

**BUY:
BSX**

**Current Price:
\$67.80**

**Target Price:
\$79.27**

**Upside:
16.91%**

Boston Scientific (NYSE: BSX)

Healthcare Sector

Sector Head: Katie Bennorth

Lead Analyst: Grace Spoto

Senior Analysts : Brandon Chang, Gregory Taslov, Karan Tulsiani

Junior Analysts: Clare Cuddy, Devin Awatramani

Company Overview

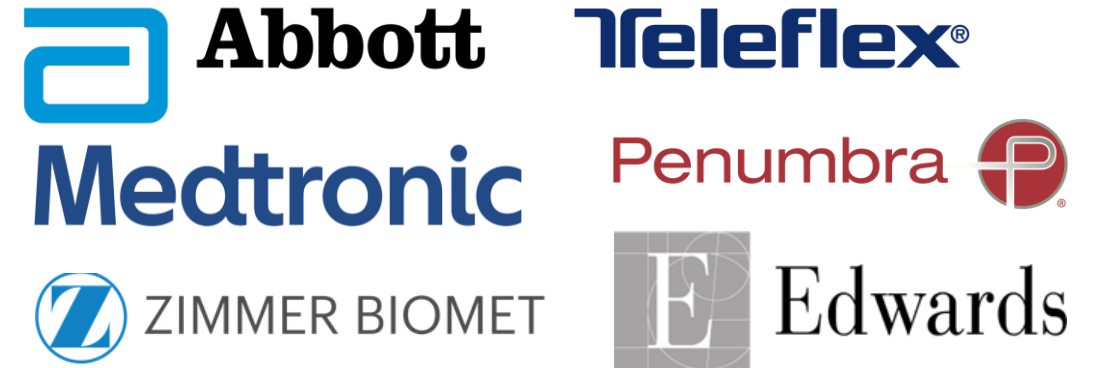
Business Model & Strategy

- Boston Scientific is a global developer, manufacturer, and marketer of medical devices
- Revenue segments are broken down into MedSurg and Cardiovascular
- Based in Massachusetts with 15 manufacturing facilities throughout South America, Europe and Asia

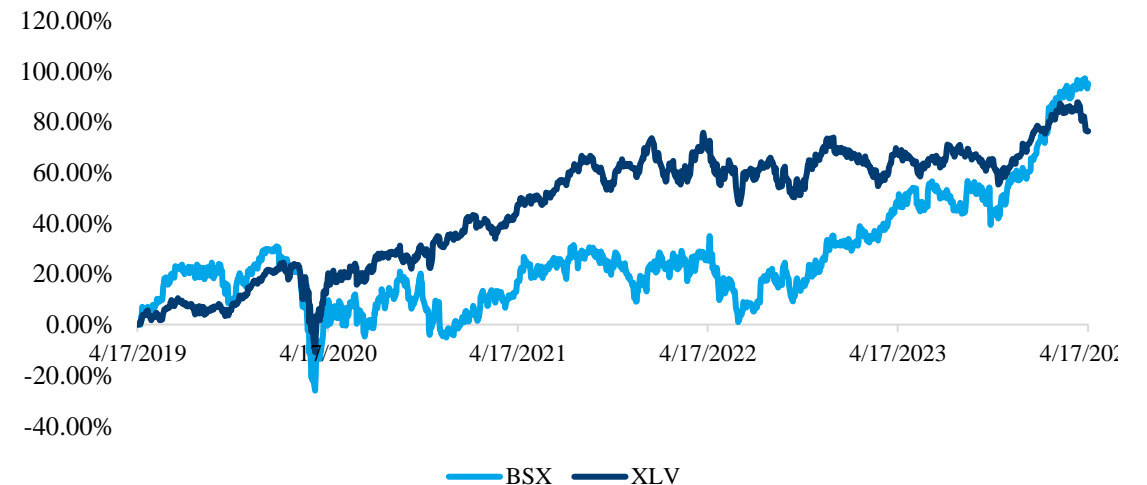
Key Information

Current Share Price	\$67.80
52 Week Range	\$48.35-69.21
Market Capitalization	\$99.82B
EPS (LTM)	\$2.26
CEO	Michael F. Mahoney

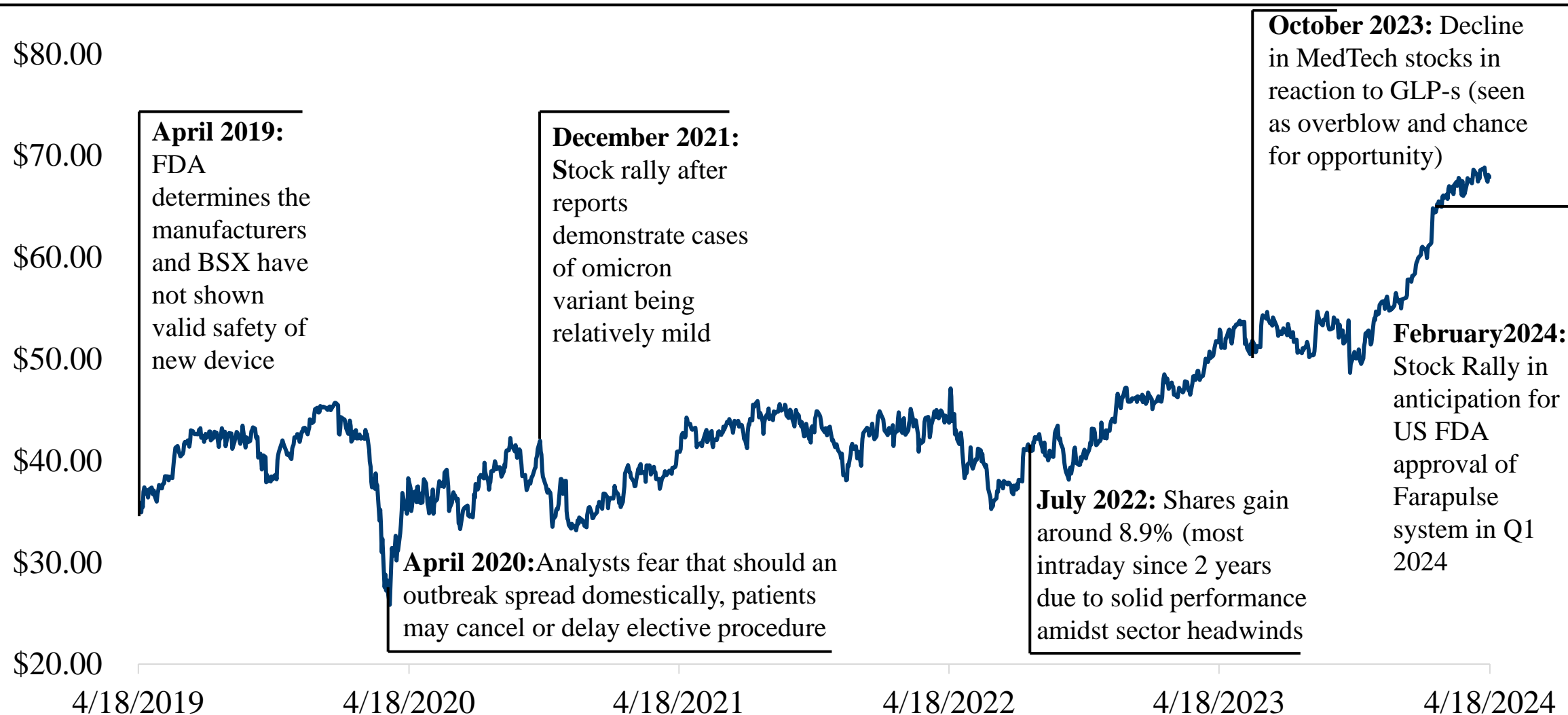
Key Competitors



Historical Stock Performance



Annotated Stock Performance



Investment Thesis

Endoscopy Leadership

- Boston Scientific's growth in production and manufacturing of endoscopic devices
- Prevalence of gastrointestinal cancers
- Increase in elective procedures following the Covid-19 Pandemic
- Trend in obesity worldwide and the prevalent weight loss trend

Diverse Portfolio

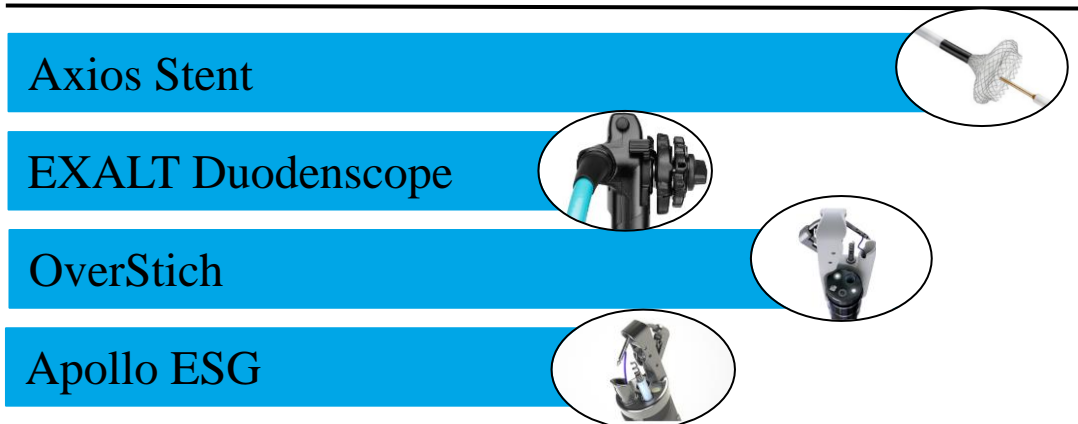
- Boston Scientific functions in 2 large segments of medical technologies with several specialties in 10+ subgroups with specific devices within each of the 10+ subgroups
- The diverse portfolio leads to strong positioning considering developing trends and movements within medical procedures

Proven Track Record of Successful Acquisitions

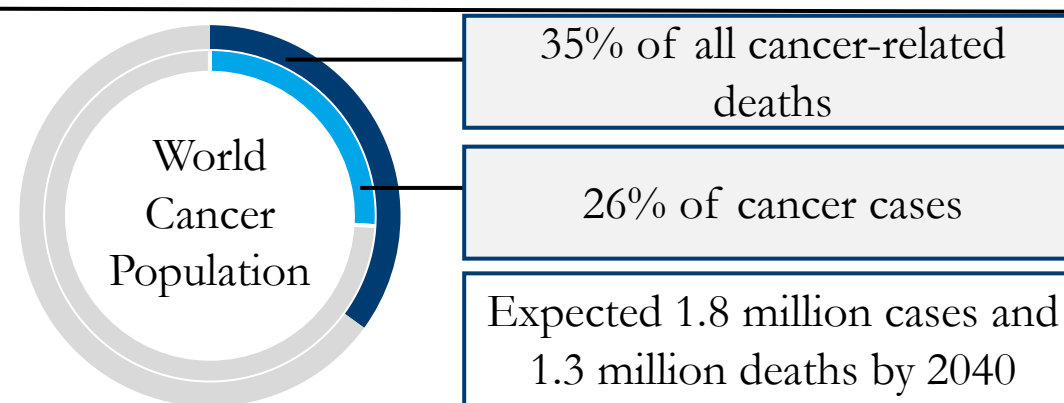
- Boston Scientific has an impressive track record in acquiring businesses within a diverse plethora of medical technology
- Newest acquisition of Axonics, Inc which will be completed around Q2 2024
- Growth within Boston Scientific's Chinese portfolio through M&A

Endoscopy Leadership

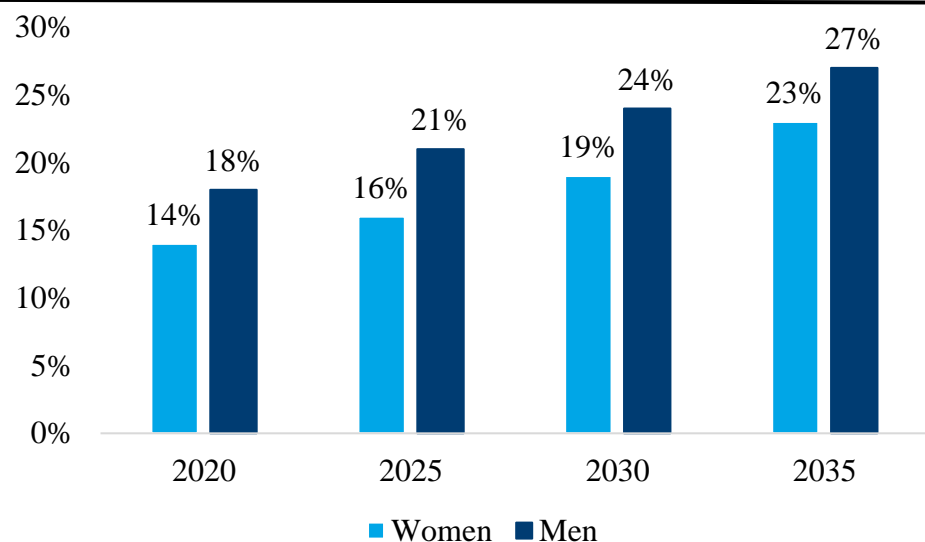
Leading Products within Endoscopy



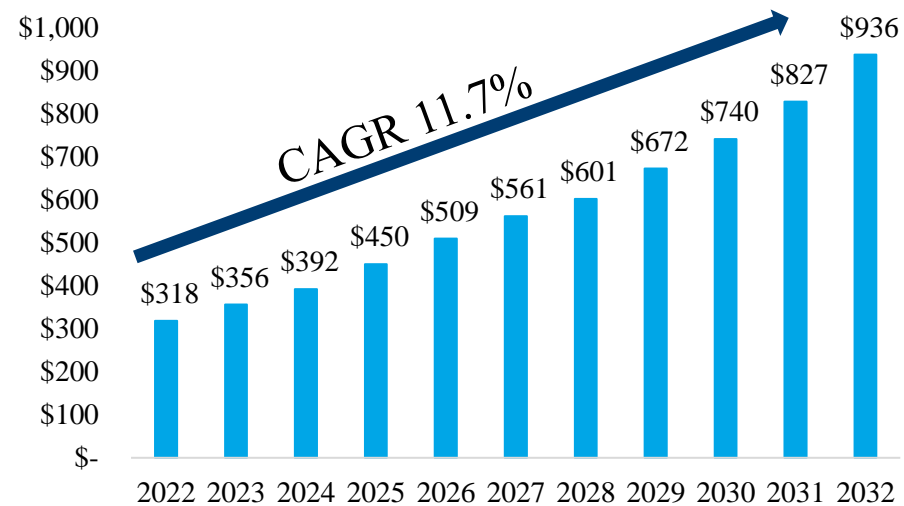
Gastrointestinal Cancer Worldwide



Adults 20+ projected to be obese into 2025+



Weight Loss Surgery Market (Million USD)

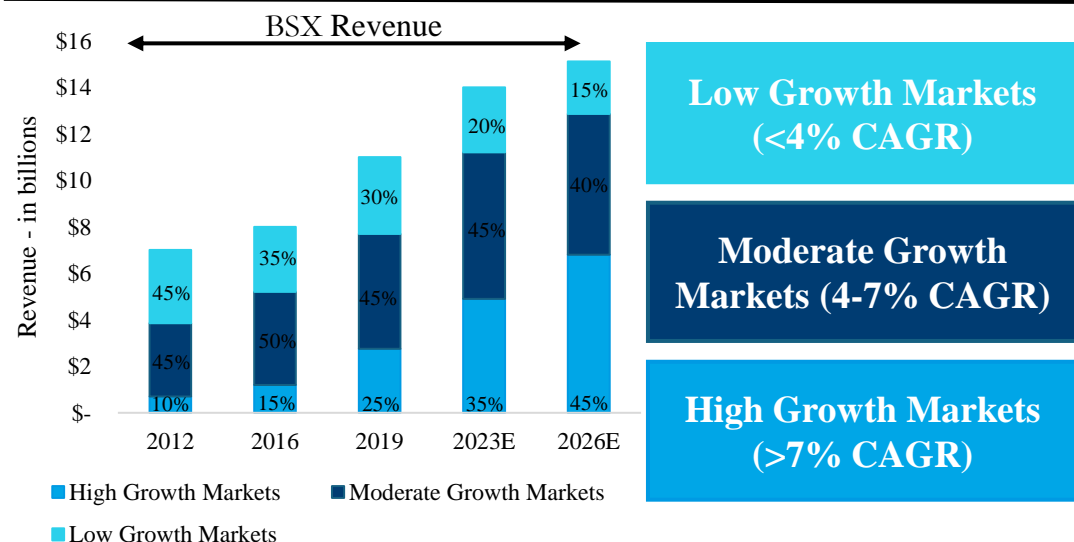


Diverse Portfolio

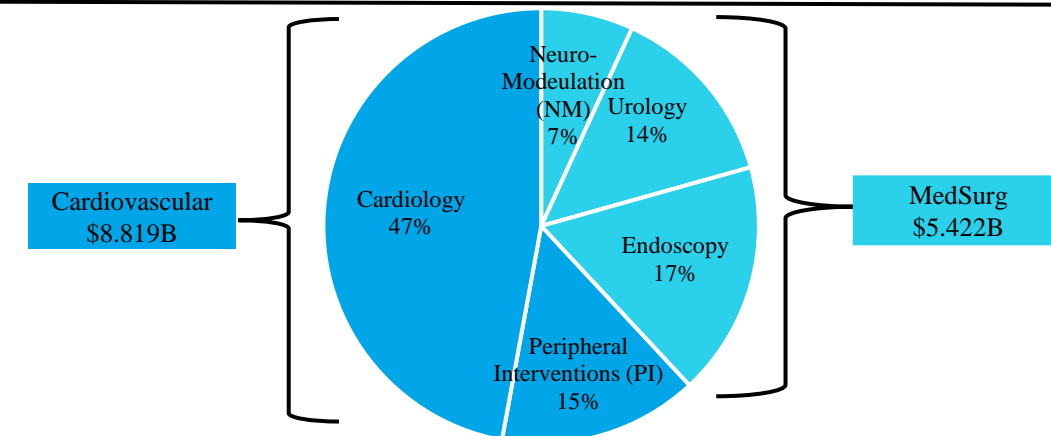
Key Points on Portfolio

- Invested over \$1B in more than 60 portfolio companies since 2012
- Disciplined and balanced approach to mergers and acquisitions to enhance existing portfolio
- Currently involved with more than 35 active portfolio companies ranging from early-stage R&D to commercialization

Increasing Revenues: High-Moderate Growth



Revenue Breakdown 2023 (\$14.3B)



Key Growth Driving Products

	2024E-2026E	2026E+
Cardiology	 AVVIGO+	 EMPOWER
	 POLARx	 LUX HL
MedSurg	 TheraSphere	 StoneSmart
	 Rezüm	 Endobariatrics

Track Record of Successful Acquisitions

Tuck-in Playbook Acquisitions Applied Across All Business Units

M&A Strategy

Tuck-in M&A that reinforces category leadership and entry into high-growth adjacencies

Disciplined approach requiring both strategic fit & financial return

~17B allocated to M&A over 10+ years

Active Venture Capital portfolio

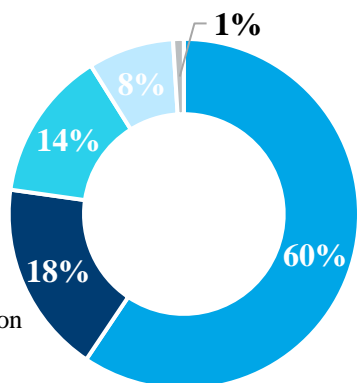
Tuck-in playbook applied across all business units

Cardio	SYMETIS	ATRITECH	claret medical	Baylis MEDICAL
PI	BAYER Peripheral Vascular	RTG	DEVORO MEDICAL	acotec
Endo	Xlumena	ENDOCHOICE	apollo endosurgery	
Uro	AMS an endo health solution	NxTHERA	Augmenix	Lumenis Energy to Healthcare
NM	COSMAN	vertiflex	relieva	

International M&A

BSX Chinese Portfolio

- Cardiology
- Peripheral Interventions
- Endoscopy
- Urology
- Neuromodulation



Expanding China Segment

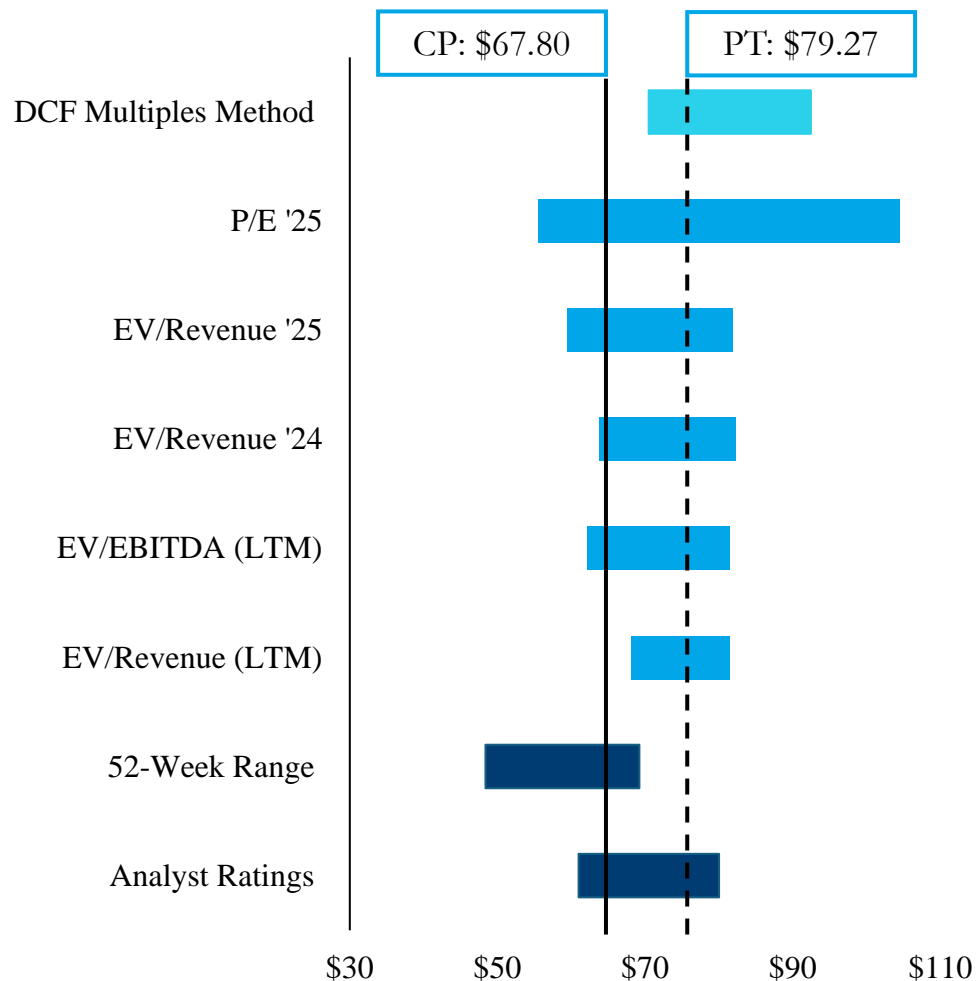
- Majority acquisition of Beijing-based Acotec, which focuses on vascular disease technology
- China's unmatched scale makes it extremely attractive for continued future expansion
- BSX poised to advance its already diverse Chinese portfolio through further M&A

Axonics Acquisition

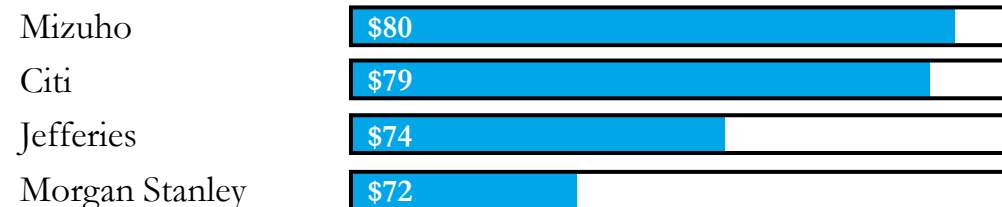
- Axonics is a publicly traded company that delivered revenues of \$366 million in 2023
- Acquisition agreement was made in January and will be completed in first half of 2024
- Focuses on the making devices to treat urinary and bowel dysfunction (affecting 50M+ adults in US)
- Acquisition will further allow BSK to aid urologists with treatments for these conditions

Valuation

Football Field



Breakdown



LTM EV/Revenue 11.25%	'24 EV/Revenue 13.50%	'25 EV/Revenue 11.25%	'25 P/E 2.25%	LTM EV/EBIT DA 6.75%	DCF MM 55%
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Multiples Method Sensitivity Table

	6.47%	7.47%	8.47%	9.47%	10.47%
28.00x	86.988685	81.216716	75.87263	70.920845	66.329037
29.00x	89.727329	83.769918	78.254494	73.144286	68.405891
30.00x	92.465973	86.323121	80.636358	75.367727	70.482746
31.00x	95.204617	88.876323	83.018223	77.591168	72.5596
32.00x	97.943261	91.429526	85.400087	79.814609	74.636455

Portfolio Assessment

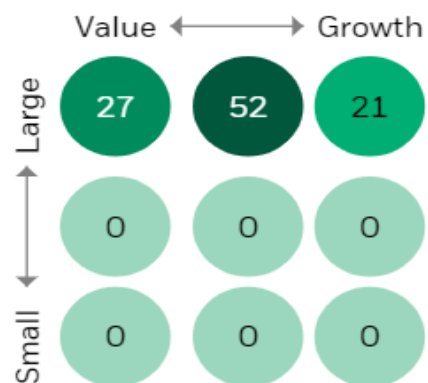


Performance Commentary

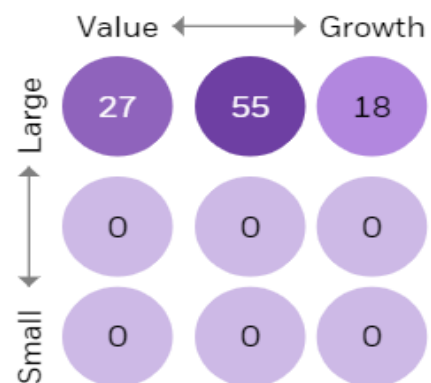
Portfolio	Performance Type	Last Month	Last Quarter	Year To Date	1-Year	3 Year
Healthcare April Status	Gross of an advisory fee	2.19%	2.18%	2.18%	15.19%	15.18%
Healthcare w/ BSX	Gross of an advisory fee	2.37%	3.18%	3.18%	16.04%	15.42%
Fund Portfolio Currently	Gross of an advisory fee	3.55%	6.71%	6.71%	22.24%	16.34%

Value Distribution

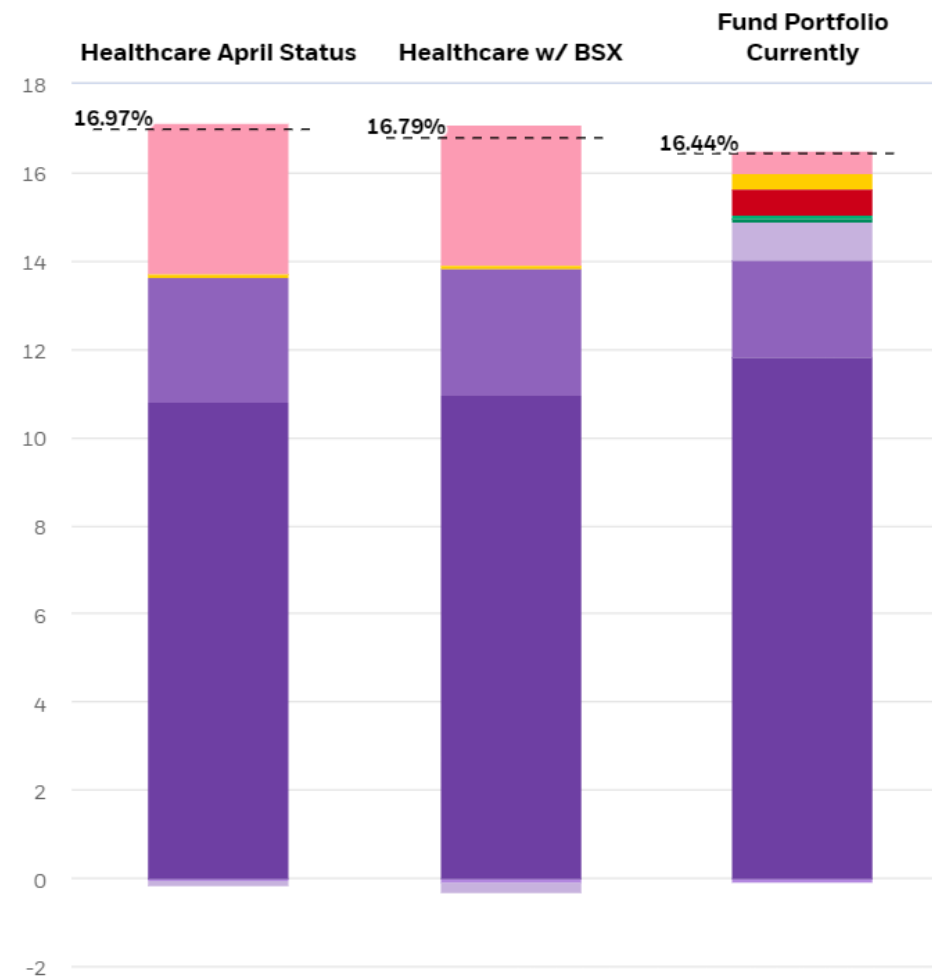
Healthcare April Status



Healthcare w/ BSX



Diversification of Risk



Risks



Bear Case



If there is a slow down in the demand for weight loss surgeries due to other weight loss alternatives; slow down on FDA approvals for new products in portfolio; the acquisition of Axonics is not as successful as predicted

Base Case



There is a pick up in elective surgeries post pandemic & booming endoscopic business/ especially within gastroenterology; new products introduced and consistent flow of FDA approvals; successful acquisition of Axonics

Bull Case



There is a societal shift to bariatric surgeries as the number 1 alternative to weight loss and gastrointestinal cancer is at an all time high; engages in even more successful acquisitions of companies failing within diverse ranges of their business segments

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BSX

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\$67.80

Target Price:
\$79.27

Upside:
16.91%

Boston Scientific (NYSE: BSX)

Thank you, Questions?

Appendix

- Income Statement
- Balance Sheet
- Statement of Cash Flows
- Revenue Build
- Net Working Capital
- WACC
- Beta
- Discounted Cash Flow Analysis
- Comparable Companies Analysis

Income Statement

Boston Scientific (NYSE: BSX)											
Income Statement USD (\$) shares in Thousands, \$ in Millions (except for shares outstanding which is in billions)											
	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	20290E	2030E	2031E
Net sales (Total Revenues)	11,888	12,682	14,241	15,740	17,394	19,022	20,718	22,655	24,772	27,101	29,666
Cost of products sold	3,711	3,956	4,345	4,802	5,392	5,897	6,422	7,023	7,679	8,401	9,196
Gross profit	8,177	8,726	9,896	10,938	12,002	13,125	14,295	15,632	17,093	18,700	20,469
Operating expenses:											
Selling, general and administrative expenses	4,359	4,520	5,190	5,736	6,339	6,932	7,550	8,256	9,028	9,877	10,811
Research and development expenses	1,204	1,323	1,414	1,563	1,727	1,889	2,057	2,249	2,460	2,691	2,946
Royalty expense	49	47	46	-	-	-	-	-	-	-	-
Amortization expense	741	803	828	944	1,044	1,141	1,243	1,359	1,486	1,626	1,780
Intangible asset impairment charges	370	132	58	-	-	-	-	-	-	-	-
Contingent consideration net expense (benefit)	(136)	35	58	-	-	-	-	-	-	-	-
Restructuring net charges (credits)	40	24	69	-	-	-	-	-	-	-	-
Litigation-related net charges (credits)	430	173	(111)	-	-	-	-	-	-	-	-
Loss (Gain) on Disposal of Businesses and Assets	(78)	22	-	-	-	-	-	-	-	-	-
Operating expenses	6,979	7,079	7,552	8,243	9,110	9,962	10,850	11,865	12,974	14,194	15,537
Operating income (loss) EBIT	1,198	1,647	2,344	2,694	2,892	3,163	3,445	3,767	4,119	4,506	4,932
Other income (expense):											
Interest expense	(341)	(470)	(265)	-	-	-	-	-	-	-	-
Other, net	218	(38)	(93)	-	-	-	-	-	-	-	-
Income (loss) before income taxes (Pre-Tax Income)	1,075	1,139	1,986	2,694	2,892	3,163	3,445	3,767	4,119	4,506	4,932
Income tax expense (benefit) (less: Taxes)	36	443	393	-	-	-	-	-	-	-	-
Tax Rate	3%	39%	20%	21%	21%	21%	21%	21%	21%	21%	21%
Net income (loss)	1,039	696	1,593	2,694	2,892	3,163	3,445	3,767	4,119	4,506	4,932
Preferred stock dividends	55	55	23	-	-	-	-	-	-	-	-
Net income (loss) attributable to noncontrolling interests	-	-	(1)	-	-	-	-	-	-	-	-
Net income (loss) attributable to Boston Scientific common stockholders	984	641	1,571	2,694	2,892	3,163	3,445	3,767	4,119	4,506	4,932
Net income (loss) per common share — basic	1	0	1.08								
Net income (loss) per common share — diluted	1	0	1.07								
Weighted-average shares outstanding											
Basic	1,422,300	1,430,500	1,453,000								
Diluted	1,433,800	1,439,700	1,463,500								

Cost of Revenues	3,711	3,956	4,345	4,802.29	5,392.29	5,896.85	6,422.46	7,022.94	7,679.29	8,401.43	9,196.32
as a % of Revenue	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
R&D	1,204	1,323	1,414	1,562.82	1,727.11	1,888.72	2,057.07	2,249.40	2,459.62	2,690.92	2,945.52
as a % of Revenue	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
SG&A	4,359	4,520	5,190	5,736.22	6,339.26	6,932.43	7,550.35	8,256.27	9,027.89	9,876.84	10,811.34
as a % of Revenue	37%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%
Intangible Amortization	741	803	828	944	1,044	1,141	1,243	1,359	1,486	1,626	1,780
as a % of Revenue	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%

Balance Sheet

Consolidated Balance Sheets - USD (\$)	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<i>Boston Scientific (BSX)</i>											
Current assets:											
Cash and cash equivalents	1,925	928	865	-	-	-	-	-	-	-	-
Trade accounts receivable, net	1,778	1,970	2,228	2,454	2,712	2,966	3,230	3,532	3,862	4,226	4,625
Inventories	1,610	1,867	2,484	2,398	2,693	2,944	3,207	3,507	3,835	4,195	4,592
Prepaid income taxes	205	264	315	-	-	-	-	-	-	-	-
Other current assets	799	731	621	884	977	1,068	1,163	1,272	1,391	1,522	1,666
<i>Total current assets</i>	6,317	5,760	6,513	5,736	6,381	6,979	7,601	8,311	9,088	9,943	10,883
Property, plant and equipment, net	2,252	2,446	2,859	-	-	-	-	-	-	-	-
Goodwill	11,988	12,920	14,387	-	-	-	-	-	-	-	-
Other intangible assets, net	6,121	5,902	6,003	-	-	-	-	-	-	-	-
Deferred tax assets	4,142	3,942	3,841	-	-	-	-	-	-	-	-
Other long-term assets	1,410	1,500	1,531	-	-	-	-	-	-	-	-
TOTAL ASSETS	32,230	32,470	35,134	5,736	6,381	6,979	7,601	8,311	9,088	9,943	10,883
Current liabilities:											
Current debt obligations	261	20	531	-	-	-	-	-	-	-	-
Accounts payable	794	862	942	1,038	1,166	1,275	1,389	1,518	1,660	1,817	1,988
Accrued expenses	2,436	2,160	2,646	2,900	3,256	3,561	3,878	4,240	4,637	5,073	5,553
Other current liabilities	783	761	814	946	1,062	1,161	1,265	1,383	1,512	1,654	1,811
<i>Total current liabilities</i>	4,274	3,803	4,933	4,884	5,484	5,997	6,531	7,142	7,809	8,544	9,352
Long-term debt	8,804	8,915	8,571	-	-	-	-	-	-	-	-
Deferred tax liabilities	310	144	134	-	-	-	-	-	-	-	-
Other long-term liabilities	2,220	2,035	1,967	-	-	-	-	-	-	-	-
Stockholders' equity:											
Preferred stock, \$0.01 par value - authorized 50,000,000 shares; 0 shares issued as of December 31, 2023 and 10,062,500 shares issued as of December 31, 2022	-	-	-	-	-	-	-	-	-	-	-
Common stock, \$0.01 par value - authorized 2,000,000,000 shares; 1,729,000,224 shares issued as of December 31, 2023 and 1,696,633,993 shares issued as of December 31, 2022	17	17	17	-	-	-	-	-	-	-	-
Treasury stock, at cost - 263,289,848 shares as of December 31, 2023 and 2022	(2,251)	(2,251)	(2,251)	-	-	-	-	-	-	-	-
Additional paid-in capital	19,986	20,289	20,647	-	-	-	-	-	-	-	-
Retained earnings (Accumulated deficit)	(1,392)	(750)	819	-	-	-	-	-	-	-	-
Accumulated other comprehensive income (loss), net of tax:	263	269	49	-	-	-	-	-	-	-	-
Equity, Attributable to Parent	16,623	17,574	19,281	-	-	-	-	-	-	-	-
Noncontrolling interests	-	-	248	-	-	-	-	-	-	-	-
Total stockholders' equity	16,623	17,574	19,529	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY	32,231	32,471	35,134	-	-	-	-	-	-	-	-

Statement of Cash Flows

Boston Scientific, (NYSE: BSX)	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<i>Statement of Cash Flows (in millions of USD)</i>											
Statement of Cash Flows [Abstract]											
Net income (loss)	1,039	696	1,593	2,694	2,892	3,163	3,445	3,767	4,119	4,506	4,932
Adjustments to reconcile net income (loss) to cash provided by (used for) operating activities											
Loss (gain) on disposal of businesses and assets	(78)	22	-	-	-	-	-	-	-	-	-
Depreciation and amortization	1,093	1,136	1,196	1,179	1,216	1,235	1,241	1,244	1,237	1,353	1,481
Deferred and prepaid income taxes	(124)	(63)	(1)								
Stock-based compensation expense	194	220	233								
Goodwill and other intangible asset impairment charges	370	132	58								
Net loss (gain) on investments and notes receivable	(250)	1	59								
Contingent consideration net expense (benefit)	(136)	35	58								
Inventory step-up amortization	34	32	6								
Debt extinguishment net charges	-	194	-								
Other, net	78	125	73								
Increase (decrease) in operating assets and liabilities, excluding purchase accounting:											
Trade accounts receivable	(279)	(220)	(238)								
Inventories	(346)	(321)	(660)								
Other assets	(134)	(209)	10								
Accounts payable, accrued expenses and other liabilities	408	(255)	118								
Cash provided by (used for) operating activities	1,869	1,525	2,505								
Investing Activities											
Purchases of property, plant and equipment and internal use software	(554)	(588)	(711)	786	868	950	1,034	1,131	1,237	1,353	1,481
Proceeds from sale of property, plant and equipment	14	12	4								
Payments for acquisitions of businesses, net of cash acquired	(2,258)	(1,542)	(1,811)								
Proceeds from (payments for) investments and acquisitions of certain technologies	279	(24)	(89)								
Proceeds from disposal of certain businesses and assets	826	5	-								
Proceeds from royalty rights	82	70	30								
Proceeds from settlements of hedge contracts	15	56	2								
Cash provided by (used for) investing activities	(1,596)	(2,011)	(2,575)								
Financing Activities											
Payment of contingent consideration previously established in purchase accounting	(15)	(335)	(39)								
Payments for royalty rights	(85)	(75)	(50)								
Payments on short-term borrowings	-	(250)	-								
Net decrease in commercial paper	-	(1)	(4)								
Payments on long-term borrowings and debt extinguishment costs	-	(3,184)	-								
Proceeds from long-term borrowings, net of debt issuance costs	-	3,270	-								
Cash dividends paid on preferred stock	(55)	(55)	(28)								
Cash used to net share settle employee equity awards	(50)	(53)	(56)								
Proceeds from issuances of shares of common stock pursuant to employee stock compensation and purchase plans	110	136	182								
Cash provided by (used for) financing activities	(95)	(547)	5								
Effect of foreign exchange rates on cash	(6)	(9)	(4)								
Net increase (decrease) in cash, cash equivalents, restricted cash and restricted cash equivalents	173	(1,042)	(70)								
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	1,995	2,168	1,126								
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	2,168	1,126	1,056								
Supplemental Information											
Cash paid for income taxes, net	302	662	512								
Cash paid for interest	338	450	259								
Fair value of contingent consideration recorded in purchase accounting	440	-	273								
Non-cash impact of transferred royalty rights	(82)	(70)	(30)								
Cash and cash equivalents	1,925	928	865								
Restricted cash and restricted cash equivalents included in Other current assets	188	149	130								
Restricted cash equivalents included in Other long-term assets	55	48	60								
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	2,168	1,125	1,055								

Revenue Build

Revenue Build											
<i>Boston Scientific (BSX) in millions</i>	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Geographic Regions											
US	6,901	7,632	8,425	9,520	10,758	12,264	14,104	16,219	18,814	21,824	25,316
<i>% change</i>		11%	10%	13%	13%	14%	15%	15%	16%	16%	16%
Europe, Middle East and Africa	2,518	2,526	2,856	3,227	3,647	4,230	4,949	5,840	6,833	7,995	9,354
<i>% change</i>		0%	13%	13%	13%	16%	17%	18%	17%	17%	17%
Asia-Pacific	2,070	2,116	2,400	2,712	3,037	3,372	3,742	4,154	4,611	5,118	5,681
<i>% change</i>		2%	13%	13%	12%	11%	11%	11%	11%	11%	11%
Latin America and Canada	386	469	560	672	800	960	1,161	1,417	1,700	2,040	2,448
<i>% change</i>		22%	19%	20%	19%	20%	21%	22%	20%	20%	20%
Other	13	(60)	-	-	-	-	-	-	-	-	-
<i>% change</i>		-	-	-	-	-	-	-	-	-	-
Total Net Sales	11,888	12,683	14,241	16,132	18,242	20,825	23,957	27,630	31,958	36,977	42,800
		7%	12%	13%	13%	14%	15%	15%	16%	16%	16%
Emerging Markets	1,656	1,968	2,310	2,311	2,312	2,314	2,315	2,316	2,317	2,318	2,319
<i>% change</i>		19%	17%	18%	17%	16%	16%	16%	16%	16%	16%
Endoscopy	2,141	2,221	2,482	2,805	3,141	3,455	3,801	4,295	4,853	5,484	6,197
<i>% change</i>		4%	12%	13%	12%	10%	10%	13%	13%	13%	13%
Urology	1,583	1,773	1,964	2,200	2,486	2,784	3,146	3,523	3,946	4,420	4,950
<i>% change</i>		12%	11%	12%	13%	12%	13%	12%	12%	12%	12%
Neuromodulation	909	917	976	1,035	1,097	1,151	1,209	1,269	1,320	1,373	1,428
<i>% change</i>		1%	6%	6%	6%	5%	5%	5%	4%	4%	4%
MedSurg	4,633	4,911	5,422	6,039	6,723	7,391	8,156	9,088	10,120	11,277	12,575
<i>% change</i>		6%	10%	9%	8%	8%	7%	6%	6%	6%	6%
<i>Interventional Cardiology Therapies</i>	2,209	2,228	2,421	2,590	2,746	2,883	3,027	3,179	3,306	3,438	3,576
<i>% change</i>		1%	9%	7%	6%	5%	5%	4%	4%	4%	4%
<i>Watchman</i>	829	1,019	1,274	1,593	1,911	2,255	2,593	2,982	3,430	3,944	4,536
<i>% change</i>		23%	25%	25%	20%	18%	15%	15%	15%	15%	15%
<i>Cardiac Rhythm Management</i>	2,019	2,100	2,218	2,329	2,445	2,568	2,696	2,831	2,972	3,121	3,277
<i>% change</i>		4%	6%	5%	5%	5%	5%	5%	5%	5%	5%
<i>Electrophysiology</i>	365	585	800	1,000	1,300	1,677	2,163	2,639	3,220	3,928	4,792
<i>% change</i>		60%	37%	25%	30%	29%	29%	22%	22%	22%	22%
Cardiology	5,422	5,932	6,709	7,447	8,341	9,175	10,092	11,101	12,212	13,433	14,776
<i>% change</i>		9%	13%	11%	12%	10%	10%	10%	10%	10%	10%
Peripheral Interventions	1,820	1,899	2,110	2,111	2,112	2,113	2,114	2,115	2,117	2,118	2,119
<i>% change</i>		4%	11%	10%	9%	8%	8%	8%	8%	8%	8%
Cardiovascular	7,242	7,831	8,819	9,701	10,671	11,631	12,562	13,567	14,652	15,824	17,090
<i>% change</i>		8%	13%	10%	10%	9%	8%	8%	8%	8%	8%
Other	13	(60)	-	-	-	-	-	-	-	-	-
<i>% change</i>		-	-	-	-	-	-	-	-	-	-
Total Net Sales	11,888	12,682	14,241	15,740	17,394	19,022	20,718	22,655	24,772	27,101	29,666
<i>% change</i>		7%	12%	11%	11%	9%	9%	9%	9%	9%	9%

Net Working Capital

Boston Scientific (NYSE: BSX)											
<i>Net Working Capital (in millions of USD)</i>	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031
Capital Expenditure	554	588	711	786	868	950	1,034	1,131	1,237	1,353	1,481
Revenue	11,888	12,682	14,241	15,740	17,394	19,022	20,718	22,655	24,772	27,101	29,666
<i>As a % of Revenue</i>	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Depreciation & Amortization	1,093	1,136	1,196	1,179	1,216	1,235	1,241	1,244	1,237	1,353	1,481
Capital Expenditure	554	588	711	786	868	950	1,034	1,131	1,237	1,353	1,481
<i>As a % of CapEx</i>	197%	193%	168%	150%	140%	130%	120%	110%	100%	100%	100%
Boston Scientific (NYSE: BSX)											
<i>Net Working Capital (in millions)</i>	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Accounts Receivable	1,778	1,970	2,228	2,454	2,712	2,966	3,230	3,532	3,862	4,226	4,625
Revenue	11,888	12,682	14,241	15,740	17,394	19,022	20,718	22,655	24,772	27,101	29,666
Days Sales Outstanding	54.6	56.7	57.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1	56.1
Inventory	1,610	1,867	2,484	2,398	2,693	2,944	3,207	3,507	3,835	4,195	4,592
COGS	3,711	3,956	4,345	4,802	5,392	5,897	6,422	7,023	7,679	8,401	9,196
Days Sales in Inventory	158.4	172.3	208.7	179.8	179.8	179.8	179.8	179.8	179.8	179.8	179.8
Other Current Assets	799	731	621	884	977	1,068	1,163	1,272	1,391	1,522	1,666
Revenue	11,888	12,682	14,241	15,740	17,394	19,022	20,718	22,655	24,772	27,101	29,666
as a % of Revenue	6.7%	5.8%	4.4%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
Accounts payable	794	862	942	1,038	1,166	1,275	1,389	1,518	1,660	1,817	1,988
COGS	3,711	3,956	4,345	4,802	5,392	5,897	6,422	7,023	7,679	8,401	9,196
Days payable Outstanding	78.1	79.5	79.1	78.9	78.9	78.9	78.9	78.9	78.9	78.9	78.9
Accrued Expenses	2,436	2,160	2,646	2,900	3,256	3,561	3,878	4,240	4,637	5,073	5,553
COGS	3,711	3,956	4,345	4,802	5,392	5,897	6,422	7,023	7,679	8,401	9,196
As a % of COGS	66%	55%	61%	60%	60%	60%	60%	60%	60%	60%	60%
Other Current Liabilities	783	761	814	946	1,062	1,161	1,265	1,383	1,512	1,654	1,811
COGS	3,711	3,956	4,345	4,802	5,392	5,897	6,422	7,023	7,679	8,401	9,196
as a % of COGS	21%	19%	19%	20%	20%	20%	20%	20%	20%	20%	20%
Net Working Capital	174	785	931	852	898	982	1,069	1,169	1,279	1,399	1,531
Change in Net Working Capital		611	146	(79)	46	84	88	100	109	120	132

WACC

Boston Scientific (NYSE: BSX)	
<i>Weighted Average Cost</i>	
Market Value of Debt	9,102
Weight of debt	8.40%
Pre-Tax Cost	6.15%
Tax Rate	21.00%
Tax Effect Cost of Debt	4.86%
Market Value of Equity	99,225
Weight of Equity	91.60%
Risk-free rate	4.68%
Equity Risk Premium	4.52%
Beta	0.91
Cost of Equity	8.80%
Weighted Average Cost of Capital	8.47%
Expected Market Return	9.20%
Risk Free Rate	4.68%
Implied KD (Damodaran Credit Spread Method)	1.47%

Beta

Beta Calculation	
Covariance	0.00016
Variance	0.000175
Beta	0.91

Discounted Cash Flow Analysis

Boston Scientific (NASDAQ: BSX)											
Discounted Cash Flow (in millions USD)											
	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Revenue	11,888	12,682	14,241	15,740	17,394	19,022	20,718	22,655	24,772	27,101	29,666
EBIT	1,198	1,647	2,344	2,694	2,892	3,163	3,445	3,767	4,119	4,506	4,932
Tax Rate				17.12%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%	16.63%
NOPAT	1,198	1,647	2,344	2,694	2,892	3,163	3,444	3,767	4,119	4,506	4,932
Plus: D&A	1,093	1,136	1,196	1,179	1,216	1,235	1,241	1,244	1,237	1,353	1,481
Less: CapEx	554	588	711	786	868	950	1,034	1,131	1,237	1,353	1,481
Less: Change in NWC		611	146	(79)	46	84	88	100	109	120	132
FCFF	1,737	1,584	2,683	3,165	3,194	3,363	3,564	3,780	4,009	4,386	4,800
Terminal Value (growth rate)											82,426
PV of Cash Flows				\$3,039.35	\$2,827.15	\$2,744.88	\$2,681.32	\$2,621.68	\$2,563.83	\$2,585.54	\$2,608.81
Discounted CF				0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5

Multiples Method	
Terminal EBITDA	6,414
WACC	8.47%
EV/EBITDA	30.00x
Terminal Value	192,406
PV of Terminal Value	\$ 104,575.75
Enterprise Value	\$ 126,248.31
Debt	\$ 9,102.00
Cash	\$ 865.00
Equity Value	\$ 118,011.31
Shares Outstanding	1463.5
Price/share	\$ 80.64
Upside	18.92%

Assumptions	
Terminal Growth Rate	2.50%
LTM EV/EBITDA	30
WACC	8.47%
Current Share Price	\$ 67.81

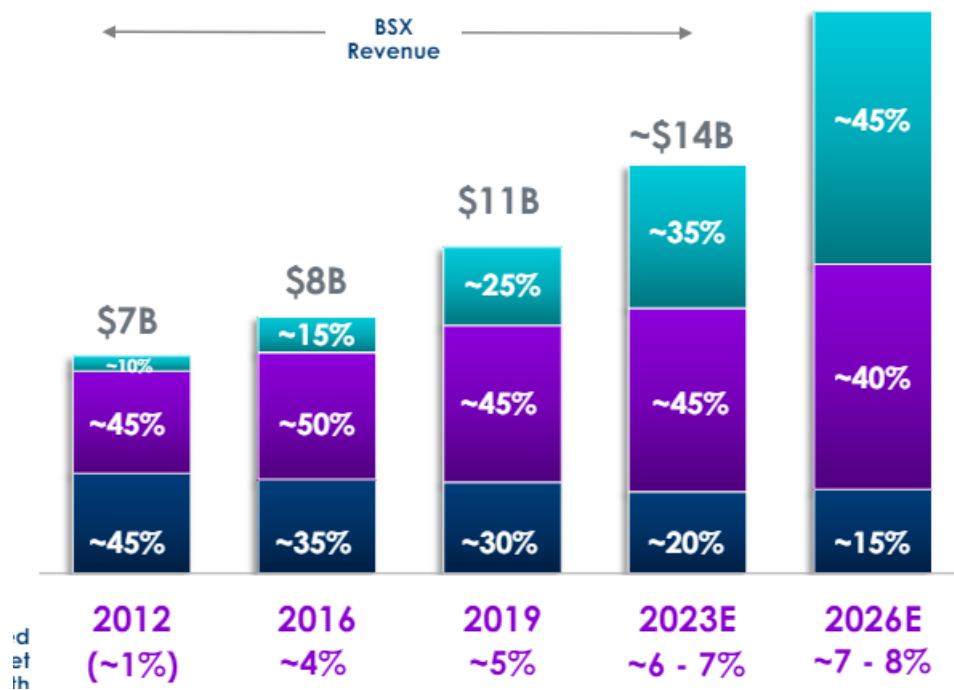
	6.47%	7.47%	8.47%	9.47%	10.47%
28.00x	86.988685	81.216716	75.87263	70.920845	66.329037
29.00x	89.727329	83.769918	78.254494	73.144286	68.405891
30.00x	92.465973	86.323121	80.636358	75.367727	70.482746
31.00x	95.204617	88.876323	83.018223	77.591168	72.5596
32.00x	97.943261	91.429526	85.400087	79.814609	74.636455

Comparable Companies Analysis

Boston Scientific (NYSE: BSX)								LTM				2024				2025			
Comparable Companies	Ticker	Share Price	Shares Outstanding	Market Cap	Debt	Cash	Enterprise Value	Revenue	EBITDA	EBIT	EPS	Revenue	EBITDA	EBIT	EPS	Revenue	EBITDA	EBIT	EPS
Boston Scientific	PFE	68.12	1,453	98,978	8,571	865	106,684	14,241	3,540	2,344	1.07	15,589.7	4,710.9	4,159.5	1.43	17,048.9	5,206.0	4,661.6	1.91
Abbott Laboratories	ABT	109.21	1,734.08	189,378.88	15,873.0	7,523.0	197,728.9	40,326.0	-	10,460.0	3.46	41,989.4	10,579.2	9,400.7	4.62	44,989.5	11,870.4	10,455.2	5.09
Medtronic	MDT	79.25	1,330.81	105,466.69	25,182.00	8,321.00	122,327.7	32,319.00	9,448.00	6,776.00	4.22	32,227.10	9,240.60	8,251.90	5.20	33,605.90	9,829.60	8,689.30	5.45
Edwards Lifesciences Corp	EW	90.05	601.10	54,129.06	694.90	1,644.50	53,179.5	6,004.80	1,919.50	1,745.80	2.53	6,520.40	2,078.80	1,923.00	2.76	7,161.70	2,352.60	2,157.40	3.10
Penumbra INC	PEN	210.05	38.38	8,061.72	234.30	289.20	8,006.8	1,058.50	100.80	73.60	1.45	1,244.90	179.90	138.70	2.82	1,450.80	241.30	192.40	3.84
Teleflex INC	TFX	210.10	47.04	9,883.10	1,945.90	222.80	11,606.2	2,974.50	849.30	607.10	12.01	3,093.00	924.70	820.70	13.73	3,265.20	1,000.00	891.30	15.25
Baxter International	BAX	39.57	507.63	20,086.92	14,364.00	3,194.00	31,256.9	14,949.00	2,690.90	1,427.90	1.30	15,101.30	3,080.20	2,252.90	2.90	15,670.10	3,325.00	2,448.00	3.23
Zimmer Biomet Holdings Inc	ZBH	122.07	205.60	25,097.59	5,995.20	415.80	30,677.0	7,394.30	2,446.50	1,494.80	5.21	7,750.60	2,747.30	2,232.20	8.06	8,113.80	2,875.10	2,372.50	8.68
Globus Medical INC-A	GMED	51.79	136.34	7,061.05	230.40	593.20	6,698.2	1,568.50	433.60	288.80	1.81	2,466.50	713.60	501.20	2.69	2,651.30	824.10	572.80	3.30
								EV/Revenue	EV/EBITDA	EV/EBIT	P/E	EV/Revenue	EV/EBITDA	EV/EBIT	P/E	EV/Revenue	EV/EBITDA	EV/EBIT	P/E
Boston Scientific	BSX							7.49x	30.14x	45.51x	63.46x	6.84x	22.65x	25.65x	47.64x	6.26x	20.49x	22.89x	35.66x
Abbott Laboratories	ABT							4.90x	-	18.90x	31.56x	4.71x	18.69x	21.03x	23.64x	4.40x	16.66x	18.91x	21.46x
Medtronic	MDT							3.79x	12.95x	18.05x	18.78x	3.80x	13.24x	14.82x	15.24x	3.64x	12.44x	14.08x	14.54x
Edwards Lifesciences Corp	EW							8.86x	27.70x	30.46x	35.59x	8.16x	25.58x	27.65x	32.63x	7.43x	22.60x	24.65x	29.05x
Penumbra INC	PEN							7.56x	79.43x	108.79x	144.86x	6.43x	44.51x	57.73x	74.49x	5.52x	33.18x	41.62x	54.70x
Teleflex INC	TFX							3.90x	13.67x	19.12x	17.49x	3.75x	12.55x	14.14x	15.30x	3.55x	11.61x	13.02x	13.78x
Baxter International	BAX							2.09x	11.62x	21.89x	30.44x	2.07x	10.15x	13.87x	13.64x	1.99x	9.40x	12.77x	12.25x
Zimmer Biomet Holdings Inc	ZBH							4.15x	12.54x	20.52x	23.43x	3.96x	11.17x	13.74x	15.15x	3.78x	10.67x	12.93x	14.06x
Globus Medical INC-A	GMED							4.27x	15.45x	23.19x	28.61x	2.72x	9.39x	13.36x	19.25x	2.53x	8.13x	11.69x	15.69x
Min								2.09x	0.00x	18.05x	17.49x	2.07x	9.39x	13.36x	13.64x	1.99x	8.13x	11.69x	12.25x
Q1								3.90x	12.54x	19.12x	23.43x	3.75x	11.17x	13.87x	15.24x	3.55x	10.67x	12.93x	14.06x
Med								4.27x	13.67x	21.89x	30.44x	3.96x	13.24x	14.82x	19.25x	3.78x	12.44x	14.08x	15.69x
Q3								7.49x	27.70x	30.46x	35.59x	6.43x	22.65x	25.65x	32.63x	5.52x	20.49x	22.89x	29.05x
Max								8.86x	79.43x	108.79x	144.86x	8.16x	44.51x	57.73x	74.49x	7.43x	33.18x	41.62x	54.70x
Mean								5.22x	22.61x	34.05x	43.80x	4.71x	18.66x	22.45x	28.55x	4.34x	16.13x	19.17x	23.47x

Comparable Companies Analysis

Comps Output (LTM)	EV	Debt	Cash	Equity	Shares	Per Share	Comps Output '24	EV	Debt	Cash	Equity	Shares	Per Share	Comps Output '25	EV	Debt	Cash	Equity	Shares	Per Share						
Revenue	14,241						Revenue	15,590						Revenue	17,049											
Min	2.09x	29,776.56	8,571	865	22,070.56	1,453	\$	15.19	Min	2.07x	32,267.82	8,571	865	24,561.82	1,453	\$	16.90	Min	1.99x	34,007.19	8,571	865	26,301.19	1,453	\$	18.10
Q1	3.90x	55,566.97	8,571	865	47,860.97	1,453	\$	32.94	Q1	3.75x	58,498.95	8,571	865	50,792.95	1,453	\$	34.96	Q1	3.55x	60,600.58	8,571	865	52,894.58	1,453	\$	36.40
Med	4.27x	60,815.91	8,571	865	53,109.91	1,453	\$	36.55	Med	3.96x	61,704.27	8,571	865	53,998.27	1,453	\$	37.16	Med	3.78x	64,459.19	8,571	865	56,753.19	1,453	\$	39.06
Q3	7.49x	106,684.36	8,571	865	98,978.36	1,453	\$	68.12	Q3	6.43x	100,268.22	8,571	865	92,562.22	1,453	\$	63.70	Q3	5.52x	94,091.16	8,571	865	86,385.16	1,453	\$	59.45
Max	8.86x	126,120.54	8,571	865	118,414.54	1,453	\$	81.50	Max	8.16x	127,147.38	8,571	865	119,441.38	1,453	\$	82.20	Max	7.43x	126,597.21	8,571	865	118,891.21	1,453	\$	81.82
EBITDA	3,540						EBITDA	4,710.9						EBITDA	5,206.0											
Min	0.00x	-	8,571	865	(7,706.00)	1,453	\$	(5.30)	Min	9.39x	44,219.14	8,571	865	36,513.14	1,453	\$	25.13	Min	8.13x	42,314.14	8,571	865	34,608.14	1,453	\$	23.82
Q1	12.54x	44,388.54	8,571	865	36,682.54	1,453	\$	25.25	Q1	11.17x	52,603.01	8,571	865	44,897.01	1,453	\$	30.90	Q1	10.67x	55,547.43	8,571	865	47,841.43	1,453	\$	32.93
Med	13.67x	48,376.27	8,571	865	40,670.27	1,453	\$	27.99	Med	13.24x	62,363.22	8,571	865	54,657.22	1,453	\$	37.62	Med	12.44x	64,787.78	8,571	865	57,081.78	1,453	\$	39.29
Q3	27.70x	98,075.16	8,571	865	90,369.16	1,453	\$	62.19	Q3	22.65x	106,684.36	8,571	865	98,978.36	1,453	\$	68.12	Q3	20.49x	106,684.36	8,571	865	98,978.36	1,453	\$	68.12
Max	79.43x	281,191.86	8,571	865	273,485.86	1,453	\$	188.22	Max	44.51x	209,668.28	8,571	865	201,962.28	1,453	\$	139.00	Max	33.18x	172,745.54	8,571	865	165,039.54	1,453	\$	113.59
EBIT	2,344						EBIT	4,159.5						EBIT	4,661.6											
Min	18.05x	42,316.43	8,571	865	34,610.43	1,453	\$	23.82	Min	13.36x	55,589.32	8,571	865	47,883.32	1,453	\$	32.95	Min	11.69x	54,512.14	8,571	865	46,806.14	1,453	\$	32.21
Q1	19.12x	44,811.30	8,571	865	37,105.30	1,453	\$	25.54	Q1	13.87x	57,709.24	8,571	865	50,003.24	1,453	\$	34.41	Q1	12.93x	60,275.60	8,571	865	52,569.60	1,453	\$	36.18
Med	21.89x	51,310.47	8,571	865	43,604.47	1,453	\$	30.01	Med	14.82x	61,661.20	8,571	865	53,955.20	1,453	\$	37.13	Med	14.08x	65,625.86	8,571	865	57,919.86	1,453	\$	39.86
Q3	30.46x	71,401.44	8,571	865	63,695.44	1,453	\$	43.84	Q3	25.65x	106,684.36	8,571	865	98,978.36	1,453	\$	68.12	Q3	22.89x	106,684.36	8,571	865	98,978.36	1,453	\$	68.12
Max	108.79x	254,999.78	8,571	865	247,293.78	1,453	\$	170.20	Max	57.73x	240,117.98	8,571	865	232,411.98	1,453	\$	159.95	Max	41.62x	193,994.74	8,571	865	186,288.74	1,453	\$	128.21
P/E	1.07						P/E	1.43						P/E	1.91											
Min	17.49x					\$	18.78	Min	13.64x				\$	19.51	Min	12.25x					\$	23.40				
Q1	23.43x					\$	25.15	Q1	15.24x				\$	21.79	Q1	14.06x					\$	26.86				
Med	30.44x					\$	32.67	Med	19.25x				\$	27.53	Med	15.69x					\$	29.98				
Q3	35.59x					\$	38.21	Q3	32.63x				\$	46.66	Q3	29.05x					\$	55.48				
Max	144.86x					\$	155.50	Max	74.49x				\$	106.51	Max	54.70x					\$	104.48				



High growth markets (>7% CAGR):

ICTx (cPCI, DCB, SHV), WM, EP, PI (IO, Drug-eluting, Venous), NM (Brain), Endo (ELS, S/U scopes), Urology (Prostate Health)

Moderate growth markets (4-7% CAGR):

CRM (Diagnostics, S-ICD), PI (Core Arterial), NM (Pain), Endo (Biliary, GI Cancer & Bleeding), Urology (Stone Mgmt, Prosthetic Urology)

Low growth markets (<4% CAGR):

ICTx (DES), CRM (Pacers, Defibrillators)