Boston Scientific

Boston Scientific announces results for first quarter 2024

MARLBOROUGH, Mass., April 24, 2024 /PRNewswire/ -- Boston Scientific Corporation (NYSE: BSX) generated net sales of $3.856 billion during the first quarter of 2024, growing 13.8 percent on a reported basis, 15.0 percent on an operational[1] basis and 13.1 percent on an organic[2] basis, all compared to the prior year period. The company reported GAAP net income attributable to Boston Scientific common stockholders of $495 million or $0.33 per share (EPS), compared to $300 million or $0.21 per share a year ago, and achieved adjusted[3] EPS of $0.56 for the period, compared to $0.47 a year ago.

"Our exceptional results this quarter were fueled by our talented global team and the strength of our diversified businesses and pipeline, including the initial U.S. launch of the FARAPULSE™ Pulsed Field Ablation System," said Mike Mahoney, chairman and chief executive officer, Boston Scientific. "We continue to invest for the long term in our innovative portfolio and clinical science to benefit patients globally while delivering differentiated financial performance."

First quarter financial results and recent developments:

- Reported net sales of $3.856 billion, representing an increase of 13.8 percent on a reported basis, compared to the company's guidance range of 7.5 to 9.5 percent; 15.0 percent on an operational basis; and 13.1 percent on an organic basis, compared to the company's guidance range of 7 to 9 percent, all compared to the prior year period.

- Reported GAAP net income attributable to Boston Scientific common stockholders of $0.33 per share, compared to the company's guidance range of $0.29 to $0.31 per share, and achieved adjusted EPS of $0.56 per share, compared to the guidance range of $0.50 to $0.52 per share.

- Achieved the following net sales growth in each reportable segment, compared to the prior year period:
  - MedSurg: 10.3 percent reported, 10.9 percent operational and 7.8 percent organic
  - Cardiovascular: 15.9 percent reported, 17.4 percent operational and 16.3 percent organic

- Achieved the following net sales growth in each region, compared to the prior year period:
  - United States (U.S.): 12.7 percent reported and operational
  - Europe, Middle East and Africa (EMEA): 12.7 percent reported and 13.3 percent operational
  - Asia-Pacific (APAC): 18.3 percent reported and 25.9 percent operational
  - Latin America and Canada (LACA): 17.9 percent reported and 12.7 percent operational
  - Emerging Markets[4]: 22.6 percent reported and 28.2 percent operational

- Commenced launch of the **FARAPULSE™ Pulsed Field Ablation (PFA) System** in the U.S. and completed enrollment in the second phase of the ADVANTAGE AF clinical trial studying the **FARAPULSE™ PFA System** for the treatment of patients with persistent atrial fibrillation (AF), which additionally evaluates the safety and effectiveness of adjunctive use of the **FARAPOINT™ PFA Catheter** for cavotricuspid isthmus (CTI) ablations.

- Commenced enrollment in the NAVIGATE-PF study of the use of integrated cardiac mapping with the **FARAPULSE PFA System** using the **FARAVIEW™ Software Module** in conjunction with the **FARAWAVE™ Nav PFA Catheter** for the treatment of paroxysmal and persistent atrial fibrillation.

- Initiated the DISRUPT-AF registry – a collaborative, observational, prospective, multi-center, non-randomized, real-world registry designed to obtain clinical experience with the **FARAPULSE PFA System** for the treatment of atrial fibrillation in the U.S.

- Announced the U.S. Food and Drug Administration (FDA) approval of the **AGENT™ Drug-Coated Balloon**, the first drug-coated coronary balloon in the U.S., which is indicated to treat in-stent restenosis in patients with coronary artery disease.

- Announced the FDA clearance and initiated the U.S. launch of the **WATCHMAN TruSteer™ Access System**, a steerable sheath designed to improve implant success of the **WATCHMAN FLX™ Pro** and **WATCHMAN FLX™ Left Atrial Appendage Closure Devices**.

- Announced U.S. FDA approval for an expanded indication of the **WaveWriter™ Spinal Cord Stimulator (SCS) Systems** for the treatment of chronic low back and leg pain in people who have not had prior back surgery.

- Expanded an existing relationship with **Scivita Medical**, a China-based medical device company, for strategic co-development of future endoscopic devices and global distribution of certain **Scivita Medical** gastrointestinal and pulmonary single-use imaging devices.

- Completed a public offering of €2.0 billion aggregate principal amount of EUR-denominated Senior Notes. The company intends to use the net proceeds from the offering to fund a portion of the previously announced agreement to acquire **Axonics, Inc.** (Nasdaq: AXNX).

- Released the 2023 Performance Report, detailing the ways in which the company is advancing innovative care, empowering people and contributing to a healthier planet, while performing with integrity.

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 EPS excludes the impacts of certain charges (credits) which may include amortization expense, goodwill and other intangible asset impairment charges, acquisition/divestiture-related net charges (credits), investment portfolio net losses (gains) and impairments, restructuring and restructuring-related net charges (credits), certain litigation-related net charges (credits), European Union Medical Device Regulation (EU MDR) implementation costs, debt extinguishment net charges, deferred tax expenses (benefits) and certain discrete tax items.
4.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.

Net sales for the first quarter by business and region:

(in millions)	Three Months Ended March 31, 2024	2023	Increase/(Decrease) Reported Basis	Impact of Foreign Currency Fluctuations	Operational Basis	Impact of Recent Acquisitions/ Divestitures	Organic Basis
Endoscopy	$ 642	$ 577	11.4 %	0.7 %	12.1 %	(2.3) %	9.8 %
Urology	513	469	9.3 %	0.5 %	9.8 %	— %	9.8 %
Neuromodulation	256	234	9.5 %	0.3 %	9.8 %	(11.2) %	(1.3) %
MedSurg	**1,412**	**1,280**	**10.3 %**	**0.6 %**	**10.9 %**	**(3.1) %**	**7.8 %**
Cardiology	1,872	1,606	16.5 %	1.4 %	17.9 %	— %	17.9 %
Peripheral Interventions	573	503	13.9 %	2.1 %	16.0 %	(4.6) %	11.3 %
Cardiovascular	**2,445**	**2,110**	**15.9 %**	**1.6 %**	**17.4 %**	**(1.1) %**	**16.3 %**
Net Sales	**$ 3,856**	**$ 3,389**	**13.8 %**	**1.2 %**	**15.0 %**	**(1.9) %**	**13.1 %**

(in millions)	Three Months Ended March 31, 2024	2023	Increase/(Decrease) Reported Basis	Impact of Foreign Currency Fluctuations	Operational Basis
U.S.	$ 2,258	$ 2,003	12.7 %	— %	12.7 %
EMEA	803	712	12.7 %	0.6 %	13.3 %
APAC	647	548	18.3 %	7.6 %	25.9 %
LACA	149	126	17.9 %	(5.1) %	12.7 %
Net Sales	**$ 3,856**	**$ 3,389**	**13.8 %**	**1.2 %**	**15.0 %**
Emerging Markets[4]	**$ 648**	**$ 529**	**22.6 %**	**5.5 %**	**28.2 %**

Amounts may not add due to rounding. Growth rates are based on actual, non-rounded amounts and may not recalculate precisely.

Net sales growth rates that exclude the impact of foreign currency fluctuations and/or the impact of acquisitions/divestitures are not prepared in accordance with U.S. GAAP.

Guidance for Full Year and Second Quarter 2024

The company estimates net sales growth for the full year 2024, versus the prior year period, to be in range of approximately 11 to 13 percent on a reported basis, and 10 to 12 percent on an organic basis. Full year organic net sales guidance 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. The company estimates EPS on a GAAP basis in a range of $1.43 to $1.48 and estimates adjusted EPS, excluding certain charges (credits), of$2.29 to $2.34.

The company estimates net sales growth for the second quarter of 2024, versus the prior year period, to be in a range of approximately 10.5 to 12.5 percent on a reported basis, and approximately 10 to 12 percent on an organic basis. Second quarter organic net sales guidance 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. The company estimates EPS on a GAAP basis in a range of $0.35 to $0.37 and adjusted EPS, excluding certain charges (credits), of$0.57 to $0.59.

Conference Call Information

Boston Scientific management will be discussing these results with analysts on a conference call today at 8:00 a.m. ET. The company will webcast the call to interested parties through its website: investors.bostonscientific.com. Please see the website for details on how to access the webcast. The webcast will be available for approximately one year on the Boston Scientific website.

About Boston Scientific

Boston Scientific transforms lives through innovative medical technologies that improve the health of patients around the world. As a global medical technology leader for more than 40 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 health care. Our portfolio of devices and therapies helps physicians diagnose and treat complex cardiovascular, respiratory, digestive, oncological, neurological and urological diseases and conditions. Learn more at www.bostonscientific.com and connect on LinkedIn and X, formerly Twitter.

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," "may," "intend" and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. These forward-looking statements include, among other things, statements regarding our expected net sales; reported, operational and organic revenue growth rates; reported and adjusted EPS for the second quarter and full year 2024; our financial performance; acquisitions; clinical trials; our business plans and product performance; and new and anticipated product approvals and launches. If our underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could vary materially from the expectations and projections expressed or implied by our forward-looking statements. These factors, in some cases, have affected and in the future (together with other factors) could affect our ability to implement our business strategy and may cause actual results to differ materially from those contemplated by the statements expressed in this press release. As a result, readers are cautioned not to place undue reliance on any of our forward-looking statements.

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; expected procedural volumes; the closing and integration of acquisitions; demographic trends; intellectual property; litigation; financial market conditions; the execution and effect of our business strategy, including our cost-savings and growth initiatives; 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 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, except as required by law. This cautionary statement is applicable to all forward-looking statements contained in this press release.

Note: Amounts reported in millions within this press release are computed based on the amounts in thousands. As a result, the sum of the components reported in millions may not equal the total amount reported in millions due to rounding. Certain columns and rows within tables may not add due to the use of rounded numbers. Percentages presented are calculated from the underlying unrounded amounts.

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 in the exhibits attached to this press release.

CONTACT:

Media: Emily Anderson
617-515-2000 (office)
Media Relations
Boston Scientific Corporation
Emily.Anderson2@bsci.com

Investors: Jonathan Monson
508-683-5450 (office)
Investor Relations
Boston Scientific Corporation
BSXInvestorRelations@bsci.com

BOSTON SCIENTIFIC CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

in millions, except per share data	Three Months Ended March 31, 2024	2023
Net sales	$ 3,856	$ 3,389
Cost of products sold	1,209	1,040
Gross profit	2,648	2,349
Operating expenses:		
Selling, general and administrative expenses	1,364	1,215
Research and development expenses	366	337
Royalty expense	10	11
Amortization expense	214	203
Contingent consideration net expense (benefit)	17	12
Restructuring net charges (credits)	3	20
	1,973	1,797
Operating income (loss)	675	552
Other income (expense):		
Interest expense	(69)	(65)
Other, net	2	(43)
Income (loss) before income taxes	608	444
Income tax expense (benefit)	115	131
Net income (loss)	**493**	**314**
Preferred stock dividends	—	(14)
Net income (loss) attributable to noncontrolling interests	(1)	—
Net income (loss) attributable to Boston Scientific common stockholders	**$ 495**	**$ 300**
Net income (loss) per common share - basic	**$ 0.34**	**$ 0.21**
Net income (loss) per common share - diluted	**$ 0.33**	**$ 0.21**
Weighted-average shares outstanding		
Basic	1,468.4	1,435.8
Diluted	1,481.7	1,446.0

BOSTON SCIENTIFIC CORPORATION
NON-GAAP NET INCOME AND NET INCOME PER SHARE RECONCILIATIONS
(Unaudited)

	Three Months Ended March 31, 2024									
(in millions, except per share data)	**Gross Profit**	**Operating Expenses**	**Operating Income (Loss)**	**Other Income (Expense)**	**Income (Loss) Before Income Taxes**	**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	**$ 2,648**	**$ 1,973**	**$ 675**	**$ (67)**	**$ 608**	**$ 493**	**$ —**	**$ (1)**	**$ 495**	**$ 0.33**
Non-GAAP adjustments:										
Amortization expense	—	(214)	214	—	214	184	—	2	182	0.12
Acquisition/divestiture-related net charges (credits)	10	(54)	64	(0)	64	77	—	—	77	0.05
Restructuring and restructuring-related net charges (credits)	25	(21)	46	—	46	40	—	—	40	0.03
Investment portfolio net losses (gains) and impairments	—	—	—	(14)	(14)	(11)	—	—	(11)	(0.01)
EU MDR implementation costs	9	(5)	14	—	14	12	—	—	12	0.01
Deferred tax expenses (benefits)	—	—	—	—	—	37	—	—	37	0.02
Adjusted	**$ 2,692**	**$ 1,680**	**$ 1,012**	**$ (80)**	**$ 932**	**$ 833**	**$ —**	**$ 1**	**$ 832**	**$ 0.56**

	Three Months Ended March 31, 2023									
(in millions, except per share data)	**Gross Profit**	**Operating Expenses**	**Operating Income (Loss)**	**Other Income (Expense)**	**Income (Loss) Before Income Taxes**	**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[(1)]**
Reported	**$ 2,349**	**$ 1,797**	**$ 552**	**$ (108)**	**$ 444**	**$ 314**	**$ (14)**	**$ —**	**$ 300**	**$ 0.21**
Non-GAAP adjustments:										
Amortization expense	—	(203)	203	—	203	175	—	—	175	0.12
Acquisition/divestiture-related net charges (credits)	11	(39)	50	9	59	66	—	—	66	0.05
Restructuring and restructuring-related net charges (credits)	17	(27)	44	—	44	37	—	—	37	0.03
Investment portfolio net losses (gains) and impairments	—	—	—	21	21	16	—	—	16	0.01
EU MDR implementation costs	11	(5)	16	—	16	14	—	—	14	0.01
Deferred tax expenses (benefits)	—	—	—	—	—	41	—	—	41	0.03
Discrete tax items	—	—	—	—	—	25	—	—	25	0.02
Adjusted	**$ 2,388**	**$ 1,523**	**$ 865**	**$ (78)**	**$ 787**	**$ 687**	**$ (14)**	**$ —**	**$ 673**	**$ 0.47**

[(1)]For the three months ended March 31, 2023, the effect of assuming the conversion of 5.50% Mandatory Convertible Preferred Stock, Series A (MCPS) into shares of common stock was anti-dilutive, and therefore excluded from the calculation of EPS. Accordingly, GAAP net income and adjusted net income were reduced by cumulative *Preferred stock dividends*, as presented within our unaudited consolidated statements of operations, for purposes of calculating net income attributable to common stockholders. On June 1, 2023, all outstanding shares of MCPS automatically converted into shares of common stock.

An explanation of the company's use of these non-GAAP financial measures is provided at the end of this document.

BOSTON SCIENTIFIC CORPORATION
Q2 and FY 2024 GUIDANCE RECONCILIATIONS
(Unaudited)

Net Sales

	Q2 2024 Estimate		Full Year 2024 Estimate	
	(Low)	**(High)**	**(Low)**	**(High)**
Reported growth	**10.5 %**	**12.5 %**	**11.0 %**	**13.0 %**
Impact of foreign currency fluctuations	1.0 %	1.0 %	0.5 %	0.5 %
Operational growth	**11.5 %**	**13.5 %**	**11.5 %**	**13.5 %**
Impact of acquisitions/divestitures	(1.5) %	(1.5) %	(1.5) %	(1.5) %
Organic growth	**10.0 %**	**12.0 %**	**10.0 %**	**12.0 %**

Earnings per Share

	Q2 2024 Estimate		Full Year 2024 Estimate	
	(Low)	(High)	(Low)	(High)
GAAP results	**$ 0.35**	**$ 0.37**	**$ 1.43**	**$ 1.48**
Amortization expense	0.12	0.12	0.48	0.48
Acquisition/divestiture-related net charges (credits)	0.03	0.03	0.13	0.13
Restructuring and restructuring-related net charges (credits)	0.03	0.03	0.11	0.11
Other adjustments	0.04	0.04	0.14	0.14
Adjusted results	**$ 0.57**	**$ 0.59**	**$ 2.29**	**$ 2.34**

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 generally accepted accounting principles in the United States 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 the company's 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 filed on Form 10-K filed with the Securities and Exchange Commission or Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations in any Quarterly Report on Form 10-Q that we have filed or will file thereafter 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 accompanying schedules.

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 growth rates 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.

SOURCE Boston Scientific Corporation

https://news.bostonscientific.com/2024-04-24-Boston-Scientific-Announces-Results-for-First-Quarter-2024