defined by the agreement, are excluded from the calculation of consolidated EBITDA, as defined by the agreement, provided that the sum of any excluded net cash litigation payments do not exceed $1.000 billion plus all accrued legal liabilities as of December 31, 2022. As of September 30, 2024, we had $1.442 billion of the litigation exclusion remaining.

Any inability to maintain compliance with this covenant could require us to seek to renegotiate the terms of our credit arrangements or seek waivers from compliance with this covenant, both of which could result in additional borrowing costs. Further, there can be no assurance that our lenders would agree to such new terms or grant such waivers on terms acceptable to us. In this case, all 2021 Revolving Credit Facility commitments would terminate, and any amounts borrowed under the facility would become immediately due and payable. Furthermore, any termination of our 2021 Revolving Credit Facility may negatively impact the credit ratings assigned to our commercial paper program, which may impact our ability to refinance any then outstanding commercial paper as it becomes due and payable.

Commercial Paper

Our commercial paper program is backed by the 2021 Revolving Credit Facility. We did not have any commercial paper outstanding as of September 30, 2024 or December 31, 2023.

Senior Notes

We had senior notes outstanding of $10.924 billion as of September 30, 2024 and $9.136 billion as of December 31, 2023. Our senior notes were issued in public offerings, are redeemable prior to maturity and are not subject to sinking fund requirements. Our senior notes are unsecured, unsubordinated obligations and rank on parity with each other. These notes are effectively junior to liabilities of our subsidiaries (refer to *Other Arrangements* below).

In February 2024, American Medical Systems Europe B.V. (AMS Europe), an indirect, wholly owned subsidiary of Boston Scientific, completed a registered public offering of €2.000 billion in aggregate principal amount of euro-denominated senior notes comprised of €750 million of 3.375% Senior Notes due 2029 and €1.250 billion of 3.500% Senior Notes due 2032 (collectively, the 2024 Eurobonds). Boston Scientific has fully and unconditionally guaranteed all of AMS Europe's obligations under the 2024 Eurobonds, in addition to all of AMS Europe's obligations under the euro-denominated senior notes that were

previously issued by AMS Europe in 2022, and no other subsidiary of Boston Scientific will guarantee these obligations. AMS Europe is a “finance subsidiary” as defined in Rule 13-01(a)(4)(vi) of Regulation S-X. The financial condition, results of operations and cash flows of AMS Europe are consolidated in the financial statements of Boston Scientific. The offering resulted in cash proceeds of $2.145 billion, net of investor discounts and issuance costs.

We used the net proceeds from the offering of the 2024 Eurobonds to fund the repayment at maturity of our 3.450% Senior Notes due March 2024 and to pay accrued and unpaid interest with respect to such notes. Additionally, we plan to use the remaining net proceeds from the offering to fund a portion of the purchase price of the Axonics acquisition and to pay related fees and expenses, and for general corporate purposes. The transaction is expected to be completed in the fourth quarter of 2024, subject to the expiration or termination of the waiting period under the HSR Act and the satisfaction (or waiver) of other customary closing conditions. If (i) the Axonics acquisition is not consummated on or before the later of (x) January 8, 2025 (as such date may be extended in accordance with the merger agreement to no later than January 8, 2026) and (y) the date that is five business days after any later date to which we and Axonics may agree to extend the "Outside Date" in the merger agreement or (ii) AMS Europe notifies the trustee that we will not pursue consummation of the Axonics Acquisition, AMS Europe will be required to redeem each series of the notes at a special mandatory redemption price equal to 101% of the aggregate principal amount of such series of notes, plus accrued and unpaid interest, if any, to, but excluding, the date on which the notes will be redeemed. Refer to *Note B – Acquisitions and Strategic Investments* for more information on the Axonics acquisition.

Other Arrangements

We have accounts receivable factoring programs in certain European countries and with commercial banks in China and Japan which include promissory notes discounting programs. We account for our factoring programs as sales under FASB ASC Topic 860, *Transfers and Servicing*. We have no retained interest in the transferred receivables, other than collection and administration, and once sold, the accounts receivable are no longer available to satisfy creditors in the event of bankruptcy. Amounts de-recognized for accounts and notes receivable, which are excluded from *Trade accounts receivable, net* within our accompanying unaudited consolidated balance sheets, are aggregated by contract denominated currency below (in millions):

	As of September 30, 2024		As of December 31, 2023	
Factoring Arrangements	**Amount De-recognized**	**Weighted Average Interest Rate**	**Amount De-recognized**	**Weighted Average Interest Rate**
Euro denominated	$ 211	5.5 %	$ 206	5.1 %
Yen denominated	199	0.9 %	214	0.6 %
Renminbi denominated	27	2.2 %	14	2.9 %

Other Contractual Obligations and Commitments

We had outstanding letters of credit of $216 million as of September 30, 2024 and $174 million as of December 31, 2023, which consisted primarily of bank guarantees and collateral for workers' compensation insurance arrangements. As of September 30, 2024 and December 31, 2023 we had not recognized a related liability for our outstanding letters of credit within our accompanying unaudited consolidated balance sheets.

We have a supplier financing program offered primarily in the U.S. that enables our suppliers to opt to receive early payment at a nominal discount, while allowing us to lengthen our payment terms and optimize working capital. Our standard payment term in the U.S. is 90 days. All outstanding payables related to the supplier finance program are classified within *Accounts Payable* within our unaudited consolidated balance sheets and were $137 million as of September 30, 2024 and $152 million as of December 31, 2023.

Refer to *Note E – Contractual Obligations and Commitments* to our audited financial statements contained in Item 8. Financial Statements and Supplementary Data of our most recent Annual Report on Form 10-K for additional information on our borrowings and credit agreements.

NOTE F – SUPPLEMENTAL BALANCE SHEET INFORMATION

Components of selected captions within our accompanying unaudited consolidated balance sheets are as follows:

Trade accounts receivable, net

	As of	
(in millions)	**September 30, 2024**	**December 31, 2023**
Trade accounts receivable	$ 2,610	$ 2,338
Allowance for credit losses	(109)	(110)
	$ 2,501	**$ 2,228**

The following is a roll forward of our *Allowance for credit losses*:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
Beginning balance	**$ 105**	**$ 127**	**$ 110**	**$ 109**
Credit loss expense	10	10	30	44
Write-offs	(6)	(11)	(32)	(27)
Ending balance	**$ 109**	**$ 126**	**$ 109**	**$ 126**

Inventories

	As of	
(in millions)	**September 30, 2024**	**December 31, 2023**
Finished goods	$ 1,687	$ 1,537
Work-in-process	206	174
Raw materials	860	773
	$ 2,753	**$ 2,484**

Other current assets

	As of	
(in millions)	**September 30, 2024**	**December 31, 2023**
Restricted cash and restricted cash equivalents	$ 70	$ 130
Derivative assets	168	159
Licensing arrangements	33	47
Other	403	285
	$ 674	**$ 621**

Property, plant and equipment, net

	As of	
(in millions)	**September 30, 2024**	**December 31, 2023**
Land	$ 143	$ 140
Buildings and improvements	1,912	1,843
Equipment, furniture and fixtures	3,673	3,503
Capital in progress	966	857
	6,694	6,343
Less: accumulated depreciation	3,622	3,484
	$ 3,072	**$ 2,859**

Depreciation expense was $102 million for the third quarter of 2024, $93 million for the third quarter of 2023, $290 million for the first nine months of 2024 and $263 million for the first nine months of 2023.

Other long-term assets

	As of	
(in millions)	**September 30, 2024**	**December 31, 2023**
Restricted cash equivalents	$ 78	$ 60
Operating lease right-of-use assets	426	439
Derivative assets	20	107
Investments	532	413
Licensing arrangements	4	30
Indemnification asset	183	176
Other	400	306
	$ 1,642	**$ 1,531**

Accrued expenses

	As of	
(in millions)	**September 30, 2024**	**December 31, 2023**
Legal reserves	$ 126	$ 206
Payroll and related liabilities	1,111	1,051
Rebates	460	389
Contingent consideration	62	304
Other	701	696
	$ 2,460	**$ 2,646**

Other current liabilities

	As of	
(in millions)	**September 30, 2024**	**December 31, 2023**
Deferred revenue	$ 290	$ 266
Licensing arrangements	33	49
Taxes payable	286	220
Other	282	278
	$ 891	**$ 814**

Other long-term liabilities

(in millions)	As of September 30, 2024	As of December 31, 2023
Accrued income taxes	$ 364	$ 470
Legal reserves	124	172
Contingent consideration	109	100
Licensing arrangements	8	41
Operating lease liabilities	373	390
Deferred revenue	328	311
Other	535	484
	$ 1,841	**$ 1,967**

NOTE G – INCOME TAXES

The following table provides a reconciliation of our reported tax rate to the rate from continuing operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Reported tax rate	30.0 %	17.3 %	24.4 %	26.5 %
Impact of certain receipts/charges[(1)]	(12.3)%	(0.2)%	(6.0)%	(7.3)%
Rate from continuing operations	17.7 %	17.1 %	18.3 %	19.2 %

[(1)]These receipts/charges are taxed at different rates than our rate from continuing operations.

Our reported tax rate is affected by recurring items such as the amount of our earnings subject to differing tax rates in foreign jurisdictions and the impact of certain receipts and charges that are taxed at rates that differ from our rate from continuing operations.

In the third quarter of 2024, the primary difference between the rate from continuing operations and our reported tax rate relates to certain acquisition-related net charges. In the first nine months of 2024, the primary difference between the rate from continuing operations and our reported tax rate relates to certain acquisition-related net charges, benefits for intangible asset impairment charges, and discrete tax benefits primarily related to stock-based compensation.

In the third quarter of 2023, the primary difference between the rate from continuing operations and our reported tax rate relates to litigation-related charges. In the first nine months of 2023, the primary difference between the rate from continuing operations and our reported tax rate relates to certain acquisition-related net charges, litigation-related charges and discrete tax benefits related to unrecognized tax benefits and stock-based compensation.

As of September 30, 2024, we had $493 million of gross unrecognized tax benefits, of which a net $417 million, if recognized, would affect our effective tax rate. As of December 31, 2023, we had $467 million of gross unrecognized tax benefits, of which a net $395 million, if recognized, would affect our effective tax rate. The change in gross unrecognized tax benefit is primarily related to current year accruals for reserves and audits.

It is reasonably possible that within the next 12 months, we will resolve multiple issues with foreign, federal and state taxing authorities, resulting in a reduction in our balance of unrecognized tax benefits of up to $9 million.

NOTE H – COMMITMENTS AND CONTINGENCIES

The medical device market in which we participate is largely technology driven. As a result, intellectual property rights, particularly patents and trade secrets, play a significant role in product development and differentiation. Over the years, there has been litigation initiated against us by others, including our competitors, claiming that our current or former product offerings infringe patents owned or licensed by them. Intellectual property litigation is inherently complex and unpredictable. In addition, competing parties frequently file multiple suits to leverage patent portfolios across product lines, technologies and geographies and to balance risk and exposure between the parties. In some cases, several competitors are parties in the same proceeding, or in a series of related proceedings, or litigate multiple features of a single class of devices. These dynamics frequently drive settlement not only for individual cases, but also for a series of pending and potentially related and unrelated cases. Although monetary and injunctive relief is typically sought, remedies and restitution are generally not determined until the conclusion of the trial court proceedings and can be modified on appeal. Accordingly, the outcomes of individual cases are difficult to time, predict or quantify and are often dependent upon the outcomes of other cases in other geographies.

During recent years, we successfully negotiated closure of several long-standing legal matters and have received favorable rulings in several other matters; however, there continues to be outstanding litigation. Adverse outcomes in one or more of these matters could have a material adverse effect on our ability to sell certain products and on our operating margins, financial position, results of operations and/or liquidity.

In addition, product liability, securities and commercial claims have been asserted against us and similar claims may be asserted against us in the future related to events not known to management at the present time. We maintain an insurance policy providing limited coverage against securities claims and we are substantially self-insured with respect to product liability claims and fully self-insured with respect to intellectual property infringement claims. The absence of significant third-party insurance coverage increases our potential exposure to unanticipated claims or adverse decisions. Product liability claims, securities and commercial litigation and other legal proceedings in the future, regardless of their outcome, could have a material adverse effect on our ability to sell certain products and on our operating margins, financial position, results of operations and/or liquidity.

In addition, like other companies in the medical device industry, we are subject to extensive regulation by national, state and local government agencies in the U.S. and other countries in which we operate. From time to time we are the subject of qui tam actions and governmental investigations often involving regulatory, marketing and other business practices. These qui tam actions and governmental investigations could result in the commencement of civil and criminal proceedings, substantial fines, penalties and administrative remedies and have a material adverse effect on our financial position, results of operations and/or liquidity. For additional information, refer to *Note I – Commitments and Contingencies* to our audited financial statements contained in Item 8 of our most recent Annual Report on Form 10-K.

In accordance with FASB ASC Topic 450, *Contingencies*, we accrue anticipated costs of settlement, damages, losses for product liability claims and, under certain conditions, costs of defense, based on historical experience or to the extent specific losses are probable and estimable. Otherwise, we expense these costs as incurred. If the estimate of a probable loss is a range and no amount within the range is more likely, we accrue the minimum amount of the range. Our accrual for legal matters that are probable and estimable was $250 million as of September 30, 2024 and $377 million as of December 31, 2023 and includes certain estimated costs of settlement, damages and defense primarily related to product liability cases or claims related to our transvaginal surgical mesh products. A portion of this accrual is already funded through our qualified settlement fund, which is included in restricted cash and restricted cash equivalents in *Other current assets* of $70 million as of September 30, 2024 and $130 million as of December 31, 2023. Refer to *Note F – Supplemental Balance Sheet Information* for additional information.

We record certain legal and product liability charges, credits and costs of defense, which we consider to be unusual or infrequent and significant as *Litigation-related net charges (credits)* within our accompanying unaudited consolidated financial statements. We did not record any litigation-related net charges (credits) during the third quarter and first nine months of 2024, and recorded litigation-related net credits of $111 million during the third quarter and first nine months of 2023 related to the settlement of offensive patent litigation. All other legal and product liability charges, credits and costs are recorded within *Selling, general and administrative expenses* within our accompanying unaudited consolidated statements of operations.

We continue to assess certain litigation and claims to determine the amounts, if any, that management believes will be paid as a result of such claims and litigation and, therefore, additional losses may be accrued and paid in the future, which could materially adversely impact our operating results, cash flows and/or our ability to comply with our financial covenant required by our credit arrangements.

In management's opinion, we are not currently involved in any legal proceedings other than those disclosed in our most recent Annual Report on Form 10-K and those specifically identified below, which, individually or in the aggregate, could have a

material adverse effect on our financial condition, operations and/or cash flows. Unless included in our legal accrual or otherwise indicated below, a range of loss associated with any individual material legal proceeding cannot be reasonably estimated.

Patent Litigation

On November 20, 2017, The Board of Regents, University of Texas System and TissueGen. Inc. (collectively, UT), served a lawsuit against us in the Western District of Texas. The complaint against the Company alleges patent infringement of two U.S. patents owned by UT, relating to "Drug Releasing Biodegradable Fiber Implant" and "Drug Releasing Biodegradable Fiber for Delivery of Therapeutics," and affects the manufacture, use and sale of our Synergy™ Stent System. UT primarily seeks a reasonable royalty. On March 12, 2018, the District Court for the Western District of Texas dismissed the action and transferred it to the United States District Court for the District of Delaware. On September 5, 2019, the Court of Appeals for the Federal Circuit affirmed the dismissal of the District Court for the Western District of Texas. In April 2020, the United States Supreme Court denied the UT's Petition for Certiorari. UT proceeded with its case against the Company in Delaware. In January 2023, a jury trial was held on the issue of whether the one UT patent still asserted in the case was valid and whether it was infringed by the Company. On January 31, 2023, a jury concluded that UT's patent was valid and willfully infringed by the Company, and awarded UT $42 million in damages. Following the trial, UT filed a motion seeking prejudgment interest and enhanced damages. The Company filed a motion seeking judgment as a matter of law in its favor or alternatively a new trial. On June 5, 2024, the Court granted the Company's motion for judgment as a matter of law of no willful infringement, but otherwise denied the Company's motions. The Court also denied UT's motion for enhanced damages, awarded approximately $7 million in pre-judgment interest, and awarded post-judgment interest. On July 3, 2024, UT and the Company each filed a notice of appeal.

Product Liability Litigation

Multiple product liability cases or claims related to transvaginal surgical mesh products designed to treat stress urinary incontinence and pelvic organ prolapse have been asserted against us, predominantly in the United States, Canada, the United Kingdom, Scotland, Ireland, and Australia. Plaintiffs generally seek monetary damages based on allegations of personal injury associated with the use of our transvaginal surgical mesh products, including design and manufacturing claims, failure to warn, breach of warranty, fraud, violations of state consumer protection laws and loss of consortium claims. We have entered into individual and master settlement agreements or are in the final stages of entering agreements with certain plaintiffs' counsel, to resolve the majority of these cases and claims. All settlement agreements were entered into solely by way of compromise and without any admission or concession by us of any liability or wrongdoing. In addition, in April 2021 the Company's Board of Directors received a shareholder demand under section 220 of the Delaware General Corporation Law, for inspection of books and records related to mesh settlements. The Company has notified our insurer and retained counsel to respond to the demand.

We have established a product liability accrual for remaining claims asserted against us associated with our transvaginal surgical mesh products and the costs of defense thereof. We continue to engage in discussions with plaintiffs' counsel regarding potential resolution of pending cases and claims, which we continue to vigorously contest. The final resolution of the cases and claims is uncertain and could have a material impact on our results of operations, financial condition and/or liquidity. Trials involving our transvaginal surgical mesh products have resulted in both favorable and unfavorable judgments for us. We do not believe that the judgment in any one trial is representative of potential outcomes of all cases or claims related to our transvaginal surgical mesh products.

Governmental Investigations and Qui Tam Matters

Like many healthcare companies, the Company receives inquiries and has ongoing discussions with governmental agencies with respect to the Company's operations, such as the Securities and Exchange Commission (SEC), the Department of Justice (DOJ) and foreign regulators, including its operations in Vietnam with respect to alleged Foreign Corrupt Practices Act (FCPA) violations the Company received in March 2022. The Company has received related subpoenas for documents from the DOJ and the SEC with respect to the Vietnam matter, and is cooperating with the government while investigating these allegations. From time to time, the Company also self-discloses potential concerns to regulators. In the course of Vietnam-related discussions with the DOJ and SEC, the Company has disclosed that it is investigating other potential concerns in Vietnam and other countries.

From time to time, the Company also receives U.S.-based subpoenas and DOJ Civil Investigative Demands (CID), including the following matters: in April 2023, the Company received a DOJ subpoena that seeks documents and information related to its ambulatory electrocardiography monitoring business; in December 2023, the Company received a DOJ CID related to the provision of peripheral intervention services through office-based labs. The Company is cooperating with the DOJ in these matters.

Other Proceedings

On December 4, 2020, Enrique Jevons, individually and on behalf of all others similarly situated, filed a class action complaint against the Company, Michael F. Mahoney and Daniel J. Brennan, stemming from the recall and retirement of the LOTUS Edge™ Aortic Valve System (LOTUS System) in United States District Court for the Eastern District of New York. On December 14, 2020, the parties agreed to transfer the case to the United States District Court for the District of Massachusetts. On December 16, 2020, Mariano Errichiello, individually and on behalf of all others similarly situated, filed a second, materially similar class action complaint against the Company, Michael F. Mahoney, Joseph M. Fitzgerald, and Daniel J. Brennan in the United States District Court for the District of Massachusetts. Subsequently, on March 30, 2021, the Court consolidated the two actions, and appointed Union Asset Management Holding AG as the lead plaintiff. The plaintiffs filed an Amended Complaint in June 2021 that seeks unspecified compensatory damages in favor of the alleged class as well as unspecified equitable relief. The Company filed a Motion to Dismiss in July 2021, which, in December 2022, the Court granted in part and denied in part. On October 23, 2023, the Company reached an agreement in principle with the lead plaintiff to settle the case. The Court granted the motion for preliminary approval of the proposed settlement on December 27, 2023, and approved the settlement and dismissed the case on April 23, 2024.

On February 8, 2021, the Company received a letter from The Vladimir Gusinsky Revocable Trust, a shareholder, demanding that the Company's Board of Directors conduct an investigation into actions by the Company's directors and executive officers regarding statements made about the effectiveness and commercial viability of the LOTUS System. The Trust subsequently agreed to stay its demand, pending the outcome of any dispositive motion against the Amended Complaint in the class action complaint described above. The Company received letters on behalf of the Union Excavators Local 731 Pension Fund, Diane Nachbaur, and Frank Tripson, three stockholders of the Company, on July 26, 2021, July 29, 2021, and February 13, 2023, respectively, each demanding access to certain books and records of the Company, pursuant to Section 220 of the Delaware General Corporation Law, regarding the business, operations, effectiveness and commercial viability of the LOTUS system, and related items. On April 7, 2023, Diane Nachbaur filed a shareholder derivative complaint in the United States District Court for the District of Massachusetts against the Company, Michael F. Mahoney, Nelda J. Connors, Charles J. Dockendorff, Yoshiaki Fujimori, Donna A. James, Edward J. Ludwig, David Roux, John E. Sununu, Ellen M. Zane, Joseph M. Fitzgerald, Daniel J. Brennan, Shawn McCarthy, Ian Meredith, Kevin Ballinger, and Susan Vissers Lisa. On May 8, 2023, the Court stayed the case until the conclusion of the consolidated class action case. On October 18, 2023, Frank Tripson filed a shareholder derivative complaint in the Court of Chancery of the State of Delaware against the Company, Michael F. Mahoney, Daniel J. Brennan, Joseph M. Fitzgerald, Shawn McCarthy, Kevin Ballinger, Ian Meredith, Susan Vissers Lisa, Nelda J. Connors, Charles J. Dockendorff, Yoshiaki Fujimori, Donna A. James, Edward J. Ludwig, Stephen P. MacMillan, David Roux, John E. Sununu, and Ellen M. Zane. On December 15, 2023, the Court stayed that case until March 31, 2024. On March 26, 2024, the Company reached an agreement in principle with all of the plaintiffs to resolve the matters.

NOTE I – STOCKHOLDERS' EQUITY

Preferred Stock

We are authorized to issue 50 million shares of preferred stock in one or more series and to fix the powers, designations, preferences and relative participating, option or other rights thereof, including dividend rights, conversion rights, voting rights, redemption terms, liquidation preferences and the number of shares constituting any series, without any further vote or action by our stockholders.

On May 27, 2020, we completed an offering of 10,062,500 shares of 5.50% Mandatory Convertible Preferred Stock, Series A (MCPS) at a price to the public and liquidation preference of $100 per share. The net proceeds from the MCPS offering were approximately $975 million after deducting underwriting discounts and commissions and offering expenses.

On June 1, 2023, (the Mandatory Conversion Date), all outstanding shares of MCPS automatically converted into shares of common stock. The conversion rate for each share of MCPS was 2.3834 shares of common stock. No action by the holders of the MCPS was required in connection with the mandatory conversion. Cash was paid in lieu of fractional shares in accordance with the terms of the MCPS. An aggregate of approximately 24 million shares of common stock, including shares of common stock issued to holders of MCPS that elected to convert prior to the Mandatory Conversion Date, were issued upon conversion of the MCPS. Following the mandatory conversion of the MCPS, there were no outstanding shares of MCPS.

Refer to *Note J – Stockholders' Equity* to our audited financial statements contained in Item 8. Financial Statements and Supplementary Data of our most recent Annual Report on Form 10-K for information on the pertinent rights and privileges of our outstanding common stock.

NOTE J – WEIGHTED AVERAGE SHARES OUTSTANDING

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
Weighted average shares outstanding — basic	1,472.7	1,464.5	1,470.6	1,448.8
Net effect of common stock equivalents	14.8	10.5	13.9	10.2
Weighted average shares outstanding - diluted	**1,487.4**	**1,475.0**	**1,484.5**	**1,459.1**

The following securities were excluded from the calculation of weighted average shares outstanding - diluted because their effect in the periods presented below would have been antidilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
Stock options outstanding[(1)]	—	0	—	0
MCPS[(2)]	—	—	—	13

(1) Represents stock options outstanding pursuant to our employee stock-based compensation plans with exercise prices that were greater than the average fair market value of our common stock for the related periods.

(2) Represents common stock issuable upon the conversion of MCPS. Refer to *Note I – Stockholders' Equity* for additional information.

We base *Net income (loss) per common share - diluted* upon the weighted-average number of common shares and common stock equivalents outstanding during each year. Potential common stock equivalents are determined using the treasury stock method. We exclude stock options, stock awards and, prior to the Mandatory Conversion Date, our MCPS, from the calculation if the effect would be anti-dilutive. 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 beginning of the reporting period to the extent that the effect is dilutive.

For the third quarter and first nine months of 2023, the effect of assuming the conversion of MCPS into shares of common stock was anti-dilutive, and therefore excluded from the calculation of earnings per share (EPS). Accordingly, *Net income (loss)* was reduced by cumulative *Preferred stock dividends*, as presented within our accompanying unaudited consolidated statements of operations, for purposes of calculating *Net income attributable to Boston Scientific common stockholders*. On June 1, 2023, all outstanding shares of MCPS automatically converted into shares of common stock.

We issued approximately two million shares of our common stock in the third quarter of 2024, approximately eight million shares in the first nine months of 2024, approximately two million shares in the third quarter of 2023 and approximately 32 million shares in the first nine months of 2023. Shares were issued following the exercise of stock options, vesting of restricted stock units or purchases under our employee stock purchase plan and, specific to the first nine months of 2023, following the automatic conversion of the MCPS. We did not repurchase any shares of our common stock in the first nine months of 2024 or 2023. On December 14, 2020, our Board of Directors approved a stock repurchase program authorizing the repurchase of up to $1.000 billion of our common stock. As of September 30, 2024, we had the full amount remaining available under the authorization.

NOTE K – SEGMENT REPORTING

We aggregate our core businesses into two reportable segments: MedSurg and Cardiovascular, each of which generates revenues from the sale of medical devices. In accordance with FASB ASC Topic 280, *Segment Reporting*, we identified our reportable segments based on the nature of our products, production processes, type of customer, selling and distribution methods and regulatory environment, as well as the economic characteristics of each of our operating segments.

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 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), and 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* within our accompanying unaudited consolidated statements of operations and are included in the reconciliation below. Refer to *Note L – Revenue* for net sales by reportable segment presented in accordance with GAAP.

A reconciliation of the totals reported for the reportable segments to the applicable line items within our accompanying unaudited consolidated statements of operations is as follows (in millions, except percentages). Prior period amounts have been restated at constant currency to conform to current year presentation.

	Three Months Ended September 30,		Nine Months Ended September 30,	
Net Sales	**2024**	**2023**	**2024**	**2023**
MedSurg	$ 1,470	$ 1,332	$ 4,352	$ 3,943
Cardiovascular	2,709	2,167	7,767	6,442
Total net sales of reportable segments	4,179	3,498	12,118	10,385
Impact of foreign currency fluctuations	30	28	68	130
	$ 4,209	**$ 3,527**	**$ 12,186**	**$ 10,515**
Income (loss) before income taxes				
MedSurg	$ 509	$ 455	$ 1,494	$ 1,322
Cardiovascular	842	579	2,256	1,714
Total operating income of reportable segments	1,350	1,034	3,750	3,036
Unallocated amounts:				
Corporate expenses, including hedging activities and impact of foreign currency fluctuations on operating income of reportable segments	(203)	(115)	(472)	(288)
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 EU MDR implementation costs	(209)	(19)	(719)	(370)
Amortization expense	(205)	(208)	(631)	(620)
Operating income (loss)	733	693	1,928	1,759
Other income (expense), net	(65)	(83)	(231)	(279)
Income (loss) before income taxes	**$ 669**	**$ 610**	**$ 1,697**	**$ 1,480**

	Three Months Ended September 30,		Nine Months Ended September 30,	
Operating income margin of reportable segments	**2024**	**2023**	**2024**	**2023**
MedSurg	34.6 %	34.2 %	34.3 %	33.5 %
Cardiovascular	31.1 %	26.7 %	29.0 %	26.6 %

NOTE L – REVENUE

We generate revenue primarily from the sale of single-use medical devices and present revenue net of sales taxes within our accompanying unaudited consolidated statements of operations. Our business structure is organized into five operating segments. The following tables disaggregate our revenue from contracts with customers by business unit and geographic region (in millions). Generally, we allocate revenue from contracts with customers to geographic regions based on the location where the sale originated.

	Three Months Ended September 30,					
	2024			2023		
Businesses	**U.S.**	**Int'l**	**Total**	**U.S.**	**Int'l**	**Total**
Endoscopy	$ 417	$ 261	$ 678	$ 382	$ 247	$ 629
Urology	379	153	532	341	142	483
Neuromodulation	211	57	268	175	55	229
MedSurg	**1,007**	**472**	**1,479**	**898**	**443**	**1,341**
Interventional Cardiology Therapies	212	449	661	182	401	583
Watchman	342	38	380	291	31	323
Cardiac Rhythm Management	349	213	561	355	197	552
Electrophysiology	366	160	527	89	101	190
Cardiology	1,269	859	2,129	918	730	1,647
Peripheral Interventions	316	285	602	283	255	538
Cardiovascular	**1,586**	**1,145**	**2,731**	**1,201**	**984**	**2,185**
Total Net Sales	**$ 2,593**	**$ 1,616**	**$ 4,209**	**$ 2,099**	**$ 1,427**	**$ 3,527**

	Nine Months Ended September 30,					
	2024			2023		
Businesses	**U.S.**	**Int'l**	**Total**	**U.S.**	**Int'l**	**Total**
Endoscopy	$ 1,227	$ 769	$ 1,996	$ 1,118	$ 719	$ 1,836
Urology	1,098	473	1,570	1,007	430	1,437
Neuromodulation	616	191	807	530	177	708
MedSurg	**2,941**	**1,433**	**4,373**	**2,655**	**1,326**	**3,981**
Interventional Cardiology Therapies	608	1,370	1,977	554	1,248	1,803
Watchman	996	107	1,103	843	87	930
Cardiac Rhythm Management	1,054	658	1,713	1,057	609	1,665
Electrophysiology	795	460	1,255	259	300	560
Cardiology	3,452	2,595	6,048	2,714	2,244	4,958
Peripheral Interventions	924	841	1,765	844	733	1,577
Cardiovascular	**4,377**	**3,436**	**7,813**	**3,557**	**2,977**	**6,534**
Total Net Sales	**$ 7,317**	**$ 4,869**	**$ 12,186**	**$ 6,212**	**$ 4,303**	**$ 10,515**

Refer to *Note K - Segment Reporting* for information on our reportable segments.

Geographic Regions	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
U.S.	$ 2,593	$ 2,099	$ 7,317	$ 6,212
Europe, Middle East and Africa	773	671	2,398	2,107
Asia-Pacific	684	611	2,002	1,784
Latin America and Canada	159	146	469	412
Total Net Sales	**$ 4,209**	**$ 3,527**	**$ 12,186**	**$ 10,515**
Emerging Markets[1]	**$ 684**	**$ 594**	**$ 2,012**	**$ 1,715**

[1] 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.

Deferred Revenue

Contract liabilities are classified within *Other current liabilities* and *Other long-term liabilities* within our accompanying unaudited consolidated balance sheets. Our deferred revenue balance was $618 million as of September 30, 2024 and $577 million as of December 31, 2023. Our contract liabilities are primarily composed of deferred revenue related to the LATITUDE™ Patient Management System within our Cardiology business, for which revenue is recognized over the average service period based on device and patient longevity. Our contract liabilities also include deferred revenue related to the LUX-Dx™ Insertable Cardiac Monitor system, also within our Cardiology business, for which revenue is recognized over the average service period based on device longevity and usage. We recognized revenue of $57 million in the third quarter and $177 million in the first nine months of 2024 that was included in the above contract liability balance as of December 31, 2023. We have elected not to disclose the transaction price allocated to unsatisfied performance obligations when the original expected contract duration is one year or less. In addition, we have not identified material unfulfilled performance obligations for which revenue is not currently deferred.

Variable Consideration

For additional information on variable consideration, refer to *Note A – Significant Accounting Policies* to our audited financial statements contained in Item 8. Financial Statements and Supplementary Data of our most recent Annual Report on Form 10-K.

NOTE M – CHANGES IN OTHER COMPREHENSIVE INCOME

The following tables provide the reclassifications out of *Other comprehensive income (loss), net of tax* attributable to Boston Scientific common stockholders:

(in millions)	Foreign Currency Translation Adjustment	Net Change in Derivative Financial Instruments	Net Change in Defined Benefit Pensions and Other Items	Total
Balance as of June 30, 2024	**$ 13**	**$ 159**	**$ (8)**	**$ 164**
Other comprehensive income (loss) before reclassifications	(188)	(66)	—	(255)
(Income) loss amounts reclassified from accumulated other comprehensive income	(3)	(34)	(0)	(37)
Total other comprehensive income (loss)	(191)	(100)	(0)	(292)
Balance as of September 30, 2024	**$ (179)**	**$ 59**	**$ (8)**	**$ (128)**

(in millions)	Foreign Currency Translation Adjustment	Net Change in Derivative Financial Instruments	Net Change in Defined Benefit Pensions and Other Items	Total
Balance as of June 30, 2023	**$ (28)**	**$ 241**	**$ (4)**	**$ 208**
Other comprehensive income (loss) before reclassifications	23	42	—	64
(Income) loss amounts reclassified from accumulated other comprehensive income	(2)	(39)	(0)	(41)
Total other comprehensive income (loss)	21	3	(0)	23
Balance as of September 30, 2023	**$ (8)**	**$ 243**	**$ (4)**	**$ 231**

(in millions)	Foreign Currency Translation Adjustment	Net Change in Derivative Financial Instruments	Net Change in Defined Benefit Pensions and Other Items	Total
Balance as of December 31, 2023	**$ (96)**	**$ 154**	**$ (8)**	**$ 49**
Other comprehensive income (loss) before reclassifications	(73)	17	0	(56)
(Income) loss amounts reclassified from accumulated other comprehensive income	(10)	(112)	$ (0)	(122)
Total other comprehensive income (loss)	(83)	(95)	0	(178)
Balance as of September 30, 2024	**$ (179)**	**$ 59**	**$ (8)**	**$ (128)**

(in millions)	Foreign Currency Translation Adjustment	Net Change in Derivative Financial Instruments	Net Change in Defined Benefit Pensions and Other Items	Total
Balance as of December 31, 2022	**$ (1)**	**$ 269**	**$ 1**	**$ 269**
Other comprehensive income (loss) before reclassifications	(1)	109	(5)	103
(Income) loss amounts reclassified from accumulated other comprehensive income	(6)	(134)	(1)	(141)
Total other comprehensive income (loss)	(7)	(25)	(5)	(37)
Balance as of September 30, 2023	**$ (8)**	**$ 243**	**$ (4)**	**$ 231**

Refer to *Note D – Hedging Activities and Fair Value Measurements* for further detail on our net investment hedges recorded in *Foreign currency translation adjustment* and our cash flow hedges recorded in *Net change in derivative financial instruments*.

NOTE N – NEW ACCOUNTING PRONOUNCEMENTS

Periodically, new accounting pronouncements are issued by the FASB or other standard setting bodies. Recently issued standards typically do not require adoption until a future effective date. Prior to their effective date, we evaluate the pronouncements to determine the potential effects of adoption on our accompanying unaudited consolidated financial statements. During the first nine months of 2024, we implemented the following standard on a prospective basis, which did not have a material impact on our unaudited consolidated financial statements:

ASC Update No. 2022-03

ASC Update No. 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* clarifies the guidance in Topic 820 related to measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security, as well as introduces new disclosure requirements for these types of equity securities.

Standards to be Implemented

In November 2023, the FASB issued ASC Update No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. Update No. 2023-07 requires disclosure, on an annual and interim basis, of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss in addition to disclosure of amounts for other segment items and a description of its composition. Update No. 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. As this accounting standard update impacts disclosures only, we do not expect the adoption to have a material impact on our unaudited consolidated financial statements.

In December 2023, the FASB issued ASC Update No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. Update No. 2023-09 aims to enhance the transparency and decision usefulness of income tax disclosures. Update No. 2023-09 modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state, and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. Update No. 2023-09 is effective for fiscal years beginning after December 15, 2024. We expect to adopt Update No. 2023-09 prospectively. As this accounting standard update impacts disclosures only, we do not expect the adoption to have a material impact on our unaudited consolidated financial statements.

No other new accounting pronouncements issued or effective in the period had or are expected to have a material impact on our accompanying unaudited consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

Boston Scientific Corporation is a global developer, manufacturer and marketer of medical devices that are used in a broad range of interventional medical specialties. Our mission is to transform lives through innovative medical solutions that improve the health of patients around the world. As a medical technology leader for more than 40 years, we have advanced the practice of less-invasive medicine by helping physicians and other medical professionals diagnose and treat a wide range of diseases and medical conditions and improve patients' quality of life by providing alternatives to surgery and other medical procedures that are typically traumatic to the body. We advance science for life by providing a broad range of high performance solutions to address unmet patient needs and reduce the cost of health care. When used in this report, the terms "we," "us," "our" and "the Company" mean Boston Scientific Corporation and its divisions and subsidiaries.

Financial Summary

Three Months Ended September 30, 2024

Our net sales for the third quarter of 2024 were $4.209 billion, compared to $3.527 billion for the third quarter of 2023. This increase of $683 million, or 19.4 percent, included operational[1] net sales growth of 19.5 percent and the negative impact of 10 basis points from foreign currency fluctuations. Operational net sales growth included organic[2] net sales growth of 18.2 percent and the positive impact of 130 basis points from the acquisitions of Relievant Medsystems, Inc. (Relievant), the endoluminal vacuum therapy portfolio of B. Braun Medical Inc. (Braun) and Silk Road Medical, Inc. (Silk Road Medical) during the fourth quarter of 2023, and first and third quarters of 2024, respectively, for which there is less than a full period of comparable net sales. The increase in our net sales was primarily driven by strong commercial execution across our businesses, led by the rapid adoption of our Farapulse™ Pulsed Field Ablation System following U.S. launch in early 2024. Refer to *Quarterly Results and Business Overview* for a discussion of our net sales by business.

Our reported net income attributable to Boston Scientific common stockholders for the third quarter of 2024 was $469 million, or $0.32 per diluted share. Our reported results for the third quarter of 2024 included certain charges and/or credits totaling $469 million (after-tax), or $0.32 per diluted share. Excluding these items, adjusted net income attributable to Boston Scientific common stockholders[3] was $937 million, or $0.63 per diluted share.

Our reported net income attributable to Boston Scientific common stockholders for the third quarter of 2023 was $505 million, or $0.34 per diluted share. Our reported results for the third quarter of 2023 included certain charges and/or credits totaling $227 million (after-tax), or $0.15 per diluted share. Excluding these items, adjusted net income attributable to Boston Scientific common stockholders[3] was $732 million, or $0.50 per diluted share.

[1]Operational net sales growth excludes the impact of foreign currency fluctuations.
[2]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.
[3]Adjusted measures, including operational and organic net sales growth and adjusted net income attributable to Boston Scientific common stockholders, exclude certain items required by generally accepted accounting principles in the United States (GAAP), are not prepared in accordance with GAAP and should not be considered in isolation from, or as a replacement for, the most directly comparable GAAP measure. Refer to *Additional Information* for a discussion of management's use of these non-GAAP financial measures.

The following is a reconciliation of our results of operations prepared in accordance with GAAP to those adjusted results considered by management. Refer to *Quarterly Results and Business Overview* and *Additional Information* for a discussion of these reconciling items:

	Three Months Ended September 30, 2024					
(in millions, except per share data)	Income (Loss) Before Income Taxes	Income Tax Expense (Benefit)	Net Income (Loss)	Net Income (Loss) Attributable to Noncontrolling Interests	Net Income (Loss) Attributable to Boston Scientific Common Stockholders	Impact per Share
Reported	**$ 669**	**$ 200**	**$ 468**	**$ (0)**	**$ 469**	**$ 0.32**
Non-GAAP adjustments:						
Amortization expense	205	28	177	2	175	0.12
Acquisition/divestiture-related net charges (credits)	144	(56)	200	—	200	0.13
Restructuring and restructuring-related net charges (credits)	52	7	45	—	45	0.03
Investment portfolio net losses (gains) and impairments	(1)	0	(1)	—	(1)	(0.00)
European Union (EU) Medical device regulation (MDR) implementation costs	13	2	12	—	12	0.01
Deferred tax expenses (benefits)	—	(38)	38	—	38	0.03
Adjusted	**$ 1,082**	**$ 143**	**$ 939**	**$ 2**	**$ 937**	**$ 0.63**

	Three Months Ended September 30, 2023					
(in millions, except per share data)	Income (Loss) Before Income Taxes	Income Tax Expense (Benefit)	Net Income (Loss)	Net Income (Loss) Attributable to Noncontrolling Interests	Net Income (Loss) Attributable to Boston Scientific Common Stockholders	Impact per Share
Reported	**$ 610**	**$ 105**	**$ 504**	**$ (0)**	**$ 505**	**$ 0.34**
Non-GAAP adjustments:						
Amortization expense	208	28	179	2	177	0.12
Goodwill and other intangible asset impairment charges	1	0	0	—	0	0.00
Acquisition/divestiture-related net charges (credits)	66	10	56	—	56	0.04
Restructuring and restructuring-related net charges (credits)	47	6	41	—	41	0.03
Litigation-related net charges (credits)	(111)	(25)	(86)		(86)	(0.06)
Investment portfolio net losses (gains) and impairments	2	(0)	2	—	2	0.00
European Union (EU) Medical device regulation (MDR) implementation costs	17	2	14	—	14	0.01
Deferred tax expenses (benefits)	—	(23)	23	—	23	0.02
Discrete tax items	—	(0)	0	—	0	0.00
Adjusted	**$ 838**	**$ 104**	**$ 734**	**$ 2**	**$ 732**	**$ 0.50**

Nine Months Ended September 30, 2024

Our net sales for the first nine months of 2024 were $12.186 billion, compared to $10.515 billion for the first nine months of 2023. This increase of $1.671 billion, or 15.9 percent, included operational[1] net sales growth of 16.9 percent and the negative impact of 100 basis points from foreign currency fluctuations. Operational net sales growth included organic[2] net sales growth of 15.4 percent and the positive impact of 150 basis points from our majority stake investment in Acotec Scientific Holdings Limited (Acotec) and the acquisitions of Apollo Endosurgery, Inc. (Apollo), Relievant, the endoluminal vacuum therapy portfolio of Braun and Silk Road Medical during the first, second and fourth quarters of 2023 and the first and third quarters of 2024, respectively, for which there is less than a full period of comparable sales. The increase in our net sales was primarily driven by strong commercial execution across our businesses, led by the rapid adoption of our Farapulse™ Pulsed Field Ablation System following U.S. launch in early 2024. Refer to *Quarterly Results and Business Overview* for a discussion of our net sales by business.

Our reported net income attributable to Boston Scientific common stockholders for the first nine months of 2024 was $1.288 billion, or $0.87 per diluted share. Our reported results for the first nine months of 2024 included certain charges and/or credits totaling $1.395 billion (after-tax), or $0.94 per diluted share. Excluding these items, adjusted net income attributable to Boston Scientific common stockholders[3] for the first nine months of 2024 was $2.683 billion, or $1.81 per diluted share.

Our reported net income attributable to Boston Scientific common stockholders for the first nine months of 2023 was $1.065 billion, or $0.73 per diluted share. Our reported results for the first nine months of 2023 included certain charges and/or credits totaling $1.116 billion (after-tax), or $0.76 per diluted share. Excluding these items, adjusted net income attributable to Boston Scientific common stockholders[3] for the first nine months of 2023 was $2.181 billion, or $1.50 per diluted share.

[1]Operational net sales growth excludes the impact of foreign currency fluctuations.
[2]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.
[3]Adjusted measures, including operational and organic net sales growth and adjusted net income attributable to Boston Scientific common stockholders, exclude certain items required by GAAP, are not prepared in accordance with GAAP and should not be considered in isolation from, or as a replacement for, the most directly comparable GAAP measure. Refer to *Additional Information* for a discussion of management's use of these non-GAAP financial measures.

The following is a reconciliation of our results of operations prepared in accordance with GAAP to those adjusted results considered by management. Refer to *Quarterly Results and Business Overview* and *Additional Information* for a discussion of these reconciling items:

	Nine Months Ended September 30, 2024						
(in millions, except per share data)	Income (Loss) Before Income Taxes	Income Tax Expense (Benefit)	Net Income (Loss)	Preferred Stock Dividends	Net Income (Loss) Attributable to Noncontrolling Interests	Net Income (Loss) Attributable to Boston Scientific Common Stockholders	Impact per Share
Reported	**$ 1,697**	**$ 413**	**$ 1,284**	**$ —**	**$ (4)**	**$ 1,288**	**$ 0.87**
Non-GAAP adjustments:							
Amortization expense	631	86	545	—	7	539	0.36
Goodwill and other intangible asset impairment charges	276	33	243	—	—	243	0.16
Acquisition/divestiture-related net charges (credits)	256	(59)	315	—	—	315	0.21
Restructuring and restructuring-related net charges (credits)	149	20	129	—	—	129	0.09
Investment portfolio net losses (gains) and impairments	17	(0)	17	—	—	17	0.01
European Union (EU) Medical device regulation (MDR) implementation costs	39	5	34	—	—	34	0.02
Deferred tax expenses (benefits)	—	(120)	120	—	—	120	0.08
Adjusted	**$ 3,065**	**$ 380**	**$ 2,685**	**$ —**	**$ 2**	**$ 2,683**	**$ 1.81**

	Nine Months Ended September 30, 2023						
(in millions, except per share data)	Income (Loss) Before Income Taxes	Income Tax Expense (Benefit)	Net Income (Loss)	Preferred Stock Dividends	Net Income (Loss) Attributable to Noncontrolling Interests	Net Income (Loss) Attributable to Boston Scientific Common Stockholders	Impact per Share[(4)]
Reported	**$ 1,480**	**$ 392**	**$ 1,088**	**$ (23)**	**$ (0)**	**$ 1,065**	**$ 0.73**
Non-GAAP adjustments:							
Amortization expense	620	84	536	—	2	534	0.37
Goodwill and other intangible asset impairment charges	58	4	54	—	—	54	0.04
Acquisition/divestiture-related net charges (credits)	244	(54)	298	—	—	298	0.20
Restructuring and restructuring-related net charges (credits)	133	21	112	—	—	112	0.08
Litigation-related net charges (credits)	(111)	(25)	(86)	—	—	(86)	(0.06)
Investment portfolio net losses (gains) and impairments	21	(2)	22	—	—	22	0.02
European Union (EU) Medical device regulation (MDR) implementation costs	53	7	45	—	—	45	0.03
Deferred tax expenses (benefits)	—	(111)	111	—	—	111	0.08
Discrete tax items	—	(26)	26	—	—	26	0.02
Adjusted	**$ 2,497**	**$ 290**	**$ 2,206**	**$ (23)**	**$ 2**	**$ 2,181**	**$ 1.50**

[(4)] For the nine months ended September 30, 2023, the effect of assuming the conversion of our 5.50% Mandatory Convertible Preferred Stock, Series A (MCPS) into shares of common stock was anti-dilutive, and therefore excluded from the calculation of *Net income (loss) per common share - diluted* EPS. Accordingly, GAAP *Net income (loss)* and Adjusted net income were reduced by cumulative *Preferred stock dividends*, as presented within our unaudited consolidated statements of operations, for purposes of calculating GAAP *Net income attributable to Boston Scientific common stockholders*. On June 1, 2023, all outstanding shares of MCPS automatically converted into shares of common stock.

Quarterly Results and Business Overview

The following section describes our net sales and results of operations by reportable segment and business. For additional information on our businesses and product offerings, refer to *Item 1. Business* of our most recent Annual Report on Form 10-K.

	Three Months Ended September 30,		
(in millions)	**2024**	**2023**	**Increase/(Decrease)**
Endoscopy	$ 678	$ 629	7.8%
Urology	532	483	10.3%
Neuromodulation	268	229	17.0%
MedSurg	**1,479**	**1,341**	**10.3%**
Cardiology	2,129	1,647	29.2%
Peripheral Interventions	602	538	11.8%
Cardiovascular	**2,731**	**2,185**	**25.0%**
Net Sales	**$ 4,209**	**$ 3,527**	**19.4%**

	Nine Months Ended September 30,		
(in millions)	**2024**	**2023**	**Increase/(Decrease)**
Endoscopy	$ 1,996	$ 1,836	8.7%
Urology	1,570	1,437	9.3%
Neuromodulation	807	708	14.0%
MedSurg	**4,373**	**3,981**	**9.9%**
Cardiology	6,048	4,958	22.0%
Peripheral Interventions	1,765	1,577	11.9%
Cardiovascular	**7,813**	**6,534**	**19.6%**
Net Sales	**$ 12,186**	**$ 10,515**	**15.9%**

MedSurg

Endoscopy

Our Endoscopy business develops and manufactures devices to diagnose and treat a broad range of gastrointestinal (GI) and pulmonary conditions with innovative, less-invasive technologies. Net sales of Endoscopy products of $678 million during the third quarter and $1.996 billion during the first nine months of 2024 represented 16 percent of our consolidated net sales in both periods. Endoscopy net sales increased $49 million, or 7.8 percent, during the third quarter and $160 million, or 8.7 percent, during the first nine months of 2024, compared to the prior year periods. During the third quarter of 2024, this increase included operational net sales growth of 7.9 percent and a negative impact of 10 basis points from foreign currency fluctuations, compared to the prior year period. During the first nine months of 2024, this increase included operational net sales growth of 9.4 percent and a negative impact of 70 basis points from foreign currency fluctuations, compared to the prior year period.

Operational net sales growth during the third quarter of 2024 included organic net sales growth of 7.4 percent and the positive impact of 50 basis points from our acquisition of the endoluminal vacuum therapy portfolio of Braun in the first quarter of 2024. Operational net sales in the first nine months of 2024 included organic net sales growth of 8.3 percent and the net positive impact of 110 basis points from our acquisition of Apollo and divestiture of our pathology business in the second quarter of 2023, and our acquisition of the endoluminal vacuum therapy portfolio of Braun in the first quarter of 2024.

Organic net sales growth in both periods was primarily driven by our biliary franchise led by our AXIOS™ Stent and Delivery System, our single-use imaging franchise led by our EXALT™ Model D Single-Use Duodenoscope and our endoluminal surgery franchise.

Urology

Our Urology business develops and manufactures devices to treat various urological conditions for both male and female anatomies, including kidney stones, benign prostatic hyperplasia (BPH), prostate cancer, erectile dysfunction and incontinence. Net sales of Urology products of $532 million during the third quarter and $1.570 billion during the first nine months of 2024 represented 13 percent of our consolidated net sales in both periods. Urology net sales increased $50 million, or 10.3 percent, during the third quarter and $133 million, or 9.3 percent, during the first nine months of 2024, compared to the prior year periods. During the third quarter of 2024, this increase included operational net sales growth of 10.4 percent and a negative impact of 10 basis points from foreign currency fluctuations, compared to the prior year period. During the first nine months of 2024, this increase included operational net sales growth of 9.8 percent and a negative impact of 50 basis points from foreign currency fluctuations, compared to the prior year period.

Operational net sales growth in the third quarter of 2024 was primarily driven by our prostate health and stone management franchises. Operational net sales growth in the first nine months of 2024 was primarily driven by our stone management and prosthetic urology franchises.

Neuromodulation

Our Neuromodulation business develops and manufactures devices to treat various neurological movement disorders and manage chronic pain. Net sales of Neuromodulation products of $268 million during the third quarter and $807 million during the first nine months of 2024 represented 6 percent and 7 percent of our consolidated net sales, respectively. Neuromodulation net sales increased $39 million, or 17.0 percent during the third quarter and $99 million, or 14.0 percent during the first nine months of 2024, compared to the prior year periods. During the third quarter of 2024, this increase included operational net sales growth of 17.1 percent and a negative impact of 10 basis points from foreign currency fluctuations, compared to the prior year period. During the first nine months of 2024, this increase included operational net sales growth of 14.4 percent and a negative impact of 40 basis points from foreign currency fluctuations, compared to the prior year period.

Operational net sales growth included organic net sales growth of 2.7 percent during the third quarter of 2024 and 1.7 percent during the first nine months of 2024, and the positive impact of 1,440 and 1,270 basis points, respectively, from our acquisition of Relievant in the fourth quarter of 2023. Organic net sales growth in both periods was primarily driven by our deep brain stimulation franchise and our radiofrequency ablation portfolio.

Cardiovascular

Cardiology

Our Cardiology business develops and manufactures devices and medical technologies for diagnosing and treating a variety of diseases and abnormalities of the heart. Net sales of Cardiology products of $2.129 billion during the third quarter and $6.048 billion for the first nine months of 2024 represented 51 percent and 50 percent of our consolidated net sales, respectively. Cardiology net sales increased $482 million, or 29.2 percent, during the third quarter and $1.090 billion, or 22.0 percent, during the first nine months of 2024, compared to the prior year periods. During the third quarter of 2024, this increase included operational net sales growth of 29.3 percent and a negative impact of 10 basis points from foreign currency fluctuations, compared to the prior year period. During the first nine months of 2024, this increase included operational net sales growth of 23.1 percent and a negative impact of 110 basis points from foreign currency fluctuations, compared to the prior year period.

Operational net sales growth in both periods was primarily driven by growth of our electrophysiology business, led by our Farapulse™ Pulsed Field Ablation System and our access solutions portfolio, continued market penetration of Left Atrial Appendage Closure (LAAC) procedures with our WATCHMAN FLX™ LAAC Device and our WATCHMAN FLX™ Pro LAAC Device, as well as our percutaneous coronary intervention guidance franchise.

Peripheral Interventions

Our Peripheral Interventions business develops and manufactures products to diagnose and treat peripheral arterial and venous diseases, as well as products to diagnose, treat and ease various forms of cancer. Net sales of Peripheral Interventions products of $602 million during the third quarter and $1.765 billion for the first nine months of 2024 represented 14 percent our consolidated net sales in both periods. Peripheral Interventions net sales increased $64 million, or 11.8 percent, during the third quarter and $188 million, or 11.9 percent, during the first nine months of 2024, compared to the prior year periods. During the third quarter of 2024, this increase included operational net sales growth of 12.0 percent and a negative impact of 10 basis points from foreign currency fluctuations, compared to the prior year period. During the first nine months of 2024, this increase included operational net sales growth of 13.4 percent and a negative impact of 140 basis points from foreign currency fluctuations, compared to the prior year period.

Operational net sales growth during the third quarter of 2024 included organic net sales growth of 10.3 percent and the positive impact of 170 basis points from our acquisition of Silk Road Medical in the third quarter of 2024. Operational net sales growth during the first nine months of 2024 included organic net sales growth of 10.3 percent and the positive impact of 300 basis points from our majority stake investment in Acotec and the acquisition of Silk Road Medical during the first quarter of 2023 and third quarter of 2024, respectively. Organic net sales growth in both periods was primarily driven by our interventional oncology franchise led by our Therasphere™ Y-90 Radioactive Glass Microspheres and EMBOLD™ Fibered Coil, as well as our drug-eluting portfolio within our vascular franchise led by our Ranger™ Drug Coated Balloon.

Emerging Markets

As part of our strategic imperative to drive global expansion, we are seeking to grow net sales and market share by expanding our global presence, including in 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.

Our Emerging Markets' net sales represented 16 percent and 17 percent of our consolidated net sales during the third quarter and first nine months of 2024, respectively, and 17 percent and 16 percent during the third quarter and first nine months of 2023, respectively. During the third quarter of 2024, our Emerging Markets net sales grew 15.2 percent on a reported basis, which included operational net sales growth of 16.8 percent and a negative impact of 150 basis points from foreign currency fluctuations, compared to the prior year period. During the first nine months of 2024, our Emerging Markets net sales grew 17.3 percent on a reported basis, which included operational net sales growth of 21.2 percent and a negative impact of 380 basis points from foreign currency fluctuations, compared to the prior year period. Operational growth in both periods was driven primarily by growth in China, fueled by the breadth of our portfolio and focus on innovation and strong commercial execution.

Economic Environment

Our business has been impacted by global supply chain disruptions, which have continued to improve in recent quarters, however challenges still exist. We have experienced, and may continue to experience, increases in cost and limited availability of certain raw materials, components, and other inputs necessary to manufacture and distribute our products due to constraints and continued inflation within the global supply chain, as well as increases in wage costs and the cost and time to distribute our products. Uncertainty around inflationary pressures, interest rates, monetary policy and changes in tax laws could potentially cause new, or exacerbate existing, economic challenges that we may face, including the impact of foreign currency fluctuations on our results of operations, or result in an economic downtown or recession, which could negatively impact our business operations and results. Existing and future potential geopolitical dynamics, including matters related to the Russia/Ukraine war, Israel/Hamas war and broader conflicts in the region, as well as tension in the Taiwan strait, may create economic, supply chain, energy, and other challenges, including disruptions to business operations, which impact, and may in the future negatively impact, our business. In particular, international conflicts could create instability, have and may further result in sanctions, tariffs, and other measures that restrict international trade and may negatively affect our business operations and results.

Gross Profit

Our *Gross profit* was $2.897 billion for the third quarter of 2024, $2.426 billion for the third quarter of 2023, $8.395 billion for the first nine months of 2024 and $7.317 billion for the first nine months of 2023. The following is a reconciliation of our gross profit margin and a description of the drivers of the changes from period to period:

	Percentage of Net Sales	
	Three Months	Nine Months
Gross profit margin - period ended September 30, 2023	**68.8%**	**69.6%**
Sales pricing, volume and mix	0.9	0.4
All other, including inventory charges and other period expenses	(0.9)	(1.0)
Gross profit margin - period ended September 30, 2024	**68.8%**	**68.9%**

Gross profit margin remained flat in the third quarter of 2024 and decreased in the first nine months of 2024, as compared to the same periods in the prior year. The primary factors that impacted gross profit margin in the third quarter of 2024 were increased sales of higher margin products, offset by strategic manufacturing capacity investments to support future growth, inventory charges and other period expenses. The primary factors that contributed to the decrease in the first nine months of 2024 were inventory charges, including related to the POLARx™ cryoablation system given the strong commercial adoption of our Farapulse™ Pulsed Field Ablation System, strategic manufacturing capacity investments and other period expenses, partially offset by increased sales of higher margin products.

Operating Expenses

The following table provides a summary of our key operating expenses:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
(in millions)	$	% of Net Sales	$	% of Net Sales	$	% of Net Sales	$	% of Net Sales
Selling, general and administrative expenses	$ 1,562	37.1 %	$ 1,242	35.2 %	$ 4,372	35.9 %	$ 3,811	36.2 %
Research and development expenses	407	9.7 %	356	10.1 %	1,156	9.5 %	1,051	10.0 %

Selling, General and Administrative expenses (SG&A Expenses)

During the third quarter of 2024, *SG&A expenses* increased $320 million, or 26 percent, compared to the prior year period and were 190 basis points higher as a percentage of net sales. During the first nine months of 2024, *SG&A expenses* increased $561 million, or 15 percent, compared to the prior year period and were 30 basis points lower as a percentage of net sales. The increase in *SG&A expenses* in the third quarter of 2024 was driven in part by comparatively higher acquisition-related expenses. The increase in *SG&A expenses* in both periods was primarily due to higher selling costs driven by higher global net sales and costs to support recent and upcoming product launches, including the Farapulse™ Pulsed Field Ablation System.

Research and Development expenses (R&D Expenses)

We remain committed to advancing medical technologies and investing in meaningful R&D projects across our businesses. During the third quarter of 2024, *R&D expenses* increased $51 million, or 14 percent, compared to the prior year period and were 40 basis points lower as a percentage of net sales. During the first nine months of 2024, *R&D expenses* increased $104 million, or 10 percent, compared to the prior year period, and were 50 basis points lower as a percentage of net sales. *R&D expenses* increased in both periods as a result of investments across our businesses in order to maintain a pipeline of new products that we believe will contribute to profitable sales growth.

Other Operating Expenses

The following provides a summary of certain of our other operating expenses, which are excluded by management for purposes of evaluating operating performance; refer to *Additional Information* for a further description.

Amortization Expense

During the third quarter of 2024, *Amortization expense* decreased $3 million, or 1 percent, compared to the prior year period. In the first nine months of 2024, *Amortization expense* increased $11 million, or 2 percent, compared to the prior year period.

Intangible Asset Impairment Charges

In 2024, we did not record any *Intangible asset impairment charges* in the third quarter and recorded $276 million in the first nine months. In 2023, we recorded *Intangible asset impairment charges* of less than $1 million in the third quarter and $58 million in the first nine months. The impairment charges recorded in 2024 were associated with amortizable intangible assets established in connection with our acquisitions of Cryterion Medical, Inc. (Cryterion) and Devoro Medical, Inc. (Devoro), which were integrated into our Electrophysiology and Peripheral Interventions business units, respectively. Intangible assets acquired from Cryterion were impaired due to strong commercial adoption of our Farapulse™ Pulsed Field Ablation System and the resulting lower revenue projections and cannibalization of our cryoablation business in major markets like the U.S. Intangible assets acquired from Devoro were impaired following management's decision to cancel the related program in the second quarter of 2024. The impairment charges recorded in 2023 were primarily associated with the cancellation of an IPR&D program due to the incremental time and cost to complete the program and bring the technology to market.

Refer to *Note C – Goodwill and Other Intangible Assets* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q and *Critical Accounting Policies and Estimates* contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our most recent Annual Report on Form 10-K for additional details and a discussion of key assumptions used in our intangible asset impairment testing and future events that could have a negative impact on the recoverability of our intangible assets.

Contingent Consideration Net Expense (Benefit)

To recognize changes in the fair value of our contingent consideration liability, we recorded net benefits of $23 million and $4 million in the third quarter and first nine months of 2024, respectively. We recorded net charges of $12 million and $43 million in the third quarter and first nine months of 2023, respectively. The net benefits recorded in the third quarter and first nine months of 2024 related to a decrease in expected payments for achievement of revenue-based earn outs. The net charges recorded in the third quarter and first nine months of 2023 related to an increase in expected payments for achievement of commercialization-based milestones and revenue-based payments as a result of over-performance. In addition, we made payments of $232 million and $73 million associated with prior acquisitions during the first nine months of 2024 and 2023, respectively, following the achievement of revenue-based earnouts. Refer to *Note B – Acquisitions and Strategic Investments* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q for additional details related to our contingent consideration arrangements.

Restructuring and Restructuring-related Net Charges (Credits)

On February 22, 2023, our Board of Directors approved, and we committed to, a new global restructuring program (the 2023 Restructuring Plan). The 2023 Restructuring Plan will advance our Global Supply Chain Optimization strategy, which is intended to simplify our manufacturing and distribution network by transferring certain production lines among facilities and drive operational efficiencies and resiliency. Key activities under the 2023 Restructuring Plan will also include optimizing certain functional capabilities to achieve cost synergies and better support business growth. For more information, refer to *2023 Restructuring Plan* contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our most recent Annual Report on Form 10-K.

Pursuant to the 2023 Restructuring Plan, we recorded restructuring charges in accordance with FASB ASC Topic 420*, Exit or Disposal Cost Obligations* of $8 million and $12 million in the third quarter and first nine months of 2024, respectively. The restructuring reserve balance was $31 million as of September 30, 2024. In addition, we recorded restructuring-related charges of $44 million and $136 million in the third quarter and first nine months of 2024, respectively, primarily within *Cost of products sold* and *SG&A Expenses*. During the third quarter and first nine months of 2023, we recorded restructuring charges of $15 million and $51 million, respectively, and restructuring-related charges of $32 million and $82 million, respectively, and the restructuring reserve balance as of December 31, 2023 was $41 million.

Litigation-related Net Charges (Credits)

We did not record any litigation-related net charges (credits) during the third quarter and first nine months of 2024. We recorded litigation-related net credits of $111 million during the third quarter and first nine months of 2023 related to the settlement of offensive patent litigation. We record certain legal and product liability charges, credits and costs of defense, which we consider to be unusual or infrequent and significant as *Litigation-related net charges (credits)* within our accompanying unaudited consolidated financial statements. All other legal and product liability charges, credits and costs are recorded within *SG&A expenses*.

We continue to assess certain litigation and claims to determine the amounts, if any, that management believes will be paid as a result of such claims and litigation, and therefore, additional losses may be accrued and paid in the future, which could materially adversely impact our operating results, cash flows and/or our ability to comply with the financial covenant required by our credit arrangements. Refer to *Note H – Commitments and Contingencies* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q for discussion of our material legal proceedings.

Interest Expense and Interest Income

The following table provides a summary of our *Interest expense,* interest income and average borrowing rate:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest expense *(in millions)*	$ (79)	$ (66)	$ (225)	$ (200)
Interest income *(in millions)*	41	5	85	13
Average borrowing rate	2.8 %	2.8 %	2.8 %	2.8 %

Interest expense increased during the third quarter and first nine months of 2024 compared to the prior year periods primarily due to increased debt from the registered public offering of €2.000 billion in aggregate principal amount of euro-denominated senior notes (the 2024 Eurobonds) during the first quarter of 2024. Our average borrowing rate remained flat during the third quarter and first nine months of 2024 compared to the prior year periods. Refer to *Liquidity and Capital Resources* and *Note E – Contractual Obligations and Commitments* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q for more information regarding our debt obligations. Interest income increased during the third quarter and first nine months of 2024 compared to the prior year periods primarily due to higher average cash balances invested in each period as a result of the registered public offering of the 2024 Eurobonds during the first quarter of 2024. Interest income is recorded in *Other, net* within our accompanying unaudited consolidated statement of operations.

Tax Rate

The following table provides a reconciliation of our reported tax rate to the rate from continuing operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Reported tax rate	30.0 %	17.3 %	24.4 %	26.5 %
Impact of certain receipts/charges[(1)]	(12.3)%	(0.2)%	(6.0)%	(7.3)%
Rate from continuing operations	17.7 %	17.1 %	18.3 %	19.2 %

[(1)]These receipts/charges are taxed at different rates than our rate from continuing operations.

Our reported tax rate is affected by recurring items such as the amount of our earnings subject to differing tax rates in foreign jurisdictions and the impact of certain receipts and charges that are taxed at rates that differ from our rate from continuing operations.

In the third quarter of 2024, the primary difference between the rate from continuing operations and our reported tax rate relates to certain acquisition-related net charges. In the first nine months of 2024, the primary difference between the rate from

continuing operations and our reported tax rate relates to certain acquisition-related net charges, benefits for intangible asset impairment charges, and discrete tax benefits primarily related to stock-based compensation.

In the third quarter of 2023, the primary difference between the rate from continuing operations and our reported tax rate relates to litigation-related charges. In the first nine months of 2023, the primary difference between the rate from continuing operations and our reported tax rate relates to certain acquisition-related net charges, litigation-related charges and discrete tax benefits related to unrecognized tax benefits and stock-based compensation.

Effective January 1, 2024, many countries where we do business, including the United Kingdom, Japan, South Korea, Canada and many EU member states, adopted a global minimum effective tax rate of 15% based on the Pillar Two framework issued by the Organization for Economic Cooperation and Development (OECD). Other countries where we do business are also actively considering adopting the framework or are in various stages of enacting the framework into their country's laws. While the Company continues to monitor legislative adoption of the Pillar Two rules by country, as well as for additional guidance from the OECD, there is significant uncertainty that exists regarding the interpretation of the detailed Pillar Two rules, whether such rules will be implemented consistently across taxing jurisdictions, how such rules interact with existing national tax laws and whether such rules are consistent with existing tax treaty obligations. Although the current impact of the adoption of a global minimum effective tax on our financial statements is not material, it is possible that the final adoption, implementation, and interpretation of Pillar Two across all jurisdictions where we do business could have a material adverse impact on our financial position, results of operations, and cash flows.

Our operations presently benefit from various tax provisions of the Tax Cuts and Jobs act which are set to expire in 2025. If future legislation is unable to extend or modify these provisions, this could have a material adverse impact on our overall effective tax rate, financial condition, results of operations, and cash flows.

Critical Accounting Policies and Estimates

Our financial results are affected by the selection and application of accounting policies and methods. During the third quarter and first nine months of 2024, there were no material changes to the application of critical accounting policies previously disclosed in our most recent Annual Report on Form 10-K.

Liquidity and Capital Resources

Based on our current business plan, we believe our existing balance of *Cash and cash equivalents*, future cash generated from operations, access to capital markets and existing credit facilities will be sufficient to fund our operations, invest in our infrastructure, pay our legal-related liabilities, pay taxes due, service and repay our existing debt and fund possible acquisitions for the next 12 months and for the foreseeable future.

As of September 30, 2024, we had $2.502 billion of unrestricted *Cash and cash equivalents* on hand, including approximately $67 million held by Acotec, a less than wholly owned entity of which we acquired a majority stake investment during the first quarter of 2023. The balance is comprised of $1.733 billion invested in money market funds and time deposits and $803 million in interest bearing and non-interest-bearing bank accounts. We invest excess cash on hand in short-term financial instruments that earn at market interest rates while mitigating principal risk through instrument and counterparty diversification, as well as what we believe to be prudent instrument selection. We limit our direct exposure to securities in any one industry or issuer.

In 2021, we entered into our $2.750 billion revolving credit facility (as amended, supplemented or otherwise modified from time to time, the 2021 Revolving Credit Facility) with a global syndicate of commercial banks. On May 10, 2024, we entered into a third amendment to the 2021 Revolving Credit Facility credit agreement, which provided for, among other things, an extension of the scheduled maturity date to May 10, 2029, an amendment of the Ratings based pricing grid of the Applicable Margin, each as defined in the credit agreement, and reset the applicable date for purposes of determining the amounts of restructuring charges and restructuring-related expenses that may be excluded from consolidated Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), as defined by the credit agreement, for purposes of our maximum leverage ratio covenant, from December 31, 2022 to March 31, 2024, as further discussed under *Financial Covenant* below. This facility provides backing for our commercial paper program, and outstanding commercial paper directly reduces borrowing capacity under the 2021 Revolving Credit Facility. There were no amounts outstanding under the 2021 Revolving Credit Facility or our commercial paper program as of September 30, 2024, resulting in an additional $2.750 billion of available liquidity.

For additional details related to our debt obligations, including our financial covenant requirement, refer to *Note E – Contractual Obligations and Commitments* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q.

The following provides a summary and description of our net cash inflows (outflows):

	Nine Months Ended September 30,	
(in millions)	**2024**	**2023**
Cash provided by (used for) operating activities	$ 1,979	$ 1,546
Cash provided by (used for) investing activities	(1,983)	(1,521)
Cash provided by (used for) financing activities	1,600	(10)

Operating Activities

During the first nine months of 2024, cash provided by (used for) operating activities increased $433 million compared to the prior year period primarily due to higher operating income and slower inventory buildup due to improved macroeconomic supply chain conditions, offset by higher income tax and employee related payments.

Investing Activities

During the first nine months of 2024, cash provided by (used for) investing activities included cash payments of $1.222 billion for acquisitions of businesses, net of cash acquired, primarily related to the acquisition of Silk Road Medical, *purchases of property, plant and equipment and internal use software* of $513 million as well as *payments for investments and acquisitions of certain technologies, net of investment proceeds* of $264 million. During the first nine months of 2023, cash used for investing activities included cash payments of $1.018 billion, net of cash acquired, for the acquisition of Apollo and a majority stake investment in Acotec, as well as *purchases of property, plant and equipment and internal use software* of $444 million. For more information on our acquisitions, refer to *Note B – Acquisitions and Strategic Investments* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q.

Financing Activities

During the first nine months of 2024, cash provided by (used for) financing activities included the registered public offering of the 2024 Eurobonds. The offering resulted in cash proceeds of $2.145 billion, net of investor discounts and issuance costs. We used the net proceeds from the offering of the 2024 Eurobonds to fund the repayment at maturity of our 3.450% Senior Notes due March 2024 and to pay accrued and unpaid interest with respect to such notes. Additionally, we plan to use the remaining net proceeds from the offering to fund a portion of the purchase price of our announced agreement to acquire Axonics, Inc. (Axonics) and to pay related fees and expenses, and for general corporate purposes. If the Axonics acquisition is not consummated by the applicable outside date pursuant to the merger agreement or we choose to not pursue consummation of the acquisition, we will be required to redeem each series of the notes at a special mandatory redemption price equal to 101% of the aggregate principal amount of such series of notes, plus accrued and unpaid interest, if any, to, but excluding, the date on which the notes will be redeemed. For more information, refer to *Note E – Contractual Obligations and Commitments* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q. Cash provided by (used for) financing activities in the first nine months of 2023 included *proceeds from issuances of common stock pursuant to employee stock compensation and purchase plans* of $165 million, *cash used to net share settle employee equity awards* of $54 million and *payments of contingent consideration previously established in purchase accounting of* $39 million.

Financial Covenant

As of September 30, 2024, we were in compliance with the financial covenant required by the 2021 Revolving Credit Facility.

The 2021 Revolving Credit Facility includes the financial covenant requirement for all of our credit arrangements that we maintain the maximum permitted leverage ratio of 3.75 times for the remaining term. The credit agreement provides for higher leverage ratios, at our election, for the period following a Qualified Acquisition, as defined by the agreement, for which consideration exceeds $1.000 billion. In the event of such an acquisition, for the four succeeding quarters immediately following, including the quarter in which the acquisition occurs, the maximum permitted leverage ratio is 4.75 times. It steps down for the fifth, sixth and seventh succeeding quarters to 4.50 times, 4.25 times and 4.00 times, respectively. Thereafter, a maximum leverage ratio of 3.75 times is required through the remaining term of the 2021 Revolving Credit Facility. We have elected to designate the Axonics acquisition as a Qualified Acquisition under the credit agreement, and upon closing, will increase the maximum permitted leverage ratio at that time. The agreement also provides for an exclusion of any debt incurred to fund a Qualified Acquisition, until the earlier of the acquisition close date or date of abandonment, termination or expiration

of the acquisition agreement. As of September 30, 2024, we excluded from our leverage ratio calculation $2.218 billion of debt incurred in connection with the Axonics acquisition. We believe that we have the ability to comply with the financial covenant for the next 12 months.

The financial covenant requirement, as amended on May 10, 2024, provides for an exclusion from the calculation of consolidated EBITDA, as defined by the credit agreement, through maturity, of certain charges and expenses. The credit agreement amendment reset the starting date for purposes of calculating such permitted exclusions related to restructuring charges and restructuring-related expenses from December 31, 2022 to March 31, 2024. Permitted exclusions include up to $500 million in cash and non-cash restructuring charges and restructuring-related expenses associated with our current or future restructuring plans. As of September 30, 2024, we had $401 million of the restructuring charge exclusion remaining. In addition, any cash litigation payments (net of any cash litigation receipts), as defined by the agreement, are excluded from the calculation of consolidated EBITDA, as defined by the agreement, provided that the sum of any excluded net cash litigation payments do not exceed $1.000 billion plus all accrued legal liabilities as of December 31, 2022. As of September 30, 2024, we had $1.442 billion of the litigation exclusion remaining.

Contractual Obligations and Commitments

On January 8, 2024, we announced our entry into a definitive agreement to acquire 100 percent of Axonics, a publicly traded medical technology company primarily focused on the development and commercialization of devices to treat urinary and bowel dysfunction. The purchase price is $71.00 in cash per share, or approximately $3.670 billion. On April 3, 2024, we and Axonics each received a request for additional information (Second Request) from the United States Federal Trade Commission (FTC) in connection with the FTC's review of the transaction. The issuance of the Second Request extends the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (HSR Act), until 30 days after both we and Axonics have substantially complied with the Second Request, unless the waiting period is extended voluntarily by the parties or terminated earlier by the FTC. We and Axonics have responded to the Second Request and continue to work cooperatively with the FTC in its review. The transaction is expected to be completed in the fourth quarter of 2024, subject to the expiration or termination of the waiting period under the HSR Act and the satisfaction (or waiver) of other customary closing conditions. We plan to fund the acquisition through a mix of cash on hand, commercial paper and net proceeds from the offering of the 2024 Eurobonds. The Axonics business will be integrated into our Urology division.

Certain of our acquisitions involve the payment of contingent consideration. Refer to *Note B – Acquisitions and Strategic Investments* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q for further details regarding the estimated potential amount of future contingent consideration we could be required to pay associated with our acquisitions. There have been no other material changes to our contractual obligations and commitments as of September 30, 2024.

Equity

On June 1, 2023, in accordance with the terms of our MCPS, all outstanding shares of MCPS automatically converted into shares of common stock. No action by the holders of the MCPS was required in connection with the mandatory conversion. The conversion rate for each share of MCPS was 2.3834 shares of common stock. Cash was paid in lieu of fractional shares in accordance with the terms of the MCPS. An aggregate of approximately 24 million shares of common stock, including shares of common stock issued to holders of MCPS that elected to convert prior to the mandatory conversion date, were issued upon conversion of the MCPS. Following the mandatory conversion of the MCPS, there were no outstanding shares of MCPS, resulting in the retirement of the annualized approximately $55 million cash dividend payment on the MCPS.

We received $202 million during the first nine months of 2024 and $165 million during the first nine months of 2023 in proceeds from stock issuances related to our stock option and employee stock purchase plans. Proceeds from the exercise of employee stock options and employee stock purchases vary from period to period based upon, among other factors, fluctuations in the trading price of our common stock and in the exercise and stock purchase patterns of our employees.

We did not repurchase any shares of our common stock during the first nine months of 2024 or 2023. On December 14, 2020, our Board of Directors approved a new stock repurchase program authorizing the repurchase of up to $1.000 billion of our common stock. As of September 30, 2024, we had the full amount remaining available under the authorization.

Legal Matters

For a discussion of our material legal proceedings refer to *Note H – Commitments and Contingencies* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q and *Note I – Commitments and Contingencies* to our audited financial statements contained in Item 8 of our most recent Annual Report on Form 10-K.

Recent Accounting Pronouncements

Information regarding new accounting pronouncements implemented since December 31, 2023, and relevant accounting pronouncements to be implemented in the future are included in *Note N – New Accounting Pronouncements* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q.

Additional Information

Corporate Responsibility

Our sustainable environmental, social and governance (ESG) practices underpin all aspects of our global business. Our approach is aligned with the United Nations Sustainable Development Goals and our material topics and practices are informed by a broad range of internal and external stakeholders – locally, nationally and globally. Our employees around the world work with suppliers and other organizations that share our commitment to these practices that help address issues related to health inequity, economic disparity, climate change and environmental protection. Our global ESG vision and strategy is led by our ESG Executive Steering Committee and our vice president of ESG, who provides regular updates to our Board of Directors or committees thereof as appropriate. Our ESG team works closely with subject matter experts and key advisors from across the business to implement our ESG practices and determine how we measure and share progress. The importance of our ESG efforts is reinforced by a company wide scorecard that is part of our annual bonus program. For additional information on our sustainability efforts, as well as our Diversity, Equity and Inclusion initiatives, refer to our most recent Annual Report on Form 10-K. For additional information on our annual bonus plan, refer to our Proxy Statement for the 2024 Annual Meeting of Shareholders.

Cybersecurity

We have established controls and procedures to escalate enterprise level issues, including cybersecurity matters, to the appropriate management levels within our organization and our Board of Directors, or members or committees thereof, as appropriate. Under our framework, cybersecurity issues, including those involving vulnerabilities introduced by our use of third-party software, are analyzed by subject matter experts, including a crisis committee as needed in accordance with our incident response plans, for potential financial, operational, and reputational risks, based on, among other factors, the nature of the matter and breadth of impact. Matters determined to present potential material impacts to our financial results, operations, and/or reputation are immediately reported by management to the Board of Directors, or individual members or committees thereof, as appropriate, in accordance with our established escalation framework. In addition, we have established procedures to help ensure that members of management responsible for overseeing the effectiveness of disclosure controls are informed in a timely manner of known cybersecurity risks and incidents that may materially impact our operations and that timely public disclosure is made, as appropriate. For additional information on our risk management, strategy and governance around cybersecurity, refer to Part I, Item 1C. *Cybersecurity* in our most recent Annual Report on Form 10-K.

Stock Trading Policy

Our directors and executive officers are subject to our Stock Trading Policy, which is designed to facilitate compliance with insider trading laws and governs transactions in our common stock and related derivative securities. Our policy designates certain regular periods, dictated by release of financial results, in which trading is restricted for individuals in information-sensitive positions, including directors and executive officers. In addition, additional periods of trading restriction may be imposed as determined by the President and Chief Executive Officer, General Counsel, or Chief Financial Officer in light of material pending developments. Further, during permitted windows, certain individuals in information-sensitive positions are required to seek pre-clearance for trades from the General Counsel, who assesses whether there are any important pending developments which need to be made public before the individual may participate in the market.

Periodically, certain of our executive officers adopt written stock trading plans in accordance with Rule 10b5-1 under the Exchange Act and our own Stock Trading Policy. A Rule 10b5-1 trading plan is a written document that pre-establishes the amount, prices and dates (or formulas for determining the amounts, prices and dates) of future purchases or sales of our stock, including shares issued upon exercise of stock options or vesting of restricted stock units. These plans are entered into at a time when the person is not in possession of material non-public information about the Company. In addition to any plans described in Part II, Item 5 of this Quarterly Report on Form 10-Q, we disclose details regarding individual Rule 10b5-1 trading plans on the Investor Relations section of our website.

Use of Non-GAAP Financial Measures

To supplement our unaudited consolidated financial statements presented on a GAAP basis, we disclose certain non-GAAP financial measures, including adjusted net income (loss), adjusted net income (loss) attributable to Boston Scientific common stockholders and adjusted net income (loss) per share (EPS) that exclude certain charges (credits); operational net sales, which exclude the impact of foreign currency fluctuations; and organic net sales, which exclude the impact of foreign currency fluctuations as well as the impact of acquisitions and divestitures with less than a full period of comparable net sales. These non-GAAP financial measures are not in accordance with GAAP and should not be considered in isolation from or as a replacement for the most directly comparable GAAP financial measures. Further, other companies may calculate these non-GAAP financial measures differently than we do, which may limit the usefulness of those measures for comparative purposes.

To calculate adjusted net income (loss), adjusted net income (loss) attributable to Boston Scientific common stockholders and adjusted net income (loss) per share, we exclude certain charges (credits) from GAAP net income and GAAP net income attributable to Boston Scientific common stockholders, which 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), EU MDR implementation costs, debt extinguishment net charges, deferred tax expenses (benefits) and certain discrete tax items. Amounts are presented after-tax using our effective tax rate, unless the amount is a significant unusual or infrequently occurring item in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 740-270-30, “General Methodology and Use of Estimated Annual Effective Tax Rate.” 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 for an explanation of each of these adjustments and the reasons for excluding each item.

The GAAP financial measures most directly comparable to adjusted net income (loss), adjusted net income (loss) attributable to Boston Scientific common stockholders and adjusted net income (loss) per share are GAAP net income (loss), GAAP net income (loss) attributable to Boston Scientific common stockholders and GAAP net income (loss) per common share – diluted, respectively.

To calculate operational net sales growth rates, which exclude the impact of foreign currency fluctuations, we convert actual net sales from local currency to U.S. dollars using constant foreign currency exchange rates in the current and prior periods. To calculate organic net sales growth rates, we also remove the impact of acquisitions and divestitures with less than a full period of comparable net sales. The GAAP financial measure most directly comparable to operational net sales and organic net sales is net sales reported on a GAAP basis.

Reconciliations of each of these non-GAAP financial measures to the corresponding GAAP financial measure are included in the relevant sections of this Quarterly Report on Form 10-Q.

Management uses these supplemental non-GAAP financial measures to evaluate performance period over period, to analyze the underlying trends in our business, to assess our performance relative to our competitors and to establish operational goals

and forecasts that are used in allocating resources. In addition, management uses these non-GAAP financial measures to further its understanding of the performance of our operating segments. The adjustments excluded from our non-GAAP financial measures are consistent with those excluded from our operating segments' measures of net sales and profit or loss. These adjustments are excluded from the segment measures reported to our chief operating decision maker that are used to make operating decisions and assess performance.

We believe that presenting adjusted net income (loss), adjusted net income (loss) attributable to Boston Scientific common stockholders, adjusted net income (loss) per share, operational net sales and organic net sales growth rates, in addition to the corresponding GAAP financial measures, provides investors greater transparency to the information used by management for its operational decision-making and allows investors to see our results "through the eyes" of management. We further believe that providing this information assists our investors in understanding our operating performance and the methodology used by management to evaluate and measure such performance.

Safe Harbor for Forward-Looking Statements

Certain statements that we may make from time to time, including statements contained in this Quarterly Report on Form 10-Q and information incorporated by reference herein, constitute "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," "aim," "goal," "target," "continue," "hope," "may" and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. If our underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could vary materially from the expectations and projections expressed or implied by our forward-looking statements.

The forward-looking statements in this Quarterly Report on Form 10-Q are based on certain risks and uncertainties, including the risk factors described in Part I, Item 1A. *Risk Factors* in our most recent Annual Report on Form 10-K and the specific risk factors discussed herein and in connection with forward-looking statements throughout this Quarterly Report on Form 10-Q, which could cause actual results to vary materially from the expectations and projections expressed or implied by our forward-looking statements. These risks and uncertainties, in some cases, have affected and in the future 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 Quarterly Report on Form 10-Q. As a result, readers are cautioned not to place undue reliance on any of our forward-looking statements. Risks and uncertainties that may cause such differences include, among other things: economic conditions, including the impact of foreign currency fluctuations; future U.S. and global political, competitive, reimbursement and regulatory conditions; geopolitical events; manufacturing, distribution and supply chain disruptions and cost increases; disruptions caused by cybersecurity events; disruptions caused by public health emergencies or extreme weather or other climate change-related events; labor shortages and increases in labor costs; variations in outcomes of ongoing and future clinical trials and market studies; new product introductions and the market acceptance of those products; market competition for our products; expected pricing environment; expected procedural volumes; the closing and integration of acquisitions; demographic trends; intellectual property rights; litigation; financial market conditions; the execution and effect of our restructuring program; the execution and effect of our business strategy, including our cost-savings and growth initiatives; our ability to achieve environmental, social and governance goals and commitments; and future business decisions made by us and our competitors. New risks and uncertainties may arise from time to time and are difficult to predict. All of these factors are difficult or impossible to predict accurately and many of them are beyond our control. For a further list and description of these and other important risks and uncertainties that may affect our future operations, refer to Part I, Item 1A. *Risk Factors* in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, which we may update in Part II, Item 1A. *Risk Factors* in subsequent Quarterly Reports on Form 10-Q that we will file hereafter. We disclaim any intention or obligation to publicly update or revise any forward-looking statement to reflect any change in our expectations or in events, conditions, or circumstances on which those expectations 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. This cautionary statement is applicable to all forward-looking statements contained in this Quarterly Report on Form 10-Q.

The following are some of the important risk factors that could cause our actual results to differ materially from our expectations in any forward-looking statements. For further discussion of these and other risk factors, refer to Part I, Item 1A. *Risk Factors* in our most recent Annual Report on Form 10-K.

Our Business

- Risks associated with challenging or uncertain domestic and international economic conditions, including those related to interest rates, inflation, supply chain disruptions and constraints, adverse developments and volatility in the banking industry, currency devaluations or economies entering into periods of recession,
- The impact of disruptions in the supply of the materials and components used in manufacturing our products or the sterilization of our products,
- Labor shortages and the impact of inflation on the cost of raw materials and direct labor,
- The impact of any future pandemics or other public health crises on worldwide economies, financial markets, manufacturing and distribution systems, including disruption in the manufacture or supply of certain components, materials or products, and business operations,
- The impact of natural disasters, climate change or other catastrophic events on our ability to manufacture, distribute and sell our products,
- The impact of competitive offerings, value-based procurement practices, government-imposed payback provisions and changes in reimbursement practices and policies on average selling prices for our products,
- The ongoing impact on our business of physician alignment to hospitals, governmental investigations and audits of hospitals and other market and economic conditions on the overall number of procedures performed,
- The performance of, and physician and patient confidence in, our products and technologies or those of our competitors,
- The impact and outcome of ongoing and future clinical trials and market studies undertaken by us, our competitors or other third parties or perceived product performance of our or our competitors' products,
- Variations in clinical results, reliability or product performance of our and our competitors' products,
- Our ability to acquire or develop, launch and supply new or next-generation products and technologies worldwide and in line with our commercialization strategies in a timely and successful manner and with respect to our recent acquisitions,
- The effect of consolidation and competition in the markets in which we do business or plan to do business,
- Our ability to achieve our projected level or mix of product sales, as some of our products are more profitable than others,
- Our ability to attract and retain talent, including key personnel associated with acquisitions, and to maintain our corporate culture in a hybrid work environment,
- The impact of enhanced requirements to obtain and maintain regulatory approval in the U.S. and around the world, including EU MDR and the associated timing and cost of product approval,
- The impact of increased pressure on the availability and rate of third-party reimbursement for our products and procedures in the U.S. and around the world, including with respect to the timing and costs of creating and expanding markets for new products and technologies,
- The issuance of new or revised accounting standards by the Financial Accounting Standards Board or the Securities and Exchange Commission, and
- The impact of potential goodwill and intangible asset impairment charges on our results of operations.

Regulatory Compliance, Litigation and Data Protection

- The impact of health care policy changes and legislative or regulatory efforts in the U.S., the EU and around the world to modify product approval or reimbursement processes, including a trend toward demonstrating clinical outcomes, comparative effectiveness and cost efficiency, as well as the impact of other health care reform legislation,
- Risks associated with our regulatory compliance and quality systems and activities in the U.S., the EU and around the world, including meeting regulatory standards applicable to manufacturing and quality processes,
- The effect of global legal, regulatory or market responses to climate change and sustainability matters, including increased compliance burdens and costs to meet regulatory obligations,
- Our ability to minimize or avoid future field actions or FDA warning letters, or similar actions by regulatory agencies around the world, relating to our products and processes and the ongoing inherent risk of potential physician advisories related to our or our competitors' products,
- The impact of increased scrutiny of and heightened global regulatory enforcement facing the medical device industry arising from political and regulatory changes, economic pressures or otherwise, including under U.S. Anti-Kickback Statute, U.S. False Claims Act and similar laws in other jurisdictions, U.S. Foreign Corrupt Practices Act (FCPA) and similar laws in other jurisdictions, and U.S. and foreign export control, trade embargo and customs laws,
- Costs and risks associated with current and future asserted litigation,
- The effect of our litigation and risk management practices, including self-insurance and compliance activities on our loss contingencies, legal provisions and cash flows,
- The impact of, diversion of management attention as a result of, and costs to cooperate with, litigate and/or resolve governmental investigations and our class action, product liability, contract and other legal proceedings,
- The possibility of failure to protect our intellectual property rights and the outcome of patent litigation, and
- Our ability to secure our information technology and operational technology systems that support our business operations and protect our data integrity and products from a cyber-attack, other breach or other malicious actors that may have a material adverse effect on our business, reputation or results of operations, including increased risks as an indirect result of the ongoing Russia/Ukraine war and Israel/Hamas war and broader conflicts in the region.

Innovation and Certain Growth Initiatives

- The timing, size and nature of our strategic growth initiatives and market opportunities, including with respect to our internal research and development platforms and externally available research and development platforms and technologies and the ultimate cost and success of those initiatives and opportunities,
- Our ability to complete planned clinical trials successfully, obtain regulatory approvals and launch new and next generation products in a timely manner consistent with cost estimates, including the successful completion of projects from in-process research and development,
- Our ability to identify and prioritize our internal research and development project portfolio and our external investment portfolio on profitable net sales growth opportunities as well as to maintain the estimated timing and costs of such projects and expected revenue levels for the resulting products and technologies,
- Our ability to develop, manufacture and market new products and technologies successfully and in a timely manner and the ability of our competitors and other third parties to develop products or technologies that render our products or technologies noncompetitive or obsolete,
- Our ability to execute appropriate decisions to discontinue, write-down or reduce the funding of any of our research and development projects, including projects from in-process research and development from our acquisitions, in our growth adjacencies or otherwise,

- Our dependence on acquisitions, alliances or investments to introduce new products or technologies and to enter new or adjacent growth markets and our ability to fund them or to fund contingent payments with respect to those acquisitions, alliances and investments, and

- The potential failure to successfully integrate, collaborate or realize the expected benefits, including cost synergies, from strategic acquisitions, alliances and investments we have consummated or may consummate in the future.

International Markets

- Our dependency on international net sales to achieve growth, and our ability to maintain or expand our worldwide market positions in the various markets in which we compete or seek to compete, including through investments in China and other Emerging Markets countries,

- The timing and collectability of customer payments, as well as our ability to continue factoring customer receivables where we have factoring arrangements, or to enter new factoring arrangements with favorable terms,

- The impact on pricing due to national and regional tenders, including value-based procurement practices and government-imposed payback provisions,

- Geopolitical and economic conditions, including civil unrest, terrorist activity, governmental changes, restrictions on the ability to transfer capital across borders, tariffs and other protectionist measures,

- The impact of the Russia/Ukraine war, Israel/Hamas war and broader conflicts in the region, and tension in the Taiwan strait, and related, downstream effects thereof, including disruptions to operations or the impact of sanctions on U.S. manufacturers doing business in these regions,

- Protection of our intellectual property,

- Our ability to comply with established and developing U.S. and foreign legal and regulatory requirements, including FCPA, EU MDR and similar laws in other jurisdictions,

- Our ability to comply with U.S. and foreign export control, trade embargo and customs laws,

- The impact of significant developments or uncertainties stemming from changes in the U.S. government following the 2024 presidential and congressional elections, including changes in U.S. trade policies, tariffs and the reaction of other countries thereto, particularly China, and

- The potential effect of foreign currency fluctuations and interest rate fluctuations on our net sales, operating expenses and resulting profit margins.

Liquidity

- Our ability to generate sufficient cash flow to fund operations, capital expenditures, global expansion initiatives, any litigation settlements and judgments, share repurchases and strategic investments and acquisitions as well as maintaining our investment grade ratings and managing our debt levels and financial covenant compliance,

- Our ability to access the public and private capital markets when desired and to issue debt or equity securities on terms reasonably acceptable to us,

- The unfavorable resolution of open tax matters, exposure to additional tax liabilities and the impact of changes in U.S. and international tax laws,

- The unfavorable resolution of open litigation matters, exposure to additional loss contingencies and legal provisions,

- The impact of examinations and assessments by domestic and international taxing authorities on our tax provisions, financial condition or results of operations,

- The possibility of counterparty default on our derivative financial instruments, and

- Our ability to collect outstanding and future receivables and/or sell receivables under our factoring programs.

Cost Reduction and Optimization Initiatives

- Risks associated with changes made or expected to be made to our organizational and operational structure, pursuant to our restructuring plans as well as any further restructuring or optimization plans we may undertake in the future and our ability to recognize benefits and cost reductions from such programs, and

- Business disruption and employee distraction as we execute our global compliance program, restructuring and optimization plans and any divestitures of assets or businesses and implement our other strategic and cost reduction initiatives.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We develop, manufacture and sell medical devices globally and our earnings and cash flows are exposed to market risk from changes in currency exchange rates and interest rates. We address these risks through a risk management program that includes the use of derivative financial instruments. We operate the program pursuant to documented corporate risk management policies. We do not enter derivative transactions for speculative purposes. Gains and losses on derivative financial instruments substantially offset losses and gains on underlying hedged exposures. Furthermore, we manage our exposure to counterparty risk on derivative instruments by entering into contracts with a diversified group of major financial institutions and by actively monitoring outstanding positions.

Our currency risk consists primarily of foreign currency denominated firm commitments, forecasted foreign currency denominated intercompany and third-party transactions and net investments in certain subsidiaries. We use both nonderivative (primarily European manufacturing operations) and derivative instruments to manage our earnings and cash flow exposure to changes in currency exchange rates. We had currency derivative instruments outstanding in the contract amount of $6.471 billion as of September 30, 2024 and $5.899 billion as of December 31, 2023. A ten percent appreciation in the U.S. dollar's value relative to the hedged currencies would increase the derivative instruments' fair value by $367 million as of September 30, 2024 compared to $236 million as of December 31, 2023. A ten percent depreciation in the U.S. dollar's value relative to the hedged currencies would decrease the derivative instruments' fair value by $449 million as of September 30, 2024 compared to $288 million as of December 31, 2023. Any increase or decrease in the fair value of our currency exchange rate sensitive derivative instruments would be substantially offset by a corresponding decrease or increase in the fair value of the hedged underlying asset, liability or forecasted transaction, resulting in minimal impacts on our unaudited consolidated statements of operations.

Our interest rate risk relates primarily to U.S. dollar and euro-denominated borrowings partially offset by U.S. dollar cash investments. We have historically used interest rate derivative instruments to manage our earnings and cash flow exposure to changes in interest rates. We had no interest rate derivative instruments outstanding as of September 30, 2024 or December 31, 2023. As of September 30, 2024, $10.924 billion in aggregate principal amount of our outstanding debt obligations was at fixed interest rates, representing approximately 100 percent of our total debt, on an amortized cost basis. As of September 30, 2024, our outstanding debt obligations at fixed interest rates were comprised of senior notes.

Refer to *Note D – Hedging Activities and Fair Value Measurements* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q for further information regarding our derivative financial instruments.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our President and Chief Executive Officer (CEO) and our Executive Vice President and Chief Financial Officer (CFO), evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2024 pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended. Disclosure controls and procedures are designed to ensure that material information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and ensure that such material information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. Based on their evaluation, our CEO and CFO concluded that, as of September 30, 2024, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

During 2022, we began a multi-year implementation of a new global enterprise resource planning (ERP) system, which will replace our existing system. The implementation is expected to occur in phases over the next several years. The portion of the transition to the new ERP system which we have completed to date resulted in changes in our internal control over financial reporting in 2023. No changes occurred during the first nine months of 2024. As future phases are implemented, we expect the changes to have a material impact on our internal controls over financial reporting and we will evaluate whether these process changes necessitate further changes in the design of and testing for effectiveness of internal controls over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to *Note H – Commitments and Contingencies* to our unaudited consolidated financial statements contained in Item 1 of Part I of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS

In addition to other information contained elsewhere in this report, you should carefully consider the factors discussed in Part I, Item 1A. *Risk Factors* in our most recent Annual Report on Form 10-K, which could materially affect our business, financial condition or future results.

ITEM 5. OTHER INFORMATION

(c)
On August 9, 2024, John B. "Brad" Sorenson, our Executive Vice President, Global Operations, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). Mr. Sorenson's plan covers the sale of up to 67,198 shares of our common stock including up to 20,383 shares to be acquired upon determination and/or vesting of performance share units and restricted share units and 17,362 shares to be acquired upon exercise of stock options. Transactions under Mr. Sorenson's plan are based upon pre-established dates and stock price thresholds and will only occur upon the expiration of the applicable mandatory cooling-off period. Mr. Sorenson's plan will terminate on the earlier of May 16, 2025, or the date all shares subject to the plan have been sold.

On August 9, 2024, Arthur C. Butcher, our Executive Vice President and Group President, MedSurg and Asia Pacific, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). Mr. Butcher's plan covers the sale of 69,253 shares of our common stock to be acquired upon exercise of stock options. Transactions under Mr. Butcher's plan are based upon pre-established dates and stock price thresholds and will only occur upon the expiration of the applicable mandatory cooling-off period. Mr. Butcher's plan will terminate on the earlier of January 30, 2026, or the date all shares subject to the plan have been sold.

On August 26, 2024, Daniel J. Brennan, our Executive Vice President and Chief Financial Officer, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). Mr. Brennan's plan covers the sale of up to 120,672 shares of our common stock including up to 45,062 shares to be acquired upon determination and/or vesting of performance share units and restricted share units and 75,610 shares to be acquired upon exercise of stock options. Transactions under Mr. Brennan's plan are based upon pre-established dates and stock price thresholds and will only occur upon the expiration of the applicable mandatory cooling-off period. Mr. Brennan's plan will terminate on the earlier of June 2, 2025, or the date all shares subject to the plan have been sold.

ITEM 6. EXHIBITS (* documents filed or furnished with this report; # compensatory plans or arrangements)

22	Subsidiary Issuer of Guaranteed Securities (incorporated herein by reference to Exhibit 22 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed on May 1, 2024, File No. 1-11083).
31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.

101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on November 1, 2024.

BOSTON SCIENTIFIC CORPORATION

By: /s/ Daniel J. Brennan

Name: Daniel J. Brennan
Title: Executive Vice President and Chief Financial Officer

EXHIBIT 31.1

CERTIFICATIONS

I, Michael F. Mahoney, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of Boston Scientific Corporation;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2024

/s/ Michael F. Mahoney

Michael F. Mahoney

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Daniel J. Brennan, certify that:

1 I have reviewed this Quarterly Report on Form 10-Q of Boston Scientific Corporation;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2024

/s/ Daniel J. Brennan

Daniel J. Brennan

Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Boston Scientific Corporation (the "Company") for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Executive Officer of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Boston Scientific Corporation.

This certification shall not be deemed "filed" for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

By: /s/ Michael F. Mahoney
Michael F. Mahoney
President and Chief Executive Officer

November 1, 2024

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Boston Scientific Corporation (the "Company") for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Chief Financial Officer of the Company hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on his knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Boston Scientific Corporation.

This certification shall not be deemed "filed" for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

By: /s/ Daniel J. Brennan

Daniel J. Brennan

Executive Vice President and Chief Financial Officer

November 1, 2024