Boston Scientific

Boston Scientific Outlines Strategy for Sustained Growth at 2017 Investor Day

MARLBOROUGH, Mass., June 27, 2017/Updated/PRNewswire/ -- Boston Scientific Corporation (NYSE: BSX) is hosting a meeting with the investment community today in New York City to provide an overview of its business and long-term growth strategies. Chairman of the Board and Chief Executive Officer Mike Mahoney will discuss how the company's focus on expanding category leadership and driving growth globally is advancing patient care and delivering strong financial performance.

"We are committed to fulfilling our promises to patients, customers and shareholders by delivering a comprehensive, innovative and cost effective portfolio of products and solutions within our served markets while also expanding into new, high growth adjacent markets," said Mahoney. "We are also focused on driving global expansion and further improving profitability so that we can invest in our future portfolio and consistently deliver long term, durable growth."

Driving Category Leadership
Boston Scientific products reach more than 24 million patients around the world annually, and address global markets that total more than $40 billion today and are expected to reach over$50 billion by 2020. During today's meeting, Boston Scientific senior leaders will highlight new products and pipeline technologies aligned with the company's goal of category leadership within its Cardiovascular, Rhythm Management and MedSurg segments.

Cardiovascular Segment
Interventional Cardiology: Boston Scientific continues to be the U.S. leader in drug-eluting stents with its SYNERGY™ Bioabsorbable Polymer Drug Eluting Stent System for the treatment of coronary artery disease, and a global leader in products for complex percutaneous coronary interventions, intravascular ultrasound imaging and chronic total occlusions.

Structural Heart: More than 30,000 patients have been implanted with the WATCHMAN™ LAAC Device, and today the company will review the global market opportunity and clinical strategies for this technology as a safe alternative to long-term warfarin therapy for embolic stroke risk reduction in eligible patients with non-valvular atrial fibrillation. The company will also discuss additional technologies and strategies intended to drive growth in Structural Heart, including the complementary TAVR valve platforms, LOTUS Edge™ Valve System[1] and ACURATE neo™ AS Valve System[2]. Boston Scientific continues to expect to launch the LOTUS Edge Valve System in Europe and submit the U.S. pre-market approval submission in the fourth quarter of 2017. The company intends to leverage its existing LOTUS infrastructure to expand the ACURATE neo AS Valve system through increased field support, geographic expansion and next generation products, and plans to invest in U.S. and Japan approval trials.

Peripheral Interventions: In Peripheral Interventions, updates will be provided on the Boston Scientific drug-eluting stent and drug-coated balloon portfolio in development for peripheral artery disease. The company has received the first ever Expedited Access Pathway (EAP) designation in peripheral by the U.S. Food and Drug Administration (FDA) for the study of a drug-eluting vascular stent system for the treatment of critical limb ischemia below the knee[3], a condition for which there are currently few treatment options. The EAP designation is reserved for breakthrough technologies that may offer clinically meaningful advantages over existing alternatives, and is expected to accelerate the market approval of the drug-eluting vascular stent system designed for treatment of critical limb ischemia by approximately two years.

Rhythm Management Segment
Cardiac Rhythm Management: Boston Scientific continues to deliver innovative technologies with global cardiac rhythm management portfolio approvals and launches. Today the company will highlight its Heartlogic™ Heart Failure Diagnostic[4] that is part of the RESONATE™ family of cardiac resynchronization therapy defibrillator (CRT-D) devices and has been validated for detecting early indications of worsening heart failure. The system allows for multiple sensor inputs without an additional implant, which may help clinicians move from reactive treatment to proactive care. The company will also discuss plans to provide an Insertable Cardiac Monitor (ICM)[3] solution in 2019 with a diagnostic-only device platform designed for cardiac arrhythmia monitoring through a mobile patient interface.

Electrophysiology: The company will present its cadence of therapeutic portfolio expansion with DirectSense™ technology[3] and Force Sensing Technology[3] for use with the RHYTHMIA™ Mapping System. The RHYTHMIA System has launched in more than 25 countries, been used in over 13,000 cases worldwide, and offers five times faster mapping and 25 times the data points over other available technology.

MedSurg Segment
Endoscopy: Boston Scientific is investing in technologies to potentially enter$3.5 billion in new endoscopy markets, including endoluminal surgery for gastrointestinal cancer, which is emerging as alternative to surgical resection of cancer or pre-cancer. The business also continues to focus on developing products and solutions in pathology and infection control following the EndoChoice acquisition.

Urology and Pelvic Health: The company will discuss its LithoVue™ Single-Use Digital Flexible Ureteroscope, which provides new approaches to stone procedures that reduce the cost of care per patient and has been the subject of more than 35 independent studies. Boston Scientific will also review its Men's and Women's Health portfolios, as well as plans to potentially expand globally and into $2.6 billion in new segments such as urologic cancer.

Neuromodulation: The company will highlight recently presented data, including the investigator initiated PROCO study, demonstrating positive outcomes associated with the use of spinal cord stimulation with advanced neural targeting and dosing algorithms to deliver personalized therapy. The company will also present its pipeline of innovation in deep brain stimulation (DBS) for the treatment of movement disorders in patients with Parkinson's Disease, dystonia and essential tremor, including the Vercise™ Gevia™ Deep Brain Stimulation System[5], which recently received CE mark and is the industry's first MR-conditional directional DBS system with stimulation visualization. The company expects to introduce the Vercise DBS System[6] in the U.S.by early 2018, pending regulatory approval.

Expanding Globally into Fast Growing Markets
Boston Scientific has plans to launch innovative products into high growth adjacent markets that are expected to address an incremental $13 billion in market opportunity by 2020. The company expects to be able to continue to diversify its portfolio away from low growth markets, which represented nearly 50% of sales in 2012, to moderate and high growth markets, which represented ~60% of sales in 2016 with a goal to reach an estimated 75% of sales by 2020.

"We are enhancing our long term outlook by diversifying into large high-growth markets with a differentiated portfolio and capabilities, as well as a focus on expanding outside the United States in both developed and emerging markets," said Dan Brennan, executive vice president and chief financial officer. "We are executing well on our financial objectives for consistent revenue growth, adjusted operating margin expansion and top tier adjusted earnings growth."

Focus on Improving Profitability
Following strong financial results in 2016 and the first quarter of 2017, the company's goal is to achieve an organic revenue compound annual growth rate for 2018-2020 of six to eight percent and consistent double-digit adjusted EPS growth (excluding the negative impact of foreign currency) through ongoing operating margin improvement initiatives, as well as a differentiated five-year growth strategy intended to help reach a 25 to 26 percent adjusted operating margin in 2017 and 28 percent in 2020.

About Today's Meeting
Investors and other interested parties may access this meeting by visiting the company's website at www.bostonscientific.com/investors. Complete archives and summary materials from today's presentations will also be available online for approximately one year.

About Boston Scientific
Boston Scientific transforms lives through innovative medical solutions that improve the health of patients around the world. As a global medical technology leader for more than 35 years, we advance science for life by providing a broad range of high performance solutions that address unmet patient needs and reduce the cost of healthcare. For more information, visit www.bostonscientific.com and connect on Twitter and Facebook.

[1]The Lotus Edge Valve System is not available for use or sale.

[2]The ACURATE neo AS Valve System is pending CE Mark. Not available for use or sale in the U.S.

[3]Device under development. Not available for use or sale.

[4]The HeartLogic Heart Failure Diagnostic Service is not currently available for use or sale.

[5]The Vercise Gevia system is CE Marked. Not available for use or sale in the U.S.

[6]The Vercise DBS system is CE Marked. US: "Caution: Investigational Device. Limited by Federal (or U.S.) law to investigational use only. Not available for sale.

Cautionary Statement Regarding Forward-Looking Statements
This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by words like "anticipate," "expect," "project," "believe," "plan," "estimate," "target," "intend" and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. These forward-looking statements include, among other things, statements regarding our business plans, regulatory approvals, growth, expansion into new markets, new products, clinical trials, financial performance and product performance and impact. If our underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could vary materially from the expectations and projections expressed or implied by our forward-looking statements. These factors, in some cases, have affected and in the future (together with other factors) could affect our ability to implement our business strategy and may cause actual results to differ materially from those contemplated by the statements expressed in this press release. As a result, readers are cautioned not to place undue reliance on any of our forward-looking statements.

Factors that may cause such differences include, among other things: future economic, competitive, reimbursement and

regulatory conditions; new product introductions; demographic trends; intellectual property; litigation; financial market conditions; and future business decisions made by us and our competitors. 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, see 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 Quarterly Reports on Form 10-Q we have filed or will file hereafter. We disclaim any intention or obligation to publicly update or revise any forward-looking statements to reflect any change in our expectations or in events, conditions or circumstances on which those expectations may be based, or that may affect the likelihood that actual results will differ from those contained in the forward-looking statements. This cautionary statement is applicable to all forward-looking statements contained in this document.

Use of Non-GAAP Financial Information

A reconciliation of the company's non-GAAP financial measures to the corresponding GAAP measures, and an explanation of the company's use of these non-GAAP financial measures, is included below.

Estimated Adjusted Operating Margin	**2017E**	**2020E**
Estimated GAAP operating margin	18%-19%	23%
Less: Non GAAP adjustments	~-7%	-5%
Estimated adjusted operating margin	25%-26%	28%

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