

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 1, 2023

or

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

For the transition period from _____ to _____

Commission File Number: 1-36214

HOLOGIC, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

250 Campus Drive,
Marlborough,
Massachusetts
(Address of principal executive offices)

04-2902449
(I.R.S. Employer Identification No.)

01752
(Zip Code)

(508) 263-2900
(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, \$0.01 par value	HOLX	NASDAQ

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

As of July 25, 2023, 244,942,081 shares of the registrant's Common Stock, \$0.01 par value, were outstanding.

HOLOGIC, INC.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

HOLOGIC, INC.

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(In millions, except number of shares, which are reflected in thousands, and per share data)

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Revenues:				
Product	\$ 799.1	\$ 837.1	\$ 2,522.9	\$ 3,408.7
Service and other	185.3	165.6	562.2	500.9
	984.4	1,002.7	3,085.1	3,909.6
Costs of revenues:				
Product	291.0	266.3	879.3	907.0
Amortization of acquired intangible assets	51.6	75.9	159.3	223.1
Impairment of intangible assets and equipment	179.5	9.2	179.5	9.2
Service and other	94.8	101.5	295.8	287.6
	367.5	549.8	1,571.2	2,482.7
Gross profit				
Operating expenses:				
Research and development	72.6	65.1	221.4	207.4
Selling and marketing	149.8	152.3	455.7	471.0
General and administrative	90.2	91.9	299.5	310.5
Amortization of acquired intangible assets	7.1	11.2	21.9	33.2
Impairment of intangible assets and equipment	44.3	—	44.3	—
Contingent consideration - fair value adjustments	—	(35.4)	(12.4)	(39.5)
Restructuring charges	2.1	0.8	4.9	0.8
	366.1	285.9	1,035.3	983.4
Income from operations	1.4	263.9	535.9	1,499.3
Interest income	32.5	2.4	84.6	3.6
Interest expense	(27.7)	(22.7)	(83.0)	(71.0)
Debt extinguishment loss	—	—	—	(0.7)
Other income (expense), net	5.9	4.8	(7.0)	13.6
Income before income taxes	12.1	248.4	530.5	1,444.8
Provision for income taxes	52.6	20.0	165.1	261.5
Net income (loss)	\$ (40.5)	\$ 228.4	\$ 365.4	\$ 1,183.3
Net income (loss) per common share:				
Basic	\$ (0.16)	\$ 0.91	\$ 1.48	\$ 4.70
Diluted	\$ (0.16)	\$ 0.90	\$ 1.47	\$ 4.65
Weighted average number of shares outstanding:				
Basic	246,908	250,756	247,319	251,943
Diluted	246,908	253,093	249,393	254,273

See accompanying notes.

HOLOGIC, INC.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****(Unaudited)***(In millions)*

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Net income (loss)	\$ (40.5)	\$ 228.4	\$ 365.4	\$ 1,183.3
Changes in foreign currency translation adjustment	1.1	(52.0)	130.2	(124.3)
Changes in value of hedged interest rate swaps, net of tax of \$1.2 and \$(1.7) for the three and nine months ended July 1, 2023 and \$2.5 and \$11.6 for the three and nine months ended June 25, 2022.				
Gain (loss) recognized in other comprehensive income (loss), net	3.7	8.4	(5.6)	35.7
Other comprehensive income (loss)	4.8	(43.6)	124.6	(88.6)
Comprehensive income (loss)	\$ (35.7)	\$ 184.8	\$ 490.0	\$ 1,094.7

See accompanying notes.

HOLOGIC, INC.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In millions, except number of shares, which are reflected in thousands, and par value)

	<u>July 1, 2023</u>	<u>September 24, 2022</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,765.0	\$ 2,339.5
Accounts receivable, less reserves	686.8	617.6
Inventories	680.1	623.7
Prepaid expenses and other current assets	173.7	232.2
Prepaid income taxes	33.7	49.0
Total current assets	<u>4,339.3</u>	<u>3,862.0</u>
Property, plant and equipment, net	493.3	481.6
Intangible assets, net	940.1	1,280.6
Goodwill	3,298.2	3,236.5
Other assets	267.0	210.5
Total assets	<u>\$ 9,337.9</u>	<u>\$ 9,071.2</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 31.8	\$ 15.0
Accounts payable	180.6	197.7
Accrued expenses	533.1	535.3
Deferred revenue	232.9	186.5
Finance lease obligations	2.9	3.2
Total current liabilities	<u>981.3</u>	<u>937.7</u>
Long-term debt, net of current portion	2,789.3	2,808.4
Finance lease obligations, net of current portion	16.2	18.0
Deferred income tax liabilities	19.4	90.8
Deferred revenue, net of current portion	13.7	9.4
Other long-term liabilities	336.0	330.7
Stockholders' equity:		
Preferred stock, \$0.01 par value – 1,623 shares authorized; 0 shares issued	—	—
Common stock, \$0.01 par value – 750,000 shares authorized; 299,932 and 298,533 shares issued, respectively	3.0	3.0
Additional paid-in-capital	6,122.5	6,042.6
Retained earnings	1,965.7	1,600.3
Treasury stock, at cost – 54,990 and 51,401 shares, respectively	(2,795.6)	(2,531.5)
Accumulated other comprehensive loss	(113.6)	(238.2)
Total stockholders' equity	<u>5,182.0</u>	<u>4,876.2</u>
Total liabilities and stockholders' equity	<u>\$ 9,337.9</u>	<u>\$ 9,071.2</u>

See accompanying notes.

Hologic, Inc.

Consolidated Statements of Stockholders' Equity

(In millions, except number of shares, which are reflected in thousands)

	Common Stock			Additional Paid-in- Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Number of Shares	Par Value					Number of Shares	Amount	
Balance at September 25, 2021	297,306	\$ 3.0	\$ 5,965.8	\$ 298.3	\$ (59.1)	43,653	\$ (1,989.4)	\$ 4,218.6	
Exercise of stock options	45	—	1.9	—	—	—	—	1.9	
Vesting of restricted stock units, net	534	—	(22.4)	—	—	—	—	(22.4)	
Stock-based compensation	—	—	18.7	—	—	—	—	18.7	
Net income	—	—	—	499.2	—	—	—	499.2	
Other comprehensive income activity	—	—	—	—	(29.9)	—	—	(29.9)	
Repurchase of common stock	—	—	—	—	—	2,335	(167.0)	(167.0)	
Balance at December 25, 2021	297,885	\$ 3.0	\$ 5,964.0	\$ 797.5	\$ (89.0)	45,988	\$ (2,156.4)	\$ 4,519.1	
Exercise of stock options	140	—	5.8	—	—	—	—	5.8	
Vesting of restricted stock units, net	14	—	(0.1)	—	—	—	—	(0.1)	
Common stock issued under the employee stock purchase plan	164	—	9.5	—	—	—	—	9.5	
Stock-based compensation	—	—	17.8	—	—	—	—	17.8	
Net income	—	—	—	455.7	—	—	—	455.7	
Other comprehensive income activity	—	—	—	—	(15.1)	—	—	(15.1)	
Repurchase of common stock	—	—	—	—	—	2,863	(200.0)	(200.0)	
Balance at March 26, 2022	298,203	\$ 3.0	\$ 5,997.0	\$ 1,253.2	\$ (104.1)	48,851	\$ (2,356.4)	\$ 4,792.7	
Exercise of stock options	128	—	5.2	—	—	—	—	5.2	
Vesting of restricted stock units, net	4	—	(0.1)	—	—	—	—	(0.1)	
Stock-based compensation	—	—	15.3	—	—	—	—	15.3	
Net income	—	—	—	228.4	—	—	—	228.4	
Other comprehensive income activity	—	—	—	—	(43.6)	—	—	(43.6)	
Balance at June 25, 2022	298,335	\$ 3.0	\$ 6,017.4	\$ 1,481.6	\$ (147.7)	48,851	\$ (2,356.4)	\$ 4,997.9	
Exercise of stock options	23	—	0.9	—	—	—	—	0.9	
Vesting of restricted stock units, net	9	—	(0.3)	—	—	—	—	(0.3)	
Common stock issued under the employee stock purchase plan	166	—	9.7	—	—	—	—	9.7	
Stock-based compensation	—	—	14.9	—	—	—	—	14.9	
Net income	—	—	—	118.7	—	—	—	118.7	
Other comprehensive income activity	—	—	—	—	(90.5)	—	—	(90.5)	
Repurchase of common stock	—	—	—	—	—	2,550	(175.1)	(175.1)	
Balance at September 24, 2022	298,533	\$ 3.0	\$ 6,042.6	\$ 1,600.3	\$ (238.2)	51,401	\$ (2,531.5)	\$ 4,876.2	
Exercise of stock options	267	—	10.3	—	—	—	—	10.3	
Vesting of restricted stock units, net	514	—	(23.0)	—	—	—	—	(23.0)	
Common stock issued under the employee stock purchase plan	171	—	10.2	—	—	—	—	10.2	
Stock-based compensation	—	—	20.5	—	—	—	—	20.5	
Net income	—	—	—	187.4	—	—	—	187.4	
Other comprehensive income activity	—	—	—	—	110.9	—	—	110.9	
Repurchase of common stock	—	—	—	—	—	1,539	(100.0)	(100.0)	
Balance at December 31, 2022	299,485	\$ 3.0	\$ 6,060.6	\$ 1,787.7	\$ (127.3)	52,940	\$ (2,631.5)	\$ 5,092.5	

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Exercise of stock options	173	—	7.9	—	—	—	—	7.9
Vesting of restricted stock units, net	18	—	(0.2)	—	—	—	—	(0.2)
Stock-based compensation	—	—	23.2	—	—	—	—	23.2
Net income	—	—	—	218.5	—	—	—	218.5
Other comprehensive income activity	—	—	—	—	8.9	—	—	8.9
Repurchase of common stock	—	—	—	—	—	626	(50.0)	(50.0)
Balance at April 1, 2023	299,676	\$ 3.0	\$ 6,091.5	\$ 2,006.2	\$ (118.4)	53,566	\$ (2,681.5)	\$ 5,300.8
Exercise of stock options	64	—	3.3	—	—	—	—	3.3
Vesting of restricted stock units, net	15	—	(0.5)	—	—	—	—	(0.5)
Common stock issued under the employee stock purchase plan	177	—	11.3	—	—	—	—	11.3
Stock-based compensation	—	—	16.9	—	—	—	—	16.9
Net loss	—	—	—	(40.5)	—	—	—	(40.5)
Other comprehensive income activity	—	—	—	—	4.8	—	—	4.8
Repurchase of common stock ⁽¹⁾	—	—	—	—	—	1,424	(114.1)	(114.1)
Balance at July 1, 2023	299,932	\$ 3.0	\$ 6,122.5	\$ 1,965.7	\$ (113.6)	54,990	\$ (2,795.6)	\$ 5,182.0

⁽¹⁾ Includes excise tax on share repurchases

HOLOGIC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In millions)

	Nine Months Ended	
	July 1, 2023	June 25, 2022
OPERATING ACTIVITIES		
Net income	\$ 365.4	\$ 1,183.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	66.7	67.2
Amortization of acquired intangible assets	181.2	256.3
Stock-based compensation expense	60.6	51.8
Deferred income taxes	(100.2)	(60.2)
Intangible assets and equipment impairment charges	223.8	9.2
Contingent consideration - fair value adjustments	(12.4)	(39.5)
Other adjustments and non-cash items	30.6	37.0
Changes in operating assets and liabilities, excluding the effect of acquisitions:		
Accounts receivable	(51.0)	193.9
Inventories	(48.5)	(86.8)
Prepaid income taxes	15.3	(10.5)
Prepaid expenses and other assets	24.6	378.3
Accounts payable	(20.3)	2.5
Accrued expenses and other liabilities	10.7	(23.0)
Deferred revenue	46.0	(2.4)
Net cash provided by operating activities	<u>792.5</u>	<u>1,957.1</u>
INVESTING ACTIVITIES		
Acquisition of business, net of cash acquired	(1.8)	(158.6)
Capital expenditures	(55.5)	(50.8)
Proceeds from the Department of Defense	20.5	75.0
Increase in equipment under customer usage agreements	(42.2)	(44.8)
Purchase of equity investment	(10.0)	—
Other activity	(7.1)	5.0
Net cash used in investing activities	<u>(96.1)</u>	<u>(174.2)</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt, net of issuance costs	—	1,491.2
Repayment of long-term debt	(11.3)	(1,387.5)
Repayment under accounts receivable securitization agreement	—	(248.5)
Payment of contingent consideration	(7.6)	(12.2)
Payment of deferred acquisition consideration	(0.8)	—
Repayment of acquired long-term debt	—	(63.7)
Repurchases of common stock	(263.6)	(367.0)
Proceeds from issuance of common stock pursuant to employee stock plans	37.7	26.9
Payment of minimum tax withholdings on net share settlements of equity awards	(23.7)	(22.6)
Payments under finance lease obligations	(3.3)	(2.8)
Net cash used in financing activities	<u>(272.6)</u>	<u>(586.2)</u>
Effect of exchange rate changes on cash and cash equivalents	1.7	8.3
Net increase in cash and cash equivalents	425.5	1,205.0
Cash and cash equivalents, beginning of period	2,339.5	1,170.3
Cash and cash equivalents, end of period	<u>\$ 2,765.0</u>	<u>\$ 2,375.3</u>

See accompanying notes.

HOLOGIC, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(All tabular amounts in millions, except number of shares, which are reflected in thousands, and per share data)

(1) Basis of Presentation

The unaudited consolidated financial statements of Hologic, Inc. (“Hologic” or the “Company”) presented herein have been prepared pursuant to the rules of the Securities and Exchange Commission (the “SEC”) for quarterly reports on Form 10-Q and do not include all of the information and disclosures required by U.S. generally accepted accounting principles (“GAAP”) for annual financial statements. These unaudited financial statements should be read in conjunction with the consolidated financial statements and related notes for the fiscal year ended September 24, 2022 included in the Company’s annual report on Form 10-K filed with the SEC on November 15, 2022. In the opinion of management, the unaudited financial statements and notes contain all adjustments (consisting of normal recurring accruals and all other necessary adjustments) considered necessary for a fair presentation of the Company’s financial position, results of operations and cash flows for the periods presented.

The unaudited consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

The preparation of financial statements in conformity with GAAP requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management’s estimates if past experience or other assumptions do not turn out to be substantially accurate. Operating results for the three and nine months ended July 1, 2023 are not necessarily indicative of the results to be expected for any other interim period or the entire fiscal year ending September 30, 2023. Fiscal 2023 is a 53-week fiscal year, and the additional week was included in the first quarter of fiscal 2023 consistent with the Company’s historical fiscal calendar.

Subsequent Events Consideration

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence for certain estimates or to identify matters that may require additional disclosure. Subsequent events have been evaluated as required. There were no material recognized or unrecognized subsequent events affecting the unaudited consolidated financial statements as of and for the three and nine months ended July 1, 2023.

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(2) Revenue

The Company accounts for revenue pursuant to ASC 606, *Revenue from Contracts with Customer* (ASC 606) and generates revenue from the sale of its products, primarily medical imaging systems and related components and software, diagnostic tests and assays and surgical disposable products, and related services, which are primarily support and maintenance services on its medical imaging systems, and to a lesser extent installation, training and repairs. In addition, the Company generates service revenue from performing laboratory testing services through its Biotheranostics CLIA laboratory, which is included in its Molecular Diagnostics business. The Company's products are sold primarily through a direct sales force, and within international markets, there is more reliance on distributors and resellers. Revenue is recorded net of sales tax. The following tables provide revenue from contracts with customers by business and geographic region on a disaggregated basis:

Business (in millions)	Three Months Ended July 1, 2023			Three Months Ended June 25, 2022		
	United States	International	Total	United States	International	Total
Diagnostics:						
Cytology & Perinatal	\$ 79.7	\$ 47.1	\$ 126.8	\$ 74.3	\$ 41.6	\$ 115.9
Molecular Diagnostics	240.2	62.0	302.2	304.2	131.1	435.3
Blood Screening	10.7	—	10.7	8.9	—	8.9
Total	\$ 330.6	\$ 109.1	\$ 439.7	\$ 387.4	\$ 172.7	\$ 560.1
Breast Health:						
Breast Imaging	\$ 220.7	\$ 65.4	\$ 286.1	\$ 165.5	\$ 46.7	\$ 212.2
Interventional Breast Solutions	59.2	15.0	74.2	56.8	13.8	70.6
Total	\$ 279.9	\$ 80.4	\$ 360.3	\$ 222.3	\$ 60.5	\$ 282.8
GYN Surgical	\$ 122.9	\$ 34.4	\$ 157.3	\$ 112.2	\$ 25.9	\$ 138.1
Skeletal Health	\$ 16.7	\$ 10.4	\$ 27.1	\$ 12.7	\$ 9.0	\$ 21.7
	\$ 750.1	\$ 234.3	\$ 984.4	\$ 734.6	\$ 268.1	\$ 1,002.7

Business (in millions)	Nine Months Ended July 1, 2023			Nine Months Ended June 25, 2022		
	United States	International	Total	United States	International	Total
Diagnostics:						
Cytology & Perinatal	\$ 226.9	\$ 138.5	\$ 365.4	\$ 227.4	\$ 134.6	\$ 362.0
Molecular Diagnostics	831.5	238.2	1,069.7	1,395.9	715.2	2,111.1
Blood Screening	28.5	—	28.5	24.5	—	24.5
Total	\$ 1,086.9	\$ 376.7	\$ 1,463.6	\$ 1,647.8	\$ 849.8	\$ 2,497.6
Breast Health:						
Breast Imaging	\$ 666.5	\$ 195.6	\$ 862.1	\$ 561.8	\$ 177.7	\$ 739.5
Interventional Breast Solutions	176.7	41.1	217.8	171.1	42.1	213.2
Total	\$ 843.2	\$ 236.7	\$ 1,079.9	\$ 732.9	\$ 219.8	\$ 952.7
GYN Surgical	\$ 359.6	\$ 96.6	\$ 456.2	\$ 315.4	\$ 74.2	\$ 389.6
Skeletal Health	\$ 52.8	\$ 32.6	\$ 85.4	\$ 43.3	\$ 26.4	\$ 69.7
	\$ 2,342.5	\$ 742.6	\$ 3,085.1	\$ 2,739.4	\$ 1,170.2	\$ 3,909.6

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Geographic Regions (in millions)	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
United States	\$ 750.1	\$ 734.6	\$ 2,342.5	\$ 2,739.4
Europe	128.5	164.5	427.3	750.8
Asia-Pacific	62.9	71.7	191.9	301.1
Rest of World	42.9	31.9	123.4	118.3
	\$ 984.4	\$ 1,002.7	\$ 3,085.1	\$ 3,909.6

The following table provides revenue recognized by source:

Revenue by type (in millions)	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Disposables	\$ 609.0	\$ 713.0	\$ 1,963.3	\$ 2,930.5
Capital equipment, components and software	190.1	124.1	559.6	478.2
Service	180.4	160.8	546.7	486.2
Other	4.9	4.8	15.5	14.7
	\$ 984.4	\$ 1,002.7	\$ 3,085.1	\$ 3,909.6

The Company considers revenue to be earned when all of the following criteria are met: the Company has a contract with a customer that creates enforceable rights and obligations; promised products or services are identified; the transaction price, or the amount the Company expects to receive, including an estimate of uncertain amounts subject to a constraint to ensure revenue is not recognized in an amount that would result in a significant reversal upon resolution of the uncertainty, is determinable; and the Company has transferred control of the promised items to the customer. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the contract. The transaction price for the contract is measured as the amount of consideration the Company expects to receive in exchange for the goods and services expected to be transferred. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, control of the distinct good or service is transferred. Transfer of control for the Company's products is generally at shipment or delivery, depending on contractual terms, but occurs when title and risk of loss transfers to the customer which represents the point in time when the customer obtains the use of and substantially all of the remaining benefits of the product. As such, the Company's performance obligation related to product sales is satisfied at a point in time. Revenue from support and maintenance contracts, extended warranty, and professional services for installation, training and repairs is recognized over time based on the period contracted or as the services are performed as these methods represent a faithful depiction of the transfer of goods and services.

The Company recognizes a receivable when it has an unconditional right to payment, which represents the amount the Company expects to collect in a transaction and is most often equal to the transaction price in the contract. Payment terms are typically 30 days in the U.S. but may be longer in international markets. The Company treats shipping and handling costs performed after a customer obtains control of the good as a fulfillment cost and records these costs within costs of product revenue when the corresponding revenue is recognized.

The Company also places instruments (or equipment) at customer sites but retains title to the instrument. The customer has the right to use the instrument for a period of time, and the Company recovers the cost of providing the instrument through the sales of disposables, namely tests and assays in Diagnostics and handpieces in GYN Surgical. These types of agreements include an embedded lease, which is generally an operating lease, for the right to use an instrument and no instrument revenue is recognized at the time of instrument delivery. The Company recognizes a portion of the revenue allocated to the embedded lease concurrent with the sale of disposables over the term of the agreement.

Revenue from laboratory testing services, which is generated by the Company's Biotheranostics business, is recognized based upon contracted amounts with payors and historical cash collection experience for the same test or same payor group. Revenue is recognized once the laboratory services have been performed, the results have been delivered to the ordering physician, the payor has been identified, and insurance has been verified. The estimated timeframes for cash collection are three months for Medicare payors, six months for Medicare Advantage payors, and nine months for commercial payors.

Some of the Company's contracts have multiple performance obligations. For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation using its best estimate of the standalone

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selling price of each distinct good or service in the contract. The Company determines its best estimate of standalone selling price using average selling prices over 3- to 12-month periods of data depending on the products or nature of the services coupled with current market considerations. If the product or service does not have a history of sales or if sales volume is not sufficient, the Company relies on prices set by its pricing committees or applicable marketing department adjusted for expected discounts.

Variable Consideration

The Company exercises judgment in estimating variable consideration, which includes volume discounts, sales rebates, product returns and other adjustments. These amounts are recorded as a reduction to revenue and classified as a current liability. The Company bases its estimates for volume discounts and sales rebates on historical information to the extent it is reasonable to be used as a predictive tool of expected future rebates. To the extent the transaction price includes variable consideration, the Company applies judgment in constraining the estimated variable consideration due to factors that may cause reversal of revenue recognized. The Company evaluates constraints based on its historical and projected experience with similar customer contracts. The Company's contracts for the sale of capital equipment and related components, and assays and tests typically do not provide the right to return product, however, its contracts for the sale of its GYN Surgical and Interventional Breast Solutions surgical handpieces provide for a right of return for a limited period of time. In general, estimates of variable consideration and constraints are not material to the Company's financial statements.

Remaining Performance Obligations

As of July 1, 2023, the estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied was approximately \$813.6 million. These remaining performance obligations primarily relate to support and maintenance obligations and extended warranty in the Company's Breast Health and Skeletal Health reportable segments. The Company expects to recognize approximately 14% of this amount as revenue in fiscal 2023, 41% in fiscal 2024, 26% in fiscal 2025, 13% in fiscal 2026, and 6% thereafter. As permitted, the Company does not include remaining performance obligations related to contracts with original expected durations of one year or less in the amounts above.

Contract Assets and Liabilities

The Company discloses accounts receivable separately in the Consolidated Balance Sheets at their net realizable value. Contract assets primarily relate to the Company's conditional right to consideration for work completed but not billed at the reporting date. Contract assets at the beginning and end of the period, as well as the changes in the balance, were immaterial.

Contract liabilities primarily relate to payments received from customers in advance of performance under the contract. The Company records a contract liability, or deferred revenue, when it has an obligation to provide service, and to a much lesser extent product, to the customer and payment is received or due in advance of performance. Deferred revenue primarily relates to support and maintenance contracts and extended warranty obligations within the Company's Breast Health and Skeletal Health reportable segments. Contract liabilities are classified as other current liabilities and other long-term liabilities in the Consolidated Balance Sheets. The Company recognized revenue of \$21.0 million and \$122.2 million in the three and nine months ended July 1, 2023, respectively, that was included in the contract liability balance at September 24, 2022. The Company recognized revenue of \$21.4 million and \$108.7 million in the three and nine months ended June 25, 2022, respectively, that was included in the contract liability balance at September 25, 2021.

Practical Expedients

The Company applies a practical expedient to expense costs to obtain a contract with a customer as incurred when the amortization period would have been one year or less. These costs solely comprise sales commissions and typically the commissions are incurred at the time of shipment of product and upon billings for support and maintenance contracts.

(3) Leases

Lessor Activity - Leases where Hologic is the Lessor

Certain assets, primarily diagnostics instruments, are leased to customers under contractual arrangements that typically include an operating lease and performance obligations for disposables, reagents and other consumables. These contractual arrangements are subject to termination provisions which are evaluated in determining the lease term for lease accounting purposes. Contract terms vary by customer and may include options to terminate the contract or options to extend the contract. Where instruments are provided under operating lease arrangements, some portion or the entire lease revenue may be variable and subject to subsequent non-lease component (e.g., reagent) sales. Sales-type leases are immaterial. The allocation of revenue between the lease and non-lease components is based on stand-alone selling prices. Lease revenue represented less than 3% of the Company's consolidated revenue for all periods presented.

(4) Fair Value Measurements

Assets/Liabilities Measured and Recorded at Fair Value on a Recurring Basis

The Company has investments in derivative instruments comprised of interest rate swaps, forward foreign currency contracts and foreign currency option contracts, which are valued using analyses obtained from independent third-party valuation specialists based on market observable inputs, representing Level 2 assets. The fair values of these derivative contracts represent the estimated amounts the Company would receive or pay to terminate the contracts. Refer to Note 9 for further discussion and information on derivative contracts. In addition, the Company has a contingent consideration liability that is recorded at fair value, which is based on Level 3 inputs. The contingent consideration liability as of July 1, 2023 and June 25, 2022 was primarily related to the Accessa acquisition.

Assets and liabilities measured and recorded at fair value on a recurring basis consisted of the following at July 1, 2023:

	Balance as of July 1, 2023	Fair Value at Reporting Date Using		
		Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Interest rate swaps	\$ 31.7	\$ —	\$ 31.7	\$ —
Forward foreign currency contracts	2.7	—	2.7	—
Total	<u>\$ 34.4</u>	<u>\$ —</u>	<u>\$ 34.4</u>	<u>\$ —</u>
Liabilities:				
Contingent consideration	\$ 4.5	\$ —	\$ —	\$ 4.5
Forward foreign currency contracts	0.6	—	0.6	—
Total	<u>\$ 5.1</u>	<u>\$ —</u>	<u>\$ 0.6</u>	<u>\$ 4.5</u>

Liabilities Measured and Recorded at Fair Value on a Recurring Basis

Changes in the fair value of recurring fair value measurements using significant unobservable inputs (Level 3), which solely consisted of contingent consideration liabilities, during the three and nine month periods ended July 1, 2023 and June 25, 2022 were as follows:

	Three Month Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Balance at beginning of period	\$ 3.4	\$ 58.8	\$ 23.4	\$ 75.1
Contingent consideration recorded at acquisition	1.1	—	1.1	—
Fair value adjustments	—	(35.4)	(12.4)	(39.5)
Payments	—	—	(7.6)	(12.2)
Balance at end of period	<u>\$ 4.5</u>	<u>\$ 23.4</u>	<u>\$ 4.5</u>	<u>\$ 23.4</u>

Assets Measured and Recorded at Fair Value on a Nonrecurring Basis

The Company remeasures the fair value of certain assets and liabilities upon the occurrence of certain events. Such assets are comprised of equity investments and long-lived assets, including property, plant and equipment, intangible assets, and goodwill. During the third quarter of fiscal 2023, the Company identified indicators of impairment related to its long-lived assets of its Mobidiag business and based on the fair value of the asset group recorded impairment charges aggregating \$186.9 million, of which \$174.8 million was allocated to intangible assets and \$12.1 million was allocated to property, plant and equipment. Subsequent to the impairment charges, the carrying value of the definite-lived intangible assets and property, plant and equipment was \$65.8 million and \$4.6 million, respectively. See Note 16 for additional information. In addition, the Company recorded a \$10.5 million impairment charge for an in-process research and development project from the Mobidiag acquisition, and the resulting carrying value was \$26.5 million. During the third quarter of fiscal 2023, the Company identified indicators of impairment related to its long-lived assets of its ultrasound imaging business and recorded impairment charges aggregating \$26.4 million, of which \$20.6 million was allocated to intangible assets and \$5.8 million was allocated to equipment. Subsequent to the impairment charges, the carrying value of these assets was zero. During the third quarter of fiscal 2022, the Company recorded a \$9.2 million impairment charge to write-off two developed technology assets acquired in the Faxitron acquisition. During the first quarter of fiscal 2022, the Company recorded a \$4.3 million charge to write-off an equity method investment acquired in the Mobidiag acquisition. There were no other remeasurements in the three and nine months ended July 1, 2023 and June 25, 2022.

Disclosure of Fair Value of Financial Instruments

The Company's financial instruments mainly consist of cash and cash equivalents, accounts receivable, equity investments, interest rate swaps, forward foreign currency contracts, foreign currency option contracts, insurance contracts, accounts payable and debt obligations. The carrying amounts of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate their fair value due to the short-term nature of these instruments. The Company's interest rate swaps, forward foreign currency contracts and foreign currency option contracts are recorded at fair value. The carrying amount of the insurance contracts are recorded at the cash surrender value, as required by U.S. GAAP, which approximates fair value. The Company believes the carrying amounts of its equity investments approximate fair value.

Amounts outstanding under the Company's 2021 Credit Agreement of \$1.5 billion aggregate principal as of July 1, 2023 are subject to variable rates of interest based on current market rates, and as such, the Company believes the carrying amount of these obligations approximates fair value. The Company's 4.625% Senior Notes due 2028 (the "2028 Senior Notes") and 3.250% Senior Notes due 2029 (the "2029 Senior Notes") had fair values of \$376.8 million and \$833.5 million, respectively, as of July 1, 2023 based on their trading prices, representing a Level 1 measurement. Refer to Note 7 for the carrying amounts of the various components of the Company's debt.

(5) Business Combinations

Fiscal 2023 Acquisition

Normedi

On April 3, 2023, the Company completed the acquisition of Normedi Nordic AS ("Normedi") for a purchase price of \$7.7 million. Normedi was a long-standing distributor of the Company's Surgical products in the Nordics region of Europe. The purchase price includes \$1.1 million for contingent consideration based on incremental revenue growth over a 2-year measurement period. The Company allocated \$3.0 million of the purchase price to a customer relationships intangible asset with a useful life of 5 years, and the excess of the purchase price over the net assets acquired was recorded to goodwill.

Fiscal 2022 Acquisition

Bolder Surgical

On November 29, 2021, the Company completed the acquisition of Bolder Surgical Holdings, Inc. ("Bolder") for a purchase price of \$160.1 million. Bolder, located in Louisville, Colorado, is a developer and manufacturer of energy vessel sealing surgical devices used in both laparoscopic and open procedures. Bolder's results of operations are reported in the Company's GYN Surgical reportable segment from the date of acquisition.

The purchase price was allocated to Bolder's tangible and identifiable intangible assets and liabilities based on their

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estimated fair values as of November 29, 2021, as set forth below.

Cash	\$	1.9
Accounts receivable		1.3
Inventory		3.3
Other assets		3.0
Accounts payable and accrued expenses		(3.2)
Identifiable intangible assets:		
Developed technology		73.6
Customer relationship		21.7
Trade names		1.4
Deferred income taxes, net		(11.7)
Goodwill		68.8
Purchase Price	\$	<u>160.1</u>

In performing the purchase price allocation, the Company considered, among other factors, the intended future use of acquired assets, analysis of historical financial performance and estimates of future performance of Bolder's business.

As part of the purchase price allocation, the Company determined the identifiable intangible assets were developed technology, customer relationships and trade names. The fair value of the intangible assets was estimated using the income approach, and the cash flow projections were discounted using a 16.0% rate. The cash flows were based on estimates used to price the transaction, and the discount rate applied was benchmarked with reference to the implied rate of return from the transaction model and the weighted average cost of capital.

The developed technology assets are comprised of know-how, patents and technologies embedded in Bolder's products and relate to currently marketed products. The developed technology assets comprise the primary product families under the JustRight and CoolSeal technology platforms.

The estimate of the weighted average life for the developed technology, customer relationship, and trade name assets is 10 years. The calculation of the excess of the purchase price over the estimated fair value of the tangible net assets and intangible assets acquired was recorded to goodwill. Factors contributing to the recognition of the amount of goodwill were primarily based on anticipated strategic and synergistic benefits that are expected to be realized from the Bolder acquisition. These benefits include expanding the Company's surgical portfolio and utilizing GYN Surgical's sales and regulatory expertise to drive adoption and revenue growth. None of the goodwill is expected to be deductible for income tax purposes.

Contingent Consideration

The Company's contingent consideration liability is primarily related to its acquisition of Acesa Health, Inc. ("Acesa"), which was acquired in August 2020. Acesa developed the ProVu laparoscopic radiofrequency ablation system. The Company estimated the fair value of this liability to be \$81.8 million as of the acquisition date. The contingent payments are based on a multiple of annual incremental revenue growth over a three-year period ending annually in December of each of 2021, 2022, and 2023. There is no maximum earnout. Pursuant to ASC 805, *Business Combinations* (ASC 805), the Company recorded its estimate of the fair value of the contingent consideration liability utilizing the Monte Carlo simulation based on future revenue projections of Acesa, revenue growth rates of comparable companies, implied volatility and applying a risk adjusted discount rate. Each quarter the Company is required to remeasure the fair value of the liability as assumptions change, and such adjustments are recorded in operating expenses. This fair value measurement was based on significant inputs not observable in the market and thus represented a Level 3 measurement as defined in ASC 820, *Fair Value Measurements*. This fair value measurement is directly impacted by the Company's estimate of future incremental revenue growth of the business. Accordingly, if actual revenue growth is higher or lower than the estimates within the fair value measurement, the Company would record additional charges or gains. During the three and nine months ended June 25, 2022, the Company remeasured the contingent consideration liability and recorded a gain of \$35.4 million and \$39.5 million, respectively, to record the liability at fair value as of June 25, 2022. The reduction in fair value was primarily due to a decrease in forecasted revenues over the measurement period and to a much lesser extent an increase in the discount rate driven by market rates. During the three months ended December 25, 2021, the first measurement period was completed, and the Company recorded a gain of \$4.1 million to

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decrease the contingent consideration liability to fair value based on actual revenue results in the first earn-out period. During the second quarter of fiscal 2022, the Company made a payment of \$12.2 million for the first earn-out period. During the three months ended December 31, 2022, the second measurement period was completed, resulting in a payment of \$7.6 million, which was made in the second quarter of fiscal 2023. During the second quarter of fiscal 2023, the Company updated its forecasted revenue and recorded a gain of \$12.4 million to record the liability to fair value. The reduction in fair value was due to a decrease in forecasted revenues over the remaining measurement period. As of July 1, 2023, the contingent consideration liability related to Acessa was \$3.4 million.

(6) Restructuring

During the first quarter of fiscal 2022, the Company finalized its decision to close its Danbury, Connecticut facility where it manufactures its Breast Health capital equipment products. The manufacturing of the Breast Health capital equipment products and all other support services will be moved to the Company's Newark, Delaware facility. In addition, research and development, sales and services support and administrative functions will be moved to the Newark, Delaware and Marlborough, Massachusetts facilities. The transition is expected to be completed by the second quarter of fiscal 2025. The majority of employees located in Danbury were given the option to relocate to the new locations. As a result of this plan, the Company expects a number of employees to not relocate resulting in their termination. The employees were notified of the closure during the first quarter of fiscal 2022 but were not informed of their termination and related severance benefits until the third quarter of fiscal 2022. The Company is recording severance benefits ratably over the required service period pursuant to ASC 420, *Exit or Disposal Cost Obligations* (ASC 420). As a result, the Company recorded severance charges of \$0.4 million and \$1.4 million during the three and nine months ended July 1, 2023, respectively, and \$1.6 million in fiscal 2022. The Company estimates that total severance charges, including retention, will be approximately \$5.0 million.

During fiscal 2022 and 2023, the Company made various decisions to terminate certain personnel across all divisions in multiple departments as well as consolidate and close certain offices in Germany and transfer warehouse distribution in the United States to a third-party facility. For the three and nine months ended July 1, 2023, the Company recorded \$1.7 million and \$3.5 million, respectively, primarily for severance benefits under these actions. The charges were recorded pursuant to ASC 712, *Compensation-Nonretirement Postemployment Benefits*, and ASC 420 depending on the employee and nature of the severance benefit. The Company estimates that total severance charges related to these actions will be approximately \$5.0 million, and the actions are expected to be completed by September 2023.

(7) Borrowings and Credit Arrangements

The Company's borrowings consisted of the following:

	July 1, 2023	September 24, 2022
Current debt obligations, net of debt discount and deferred issuance costs:		
Term Loan	\$ 31.8	\$ 15.0
Total current debt obligations	\$ 31.8	\$ 15.0
Long-term debt obligations, net of debt discount and issuance costs:		
Term Loan	1,454.5	1,475.7
2028 Senior Notes	396.6	396.1
2029 Senior Notes	938.2	936.6
Total long-term debt obligations	\$ 2,789.3	\$ 2,808.4
Total debt obligations	\$ 2,821.1	\$ 2,823.4

2021 Credit Agreement

On September 27, 2021, the Company refinanced its then existing term loan and revolving credit facility with Bank of America, N.A. in its capacity as Administrative Agent, Swing Line Lender and L/C Issuer, and certain other lenders (the “2018 Credit Agreement”) by entering into a Refinancing Amendment (the “2021 Credit Agreement”). On August 22, 2022, the Company further amended the 2021 Credit Agreement to address the planned phase out of LIBOR by the UK Financial Conduct Authority. Under this amendment, the interest rates applicable to the loans under the 2021 Credit Agreement denominated in U.S. dollars were converted to a variant of the secured overnight financing rate (“SOFR”), as established from time to time by the Federal Reserve Bank of New York, plus a corresponding spread.

The 2021 Credit Agreement provided a \$1.5 billion secured term loan facility (the “2021 Term Loan”) and a \$2.0 billion revolving credit facility (the “2021 Revolver”). As of July 1, 2023, the principal amount outstanding under the 2021 Term Loan was \$1.5 billion, and the interest rate was 6.20% per annum. No amounts were outstanding under the 2021 Revolver, and the full amount was available to be borrowed by the Company.

Pursuant to ASC 470, *Debt* (ASC 470), the accounting for the refinancing was evaluated on a creditor-by-creditor basis to determine whether each transaction should be accounted for as a modification or extinguishment. Certain creditors under the 2018 Credit Agreement did not participate in this refinancing transaction and ceased being creditors of the Company. As a result, the Company recorded a debt extinguishment loss of \$0.7 million in the first quarter of fiscal 2022 to write-off the pro-rata amount of unamortized debt discount and deferred issuance costs related to these creditors. For the remainder of the creditors, this transaction was accounted for as a modification. Pursuant to ASC 470, third-party costs of \$7.0 million were recorded as a reduction to debt representing deferred issuance costs and fees paid directly to the lenders.

Interest expense, weighted average interest rates, and the interest rate at the end of period under the 2021 Credit Agreement were as follows:

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Interest expense	\$ 24.3	\$ 7.8	\$ 67.2	\$ 18.8
Weighted average interest rate	6.17 %	1.67 %	5.65 %	1.30 %
Interest rate at end of period	6.20 %	2.63 %	6.20 %	2.63 %

The Company’s currently effective interest rate swap agreement, which fixes the floating rate on \$1.0 billion of aggregate principal under the 2021 Term Loan at 1.23%, resulted in the Company receiving \$9.8 million and \$25.0 million in the three and nine months ended July 1, 2023, respectively, which was recorded as a reduction to interest expense.

The 2021 Credit Agreement contains two financial covenants; a total leverage ratio and an interest coverage ratio, both of which are measured as of the last day of each fiscal quarter. These terms, and calculations thereof, are defined in further detail in the 2021 Credit Agreement. As of July 1, 2023, the Company was in compliance with these covenants.

2028 Senior Notes

As of July 1, 2023, the Company had 4.625% Senior Notes due 2028 (the “2028 Senior Notes”) outstanding in the aggregate principal balance of \$400 million. The 2028 Senior Notes are general senior unsecured obligations of the Company and are guaranteed on a senior unsecured basis by certain of the Company’s domestic subsidiaries and mature on February 1, 2028.

2029 Senior Notes

As of July 1, 2023, the Company had 3.250% Senior Notes due 2029 (the “2029 Senior Notes”) outstanding in the aggregate principal balance of \$950 million. The 2029 Senior Notes are general senior unsecured obligations of the Company and are guaranteed on a senior unsecured basis by certain of the Company’s domestic subsidiaries and mature on February 15, 2029.

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Interest expense for the 2029 Senior Notes and 2028 Senior Notes was as follows:

	Interest Rate	Three Months Ended		Nine Months Ended	
		July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
2028 Senior Notes	4.625 %	4.8	4.8	14.8	14.4
2029 Senior Notes	3.250 %	8.2	8.2	25.3	24.6
Total		\$ 13.0	\$ 13.0	\$ 40.1	\$ 39.0

Accounts Receivable Securitization Program

During April 2022, the Company repaid the outstanding balance of \$248.5 million under its accounts receivable securitization program (the “Securitization Program”). On June 10, 2022, the Company amended the agreement governing the Securitization Program temporarily suspending its ability to borrow and the need to comply with covenants for up to a year. On March 31, 2023, the Company terminated the Securitization Program.

(8) Trade Receivables and Allowance for Credit Losses

The Company applies ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)* to its trade receivables and allowances for credit losses, which requires that financial assets measured at amortized cost be presented at the net amount expected to be collected. The expected credit losses are developed using an estimated loss rate method that considers historical collection experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The estimated loss rates are applied to trade receivables with similar risk characteristics such as the length of time the balance has been outstanding and the location of the customer. In certain instances, the Company may identify individual trade receivable assets that do not share risk characteristics with other trade receivables, in which case the Company records its expected credit losses on an individual asset basis. For example, potential adverse changes to customer liquidity from new macroeconomic events, such as the COVID-19 pandemic and inflation, must be taken into consideration. To date, the Company has not experienced significant customer payment defaults, or identified other significant collectability concerns. In connection with assessing credit losses for individual trade receivable assets, the Company considers significant factors relevant to collectability including those specific to the customer such as bankruptcy, length of time an account is outstanding, and the liquidity and financial position of the customer. If a trade receivable asset is evaluated on an individual basis, the Company excludes those assets from the portfolios of trade receivables evaluated on a collective basis.

The following is a rollforward of the allowance for credit losses as of July 1, 2023 compared to June 25, 2022:

	Balance at Beginning of Period	Credit Loss	Write-offs, Payments and Foreign Exchange	Balance at End of Period
Nine Months Ended				
July 1, 2023	\$ 37.7	\$ 2.2	\$ (0.8)	\$ 39.1
June 25, 2022	\$ 40.5	\$ 4.4	\$ (3.9)	\$ 41.0

(9) Derivatives

Interest Rate Swaps - Cash Flow Hedge

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company manages its exposure to some of its interest rate risk through the use of interest rate swaps, which are derivative financial instruments. The Company does not use derivatives for speculative purposes. For a derivative that is designated as a cash flow hedge, changes in the fair value of the derivative are recognized in accumulated other comprehensive income (“AOCI”) to the extent the derivative is effective at offsetting the changes in the cash flows being hedged until the hedged item affects earnings.

In fiscal 2019, the Company entered into an interest rate swap contract with an effective date of December 23, 2020 and a termination date of December 17, 2023 to hedge a portion of its variable rate debt. On August 25, 2022, the interest rate swap agreement was restructured (consistent with the 2021 Credit Agreement) to convert the benchmark interest rate from LIBOR to the SOFR rate effective September 23, 2022 with a termination date of December 17, 2023. The Company applied the practical and optional expedients in ASC 848, *Reference Rate Reform*, to evaluate the impact of modifying the contract, which resulted

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in no change to the accounting for this derivative contract. The notional amount of this swap is \$1.0 billion. The restructured interest rate swap fixes the SOFR component of the variable interest rate on \$1.0 billion of the notional amount under the 2021 Credit Agreement at 1.23%. The critical terms of the restructured interest rate swap are designed to mirror the terms of the Company's SOFR-based borrowings under the 2021 Credit Agreement and therefore are highly effective at offsetting the cash flows being hedged. The Company designated this derivative as a cash flow hedge of the variability of the SOFR-based interest payments on \$1.0 billion of principal. Therefore, changes in the fair value of the swap are recorded in AOCI. The fair value of this derivative was in an asset position of \$19.4 million as of July 1, 2023.

On March 23, 2023, the Company entered into two consecutive interest rate swap contracts with the first contract having an effective date of December 17, 2023 and terminating on December 27, 2024, and the second contract having an effective date of December 27, 2024 and terminating on September 25, 2026. The notional amount of these swaps is \$500 million, and the first interest rate swap fixes the SOFR component of the variable interest rate at 3.46%, and the second interest rate swap fixes the SOFR component of the variable interest rate at 2.98%. The critical terms of the interest rate swaps are designed to mirror the terms of the Company's SOFR-based borrowings under the 2021 Credit Agreement and therefore are highly effective at offsetting the cash flows being hedged. The Company designated this derivative as a cash flow hedge of the variability of the SOFR-based interest payments on \$500 million of principal. Therefore, changes in the fair value of the swap are recorded in AOCI. The fair value of these swaps was an asset position of \$12.3 million as of July 1, 2023.

Forward Foreign Currency Exchange Contracts and Foreign Currency Option Contracts

The Company enters into forward foreign currency exchange contracts and foreign currency option contracts to mitigate certain operational exposures from the impact of changes in foreign currency exchange rates. Such exposures result from the portion of the Company's cash and operations that are denominated in currencies other than the U.S. dollar, primarily the Euro, the UK Pound, the Australian dollar, the Canadian dollar, the Chinese Yuan and the Japanese Yen. These foreign currency contracts are entered into to support transactions made in the ordinary course of business and are not speculative in nature. The contracts are generally for periods of one year or less. The Company did not elect hedge accounting for these contracts and as of July 1, 2023 the notional amount was \$103.9 million. The change in the fair value of these contracts is recognized directly in earnings as a component of other income (expense), net.

Realized and unrealized gains and losses from these contracts, which were the only derivative contracts not designated for hedge accounting, for the three and nine months ended July 1, 2023 and June 25, 2022, respectively, were as follows:

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Amount of realized gain (loss) recognized in income				
Forward foreign currency contracts	\$ 1.4	\$ 19.6	\$ (1.3)	\$ 42.4
Foreign currency option contracts	(1.2)	—	(2.7)	—
	\$ 0.2	\$ 19.6	\$ (4.0)	\$ 42.4
Amount of unrealized gain (loss) recognized in income				
Forward foreign currency contracts	\$ —	\$ 2.5	\$ (13.8)	\$ 9.2
Foreign currency option contracts	1.0	—	(6.8)	—
	\$ 1.0	\$ 2.5	\$ (20.6)	\$ 9.2
Amount of gain (loss) recognized in income				
Total	\$ 1.2	\$ 22.1	\$ (24.6)	\$ 51.6

Financial Instrument Presentation

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the balance sheet as of July 1, 2023:

	Balance Sheet Location	July 1, 2023		September 24, 2022	
Assets:					
Derivative instruments designated as a cash flow hedge:					
Interest rate swap contracts	Prepaid expenses and other current assets	\$	24.0	\$	31.9
Interest rate swap contracts	Other assets		7.7		7.0
		\$	31.7	\$	38.9
Derivatives not designated as hedging instruments:					
Forward foreign currency contracts	Prepaid expenses and other current assets	\$	2.7	\$	15.8
Foreign currency option contracts	Prepaid expenses and other current assets		—		10.6
		\$	2.7	\$	26.4
Liabilities:					
Derivatives not designated as hedging instruments:					
Forward foreign currency contracts	Accrued expenses	\$	0.6	\$	—

The following table presents the unrealized gain (loss) recognized in AOCI related to interest rate swaps for the following reporting periods:

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Amount of (loss) gain recognized in other comprehensive income, net of taxes:				
Interest rate swaps	\$ 3.7	\$ 8.4	\$ (5.6)	\$ 35.7
Total	\$ 3.7	\$ 8.4	\$ (5.6)	\$ 35.7

(10) Commitments and Contingencies

Litigation and Related Matters

On November 6, 2015, the Company filed a suit against Minerva Surgical, Inc. ("Minerva") in the United States District Court for the District of Delaware, alleging that Minerva's endometrial ablation device infringes U.S. Patent 6,872,183 (the '183 patent), U.S. Patent 8,998,898 and U.S. Patent 9,095,348 (the '348 patent). On January 25, 2016, the Company amended the complaint to include claims against Minerva for unfair competition, deceptive trade practices and tortious interference with business relationships. On February 5, 2016, the Company filed a second amended complaint to additionally allege that Minerva's endometrial ablation device infringes U.S. Patent 9,247,989 (the '989 patent). On March 4, 2016, Minerva filed an answer and counterclaims against the Company, seeking declaratory judgment on the Company's claims and asserting claims against the Company for unfair competition, deceptive trade practices, interference with contractual relationships, breach of contract and trade libel. On June 2, 2016, the Court denied the Company's motion for a preliminary injunction on its patent claims and denied Minerva's request for preliminary injunction related to the Company's alleged false and deceptive statements regarding the Minerva product. On June 28, 2018, the Court granted the Company's summary judgment motions on infringement and no invalidity with respect to the '183 and '348 patents. The Court also granted the Company's motion for summary judgment on assignor estoppel, which bars Minerva's invalidity defenses. The Court also denied all of Minerva's defenses, including its motions for summary judgment on invalidity, non-infringement, no willfulness, and no unfair competition. On July 27, 2018, after a two-week trial, a jury returned a verdict that: (1) awarded the Company \$4.8 million in damages for Minerva's infringement; (2) found that Minerva's infringement was not willful; and (3) found for the Company.

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regarding Minerva's counterclaims. Damages continued to accrue as Minerva continues its infringing conduct. On May 2, 2019, the Court issued rulings that denied the parties' post-trial motions, including the Company's motion for a permanent injunction seeking to prohibit Minerva from selling infringing devices. Both parties appealed the Court's rulings regarding the post-trial motions. On March 4, 2016, Minerva filed two petitions at the United States Patent and Trademark Office ("USPTO") for *inter partes* review of the '348 patent. On September 12, 2016, the Patent Trial and Appeal Board of the USPTO ("PTAB") declined both petitions to review patentability of the '348 patent. On April 11, 2016, Minerva filed a petition for *inter partes* review of the '183 patent. On October 6, 2016, the PTAB granted the petition and instituted a review of the '183 patent. On December 15, 2017, the PTAB issued a final written decision invalidating all claims of the '183 patent. On February 9, 2018, the Company appealed this decision to the United States Court of Appeals for the Federal Circuit ("Court of Appeals"). On April 19, 2019, the Court of Appeals affirmed the PTAB's final written decision regarding the '183 patent. On July 16, 2019, the Court of Appeals denied the Company's petition for rehearing in the appeal regarding the '183 patent. On April 22, 2020, the Court of Appeals affirmed the district court's summary judgment ruling in favor of the Company of no invalidity and infringement, and summary judgment that assignor estoppel bars Minerva from challenging the validity of the '348 patent. The Court of Appeals also denied the Company's motion for a permanent injunction and ongoing royalties for infringement of the '183 patent. The Court of Appeals denied Minerva's arguments for no damages or, alternatively, a new trial. On May 22, 2020 both parties petitioned for en banc review of the Court of Appeals decision. On July 22, 2020, the Court of Appeals denied both parties' petitions for en banc review. On August 28, 2020, the district court entered final judgment against Minerva but stayed execution pending resolution of Minerva's petition for Supreme Court review. On September 30, 2020, Minerva filed a petition requesting Supreme Court review on the issue of assignor estoppel. On November 5, 2020, the Company filed a cross-petition requesting Supreme Court review on the issue of assignor estoppel. On January 8, 2021, the Supreme Court granted Minerva's petition to address the issue of assignor estoppel and denied the Company's petition. Oral argument before the Supreme Court was held on April 21, 2021. On June 29, 2021, the Supreme Court ruled 5-4 to uphold the assignor estoppel but limited its application to situations in which an assignor's claim of invalidity contradicts a prior representation the assignor made in assigning the patent. The Court also vacated the ruling of the Court of Appeals and remanded the case for further proceedings consistent with its opinion. On August 11, 2022, the Court of Appeals affirmed the district court ruling on the issue of assignor estoppel, which barred Minerva from challenging the validity of the patent rights it assigned to the Company and reinstated its earlier judgment against Minerva on infringement. On September 11, 2022, Minerva petitioned for *en banc* review of the Court of Appeals decision. The Company filed its response on October 25, 2022, and on November 10, 2022, the Court of Appeals denied Minerva's petition ending the appeals process. During the first quarter of 2023, the Company received a payment for infringement damages in the amount of \$7.4 million, which included the original award of \$4.8 million plus post-trial damages and interest. This amount was recorded as a credit to general and administrative expenses in the first quarter of fiscal 2023.

On April 11, 2017, Minerva filed suit against the Company and Cytoc Surgical Products, LLC ("Cytoc") in the United States District Court for the Northern District of California alleging that the Company's and Cytoc's NovaSure ADVANCED endometrial ablation device infringes Minerva's U.S. patent 9,186,208 (the '208 patent). Minerva is seeking a preliminary and permanent injunction against the Company and Cytoc from selling this NovaSure device as well as enhanced damages and interest, including lost profits, price erosion and/or royalty. On January 5, 2018, the Court denied Minerva's motion for a preliminary injunction. On February 2, 2018, at the parties' joint request, this action was transferred to the District of Delaware. On March 26, 2019, the Magistrate Judge issued a claims construction ruling regarding the disputed terms in the patent, which the District Court Judge adopted in all respects on October 21, 2019. On July 27, 2021, the Delaware district court granted the Company's motion for summary judgment on invalidity of the '208 patent and entered judgment in favor of the Company. On August 24, 2021, Minerva appealed this and the other rulings to the Court of Appeals. On February 15, 2023, the Court of Appeals affirmed the district court's judgment in favor of the Company and dismissed the other rulings Minerva appealed as moot. On April 18, 2023, the Company entered into a settlement agreement with Minerva to resolve all remaining patent litigation matters, the impact of which was immaterial.

On November 4, 2022, a product liability complaint was filed against the Company in Massachusetts state court by a group of plaintiffs who claim they sustained injuries caused by the BioZorb 3D Bioabsorbable Marker, and additional complaints were subsequently filed alleging similar claims. The BioZorb device is an implantable three-dimensional marker that helps clinicians overcome certain challenges presented by breast conserving cancer surgery (lumpectomy). The complaints allege that the plaintiffs suffered side effects that were not disclosed in the BioZorb instructions for use and make various additional claims related to the design, manufacture and marketing of the device. Complaints have been filed on behalf of 44 plaintiffs, one pending in Massachusetts state court and the remainder in United States District Court for the District of Massachusetts. Discovery is ongoing and trial dates have not been set by either court. While the Company believes it has valid defenses and plans to vigorously defend its position, litigation can be costly and unpredictable, and at this early stage we cannot reasonably assess the outcome of this matter.

The Company is a party to various other legal proceedings and claims arising out of the ordinary course of its business. The Company believes that except for those matters described above there are no other proceedings or claims pending against it, the ultimate resolution of which could have a material adverse effect on its financial condition or results of operations. In all

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cases, at each reporting period, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC 450, *Contingencies* (ASC 450). Legal costs are expensed as incurred.

(11) Net Income (Loss) Per Share

A reconciliation of basic and diluted share amounts is as follows:

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Basic weighted average common shares outstanding	246,908	250,756	247,319	251,943
Weighted average common stock equivalents from assumed exercise of stock options and issuance of restricted stock units	—	2,337	2,074	2,330
Diluted weighted average common shares outstanding	<u>246,908</u>	<u>253,093</u>	<u>249,393</u>	<u>254,273</u>
Weighted-average anti-dilutive shares related to:				
Outstanding stock options and restricted stock units	2,936	1,066	1,786	1,021

In those reporting periods in which the Company has reported net income, anti-dilutive shares generally are comprised of those stock options that either have an exercise price above the average stock price for the period or the stock options' combined exercise price and average unrecognized stock compensation expense is greater than the average stock price during the period. In those reporting periods in which the Company has a net loss, diluted loss per share is equal to basic loss per share because the effect of potentially dilutive securities would be anti-dilutive.

(12) Stock-Based Compensation

The following presents stock-based compensation expense in the Company's Consolidated Statements of Income:

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Cost of revenues	\$ 2.1	\$ 2.2	\$ 7.7	\$ 7.1
Research and development	2.1	1.8	8.6	7.3
Selling and marketing	2.9	2.6	9.2	8.0
General and administrative	9.8	8.7	35.1	29.4
	<u>\$ 16.9</u>	<u>\$ 15.3</u>	<u>\$ 60.6</u>	<u>\$ 51.8</u>

The Company granted options to purchase 0.5 million and 0.7 million shares of the Company's common stock during the nine months ended July 1, 2023 and June 25, 2022, respectively, with weighted-average exercise prices of \$74.67 and \$71.12, respectively. There were 4.2 million options outstanding at July 1, 2023 with a weighted-average exercise price of \$51.63.

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The Company uses a binomial model to determine the fair value of its stock options. The weighted-average assumptions utilized to value these stock options are indicated in the following table:

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Risk-free interest rate	4.3 %	1.1 %	4.3 %	1.1 %
Expected volatility	33.9 %	34.2 %	33.9 %	34.2 %
Expected life (in years)	4.8	4.8	4.8	4.8
Dividend yield	—	—	—	—
Weighted average fair value of options granted	\$ 30.51	\$ 21.48	\$ 25.95	\$ 21.03

The Company granted 0.6 million and 0.6 million restricted stock units (“RSUs”) during the nine months ended July 1, 2023 and June 25, 2022, respectively, with weighted-average grant date fair values of \$74.58 and \$71.18 per unit, respectively. In addition, the Company granted 0.1 million and 0.1 million performance stock units (“PSUs”) during the nine months ended July 1, 2023 and June 25, 2022, respectively, to members of its senior management team, which have a weighted-average grant date fair value of \$74.35 and \$71.16 per unit, respectively. Each recipient of PSUs is eligible to receive between zero and 200% of the target number of shares of the Company’s common stock at the end of a three-year performance period, provided that the Company’s defined Return on Invested Capital metrics are achieved. The Company also granted 0.1 million and 0.1 million of FCF PSUs based on a three-year cumulative free cash flow measure (“FCF PSUs”) to members of its senior management team, which had a grant date fair value of \$74.35 and \$71.16 per unit during the nine months ended July 1, 2023 and June 25, 2022, respectively. Each recipient of FCF PSUs is eligible to receive between zero and 200% of the target number of shares of the Company’s common stock at the end of the three-year measurement period. The PSUs and FCF PSUs cliff-vest three years from the date of grant, and the Company recognizes compensation expense ratably over the required service period based on its estimate of the probable number of shares that will vest upon achieving the measurement criteria. If there is a change in the estimate of the number of shares that are probable of vesting, the Company will cumulatively adjust compensation expense in the period that the change in estimate is made. The Company also granted 0.1 million and 0.1 million market-based awards (“MSUs”) to members of its senior management team during the nine months ended July 1, 2023 and June 25, 2022, respectively. Each recipient of MSUs is eligible to receive between zero and 200% of the target number of shares of the Company’s common stock at the end of a three-year performance period based upon achieving a certain total shareholder return relative to a defined peer group. The MSUs were valued at \$97.91 and \$75.43 per share using the Monte Carlo simulation model in fiscal 2023 and 2022, respectively. The MSUs cliff-vest three years from the date of grant, and the Company recognizes compensation expense for the MSUs ratably over the service period. At July 1, 2023, there was 1.6 million in aggregate unvested RSUs, PSUs, FCF PSUs and MSUs outstanding.

At July 1, 2023, there was \$14.5 million and \$60.9 million of unrecognized compensation expense related to stock options and stock units (comprised of RSUs, PSUs, FCF PSUs and MSUs), respectively, to be recognized over a weighted-average period of 2.1 and 1.8 years, respectively.

(13) Other Balance Sheet Information

	July 1, 2023	September 24, 2022
Inventories		
Raw materials	\$ 260.4	\$ 252.9
Work-in-process	66.6	60.1
Finished goods	353.1	310.7
	<u>\$ 680.1</u>	<u>\$ 623.7</u>
Property, plant and equipment		
Equipment	\$ 413.4	\$ 394.8
Equipment under customer usage agreements	507.6	486.5
Building and improvements	210.3	196.0
Leasehold improvements	46.6	44.8
Land	41.2	40.9
Furniture and fixtures	19.2	16.7
Finance lease right of use asset	8.5	7.5
	<u>\$ 1,246.8</u>	<u>\$ 1,187.2</u>
Less – accumulated depreciation and amortization	<u>(753.5)</u>	<u>(705.6)</u>
	<u>\$ 493.3</u>	<u>\$ 481.6</u>

In September 2020 and October 2020, the Company was awarded grants of \$7.6 million and \$119.3 million, respectively, from the Department of Defense Joint Acquisition Task Force (“DOD”) to expand production capacity for the Company’s two SARS-CoV-2 assays. These grants were specifically to fund capital equipment and labor investments to increase manufacturing capacity to enable the Company to provide a certain amount of COVID-19 tests per month for the U.S. market. The Company has accounted for the funds received under these grants as a reimbursement of the purchased capital equipment. The Company procured and paid for the capital equipment and necessary resources to build out its facility and construct the manufacturing lines to meet the requirements specified in the grant agreement. Subsequent to the Company paying for the capital equipment, the DOD reimbursed the Company upon it meeting certain requirements. However, the DOD retained title to the assets purchased under the agreement, and title was transferred to the Company upon meeting certain milestones of the manufacturing efforts and obtaining approval from the DOD that the respective milestone had been met. As of the end of fiscal 2022, the Company had completed all milestones under the agreement and was waiting for approval by the DOD. During the second quarter of fiscal 2023, the Company received the final DOD approvals and the final payment from the DOD of \$20.5 million, which was recorded as a reduction of the cost basis of the purchased equipment. As of July 1, 2023, no amounts were awaiting approval and all defined milestones were completed.

During the third quarter of fiscal 2023, the Company identified indicators of impairment related to its long-lived assets of its Mobidiag business and based on the fair value of the asset group recorded impairment charges of \$12.1 million to property, plant and equipment. In addition, the Company identified indicators of impairment related to its long-lived assets of its ultrasound imaging business and recorded impairment charges of \$5.8 million related to property, plant and equipment. See Note 16 for additional information.

(14) Business Segments and Geographic Information

The Company has four reportable segments: Diagnostics, Breast Health, GYN Surgical and Skeletal Health. The Company measures and evaluates its reportable segments based on segment revenues and operating income adjusted to exclude the effect of non-cash charges (such as intangible asset amortization expense, and goodwill and intangible asset impairment charges), transaction and integration expenses for acquisitions, restructuring, consolidation and divestiture charges, litigation charges, and other one-time or unusual items.

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Identifiable assets for the reportable segments consist of inventories, intangible assets, goodwill, and property, plant and equipment. The Company fully allocates depreciation expense to its reportable segments. The Company has presented all other identifiable assets as corporate assets. There were no inter-segment revenues during the three and nine months ended July 1, 2023 and June 25, 2022. Segment information is as follows:

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Total revenues:				
Diagnostics	\$ 439.7	\$ 560.1	\$ 1,463.6	\$ 2,497.6
Breast Health	360.3	282.8	1,079.9	952.7
GYN Surgical	157.3	138.1	456.2	389.6
Skeletal Health	27.1	21.7	85.4	69.7
	<u>\$ 984.4</u>	<u>\$ 1,002.7</u>	<u>\$ 3,085.1</u>	<u>\$ 3,909.6</u>
Income (Loss) from operations:				
Diagnostics	\$ (113.5)	\$ 175.0	\$ 142.8	\$ 1,247.4
Breast Health	63.3	32.0	233.7	163.1
GYN Surgical	48.5	60.1	149.6	92.4
Skeletal Health	3.1	(3.2)	9.8	(3.6)
	<u>\$ 1.4</u>	<u>\$ 263.9</u>	<u>\$ 535.9</u>	<u>\$ 1,499.3</u>
Depreciation and amortization:				
Diagnostics	\$ 56.8	\$ 67.8	\$ 172.9	\$ 205.4
Breast Health	12.2	16.9	38.7	45.5
GYN Surgical	11.9	24.7	35.8	72.1
Skeletal Health	0.3	0.2	0.5	0.5
	<u>\$ 81.2</u>	<u>\$ 109.6</u>	<u>\$ 247.9</u>	<u>\$ 323.5</u>
Capital expenditures:				
Diagnostics	\$ 22.6	\$ 19.8	\$ 58.7	\$ 77.3
Breast Health	8.0	2.2	22.0	9.2
GYN Surgical	4.5	2.8	11.2	6.9
Skeletal Health	—	0.1	0.2	0.3
Corporate	1.4	0.8	5.6	1.9
	<u>\$ 36.5</u>	<u>\$ 25.7</u>	<u>\$ 97.7</u>	<u>\$ 95.6</u>
			July 1, 2023	September 24, 2022
Identifiable assets:				
Diagnostics			\$ 2,696.9	\$ 2,881.7
Breast Health			1,216.8	1,245.8
GYN Surgical			1,465.8	1,461.5
Skeletal Health			26.3	27.5
Corporate			3,932.1	3,454.7
			<u>\$ 9,337.9</u>	<u>\$ 9,071.2</u>

The Company had no customers that represented greater than 10% of consolidated revenues during the three and nine months ended July 1, 2023 and June 25, 2022.

The Company operates in the major geographic areas noted in the below chart. Revenue data is based upon customer location. Other than the United States, no single country accounted for more than 10% of consolidated revenues. The Company's sales in Europe are predominantly derived from the United Kingdom, Germany, France, Spain, Italy and the Netherlands. The Company's sales in Asia-Pacific are predominantly derived from China, Australia and Japan. The "Rest of World" designation includes Canada, Latin America and the Middle East.

Revenues by geography as a percentage of total revenues were as follows:

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
United States	76.2 %	73.3 %	75.9 %	70.1 %
Europe	13.1 %	16.4 %	13.9 %	19.2 %
Asia-Pacific	6.4 %	7.1 %	6.2 %	7.7 %
Rest of World	4.3 %	3.2 %	4.0 %	3.0 %
	100.0 %	100.0 %	100.0 %	100.0 %

(15) Income Taxes

In accordance with ASC 740, *Income Taxes*, each interim period is considered integral to the annual period, and tax expense is measured using an estimated annual effective tax rate. An entity is required to record income tax expense each quarter based on its annual effective tax rate estimated for the full fiscal year and use that rate to provide for income taxes on a current year-to-date basis, adjusted for discrete taxable events that occur during the interim period.

The Company's effective tax rates for the three and nine months ended July 1, 2023 were 434.7% and 31.1%, respectively, compared to 8.1% and 18.1%, respectively, for the corresponding periods in the prior year.

The effective tax rates for the three and nine months ended July 1, 2023 were higher than the U.S. statutory tax rate primarily due to the tax effect of impairment charges recorded for assets acquired in the Mobidiag acquisition and the impairment of the Company's ultrasound imaging assets, income tax reserves, the global intangible low-taxed income inclusion, and state income taxes, partially offset by the impact of the U.S. deduction for foreign derived intangible income, and the geographic mix of income earned by the Company's international subsidiaries, which are taxed at rates lower than the U.S. statutory tax rate.

The effective tax rates for the three and nine months ended June 25, 2022 were lower than the U.S. statutory tax rate primarily due to the impact of the U.S. deduction for foreign derived intangible income, reserve releases resulting from statute of limitations expirations, and the geographic mix of income earned by the Company's international subsidiaries, which are taxed at rates lower than the U.S. statutory tax rate, partially offset by state income taxes.

Non-Income Tax Matters

The Company is subject to tax examinations for value-added, sales-based, payroll, and other non-income tax items. A number of these examinations are ongoing in various jurisdictions. The Company takes certain non-income tax positions in the jurisdictions in which it operates. In the normal course of business, the Company's positions and conclusions related to its non-income tax positions could be challenged, resulting in assessments by governmental authorities. Pursuant to ASC 450, the Company has recorded loss contingencies with respect to some of these positions. Such amounts were not material for the three and nine months ended July 1, 2023 and June 25, 2022. While the Company believes its estimated losses recorded are reasonable, certain audits are still ongoing and additional charges could be recorded in the future.

(16) Intangible Assets

Intangible assets consisted of the following:

Description	As of July 1, 2023		As of September 24, 2022	
	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization
Acquired intangible assets:				
Developed technology	\$ 4,438.1	\$ 3,626.2	\$ 4,565.6	\$ 3,458.2
In-process research and development	26.5	—	33.0	—
Customer relationships	595.9	549.3	601.9	535.6
Trade names	255.1	211.9	265.2	203.3
Total acquired intangible assets	<u>\$ 5,315.6</u>	<u>\$ 4,387.4</u>	<u>\$ 5,465.7</u>	<u>\$ 4,197.1</u>
Internal-use software				
Internal-use software	29.2	22.2	26.0	19.9
Capitalized software embedded in products	27.1	22.2	26.5	20.6
Total intangible assets	<u>\$ 5,371.9</u>	<u>\$ 4,431.8</u>	<u>\$ 5,518.2</u>	<u>\$ 4,237.6</u>

The estimated remaining amortization expense of the Company's acquired intangible assets as of July 1, 2023 for each of the five succeeding fiscal years was as follows:

Remainder of Fiscal 2023	\$ 52.0
Fiscal 2024	\$ 201.9
Fiscal 2025	\$ 188.4
Fiscal 2026	\$ 157.8
Fiscal 2027	\$ 70.8

Impairment

During the third quarter of fiscal 2023, in connection with its company-wide annual budgeting and strategic planning process as well as evaluating the current operating performance of its Mobidiag business, including product design and manufacturing requirements, the Company reassessed its short-term and long-term commercial plans for this business. The Company made certain operational and strategic decisions to invest and focus more on the long-term success of this business, which resulted in the Company significantly reducing its forecasted revenues and operating results.

As a result, the Company determined indicators of impairment existed and performed an undiscounted cash flow analysis pursuant to ASC 360, *Property, Plant, and Equipment - Overall*, to determine if the cash flows expected to be generated by the Mobidiag business over the estimated remaining useful life of its primary asset were sufficient to recover the carrying value of the asset group. Based on this analysis the undiscounted cash flows were not sufficient to recover the carrying value of the long-lived assets. As a result, the Company was required to perform Step 3 of the impairment test and determine the fair value of the asset group. To estimate the fair value of the asset group, the Company utilized the income approach, which is based on a discounted cash flow (DCF) analysis and calculates the fair value by estimating the after-tax cash flows attributable to the asset group and then discounting the after-tax cash flows to present value using a risk-adjusted discount rate. Assumptions used in the DCF require significant judgment, including judgment about appropriate discount rates, growth rates, and the amount and timing of expected future cash flows. The forecasted cash flows are based on the Company's most recent strategic plan and for periods beyond the strategic plan, the Company's estimates are based on assumed growth rates expected as of the measurement date. The Company believes its assumptions are consistent with the plans and estimates that a market participant would use to manage the business. The discount rate used is intended to reflect the risks inherent in future cash flow projections and was based on an estimate of the weighted average cost of capital (WACC) of market participants relative to the asset group. The Company used a discount rate of 17.0%. As a result of this analysis, the fair value of the Mobidiag asset group was below its carrying value. Prior to calculating and allocating the impairment charge, the Company assessed the only in-process research and development intangible asset in this asset group for impairment. The Company determined the fair value of this indefinite-lived asset utilizing the DCF model and recorded a \$10.5 million impairment charge, reducing the fair value of this asset to

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\$26.5 million. The reduction in fair value of this asset was primarily due to a reduction in forecasted revenues and a delay in the timing of completing the project to focus on other projects.

To record the asset group to fair value, the Company recorded an impairment charge of \$186.9 million during the third quarter of fiscal 2023. The impairment charge was allocated to the long-lived assets on a pro-rata basis as follows: \$153.7 million to developed technology, \$10.4 million to customer relationships, \$10.7 million to trade names, and \$12.1 million to equipment. The Company believes its assumptions used to determine the fair value of the asset group are reasonable. Actual operating results and the related cash flows of the asset group could differ from the estimated operating results and related cash flows. In the event the asset group does not meet its forecasted projections, additional impairment charges could be recorded in the future. The Company also re-evaluated the remaining useful lives of the intangible assets and concluded no changes were necessary.

During the third quarter of fiscal 2023, the Company also identified indicators of impairment associated with its ultrasound imaging assets. As a result, the Company recorded an impairment charge of \$26.4 million, of which \$20.6 million was allocated to intangible assets, primarily developed technology, and \$5.8 million was allocated to equipment.

During the third quarter of fiscal 2022, the Company recorded a \$9.2 million impairment charge to write-off two developed technology assets acquired in the Faxitron acquisition.

(17) Product Warranties

Product warranty activity was as follows:

	Balance at Beginning of Period		Provisions		Settlements/ Adjustments		Balance at End of Period
Nine Months Ended:							
July 1, 2023	\$ 8.0	\$	4.9	\$	(5.4)	\$	7.5
June 25, 2022	\$ 8.8	\$	5.1	\$	(5.3)	\$	8.6

(18) Accumulated Other Comprehensive Loss

The following tables summarize the changes in accumulated balances of other comprehensive loss for the periods presented:

	Three Months Ended July 1, 2023				Nine Months Ended July 1, 2023			
	Foreign Currency Translation	Pension Plans	Hedged Interest Rate Swaps	Total	Foreign Currency Translation	Pension Plans	Hedged Interest Rate Swaps	Total
Beginning Balance	\$ (138.1)	\$ (0.3)	\$ 20.0	\$ (118.4)	\$ (267.2)	\$ (0.3)	\$ 29.3	\$ (238.2)
Other comprehensive income (loss) before reclassifications	1.1	—	3.7	4.8	130.2	—	(5.6)	124.6
Ending Balance	\$ (137.0)	\$ (0.3)	\$ 23.7	\$ (113.6)	\$ (137.0)	\$ (0.3)	\$ 23.7	\$ (113.6)

	Three Months Ended June 25, 2022				Nine Months Ended June 25, 2022			
	Foreign Currency Translation	Pension Plans	Hedged Interest Rate Swaps	Total	Foreign Currency Translation	Pension Plans	Hedged Interest Rate Swaps	Total
Beginning Balance	\$ (115.4)	\$ (1.3)	\$ 12.6	\$ (104.1)	\$ (43.1)	\$ (1.3)	\$ (14.7)	\$ (59.1)
Other comprehensive income (loss) before reclassifications	(52.0)	—	8.4	(43.6)	(124.3)	—	35.7	(88.6)
Ending Balance	\$ (167.4)	\$ (1.3)	\$ 21.0	\$ (147.7)	\$ (167.4)	\$ (1.3)	\$ 21.0	\$ (147.7)

(19) Share Repurchase

On September 22, 2022, the Board of Directors authorized a stock repurchase program, with a five-year term, to repurchase up to \$1.0 billion of the Company's outstanding common stock, effective as of the close of trading September 23, 2022. This repurchase program replaced the previous \$1.0 billion authorization. During the three and nine months ended July 1, 2023, the Company repurchased 1.4 million and 3.6 million shares of its common stock for total consideration of \$114.1 million and \$264.1 million, respectively, including the 1% excise tax on share repurchases, which was immaterial. As of July 1, 2023, \$736.5 million remained available under this authorization.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY STATEMENT

Some of the statements contained in this report and documents incorporated by reference herein are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements involve known and unknown risks, uncertainties and other factors which may cause our or our industry's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements may include, but are not limited to, statements regarding:

- the ongoing and possible future effects of global challenges, including macroeconomic uncertainties, the war in Ukraine, other economic disruptions and U.S. and global recession concerns, on our customers and suppliers and on our business, financial condition, results of operations and cash flows and our ability to draw down our revolver;
- the effect of the worldwide political and social uncertainty and divisions, including the impact on trade regulation and tariffs, that may adversely impact the cost and sale of our products in certain countries, or increase the costs we may incur to purchase materials, parts and equipment from our suppliers;
- the ongoing and possible future effects of supply chain constraints, including the availability of critical raw materials and components, including semiconductor chips, as well as cost inflation in materials, packaging and transportation;
- the possibility of interruptions or delays at our manufacturing facilities, or the failure to secure alternative suppliers if any of our sole source third-party manufacturers fail to supply us;
- the development of new competitive technologies and products;
- our ability to predict accurately the demand for our products, and products under development and to develop strategies to address markets successfully;
- continued demand for our COVID-19 assays;
- the timing, scope and effect of further U.S. and international governmental, regulatory, fiscal, monetary and public health responses to the COVID-19 pandemic and any future public health crises;
- potential cybersecurity threats and targeted computer crime;
- the ability to execute and integrate acquisitions and the impact and anticipated benefits of completed acquisitions and acquisitions we may complete in the future;
- the ability to consolidate certain of our manufacturing and other operations on a timely basis and within budget, without disrupting our business and to achieve anticipated cost synergies related to such actions;
- the ability to successfully manage ongoing organizational and strategic changes, including our ability to attract, motivate and retain key employees and maintain engagement and efficiency in remote work environments;
- our ability to obtain regulatory approvals and clearances for our products, including the implementation of the European Union Medical Device and In Vitro Diagnostic Regulation requirements, and maintain compliance with complex and evolving regulations;
- the coverage and reimbursement decisions of third-party payors;
- the uncertainty of the impact of cost containment efforts and federal healthcare reform legislation on our business and results of operations;
- the guidelines, recommendations, and studies published by various organizations relating to the use of our products;
- the effect of consolidation in the healthcare industry;
- our ability to meet production and delivery schedules for our products;
- our ability to protect our intellectual property rights;
- the possibility that products may contain undetected errors or defects or otherwise not perform as anticipated;
- the anticipated development of markets we sell our products into and the success of our products in these markets;
- the anticipated performance and benefits of our products;
- business strategies;
- anticipated trends relating to our financial condition or results of operations, including the impact of interest rate and foreign currency exchange fluctuations;
- estimated asset and liability values;
- the impact of future tax legislation;

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- conducting business internationally;
- the impact and costs and expenses of any litigation we may be subject to now or in the future;
- our compliance with covenants contained in our debt agreements; and
- our liquidity, capital resources and the adequacy thereof.

In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “likely,” “future,” “strategy,” “potential,” “seeks,” “goal” and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this report. Except as otherwise required by law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this report to reflect any change in our expectations or any change in events, conditions or circumstances on which any of our forward-looking statements are based. Factors that could cause or contribute to differences in our future financial results include the cautionary statements set forth herein and in our other filings with the Securities and Exchange Commission, including the “Risk Factors” set forth or incorporated by reference in Part II, Item 1A of this Quarterly Report on Form 10-Q, as well as those described in our Annual Report on Form 10-K for the fiscal year ended September 24, 2022 or any other of our subsequently filed reports. We qualify all of our forward-looking statements by these cautionary statements.

OVERVIEW

We are a developer, manufacturer and supplier of premium diagnostics products, medical imaging systems, and surgical products focused on women’s health and well-being through early detection and treatment. We sell and service our products through a combination of direct sales and service personnel and a network of independent distributors and sales representatives. We operate in four segments: Diagnostics, Breast Health, GYN Surgical and Skeletal Health.

Through our Diagnostics segment, we offer a wide range of diagnostic products, which are used primarily to aid in the screening and diagnosis of human diseases. Our primary Diagnostics products include our molecular diagnostic assays, which run on our advanced instrumentation systems (Panther, Panther Fusion and Tigris), our ThinPrep cytology system, and the Rapid Fetal Fibronectin Test. Our Aptima family of molecular diagnostic assays is used to detect, among other things, the infectious microorganisms that cause common sexually transmitted diseases, or STDs, such as chlamydia and gonorrhea, or CTGC; certain high-risk strains of human papillomavirus, or HPV; *Trichomonas vaginalis*, the parasite that causes trichomoniasis; *Mycoplasma genitalium*; and Herpes Simplex viruses 1 and 2. We also offer viral load tests for the quantitation of Hepatitis B virus, Hepatitis C virus, human immunodeficiency virus, or HIV, and human cytomegalo virus, or CMV, for use on our Panther instrument system. In addition, we offer bacterial vaginosis and candida vaginitis assays for the diagnosis of vaginitis, a common and complex ailment affecting millions of women a year. Our assay portfolio also includes diagnostic tests for a range of acute respiratory infections, including SARS-CoV-2, various strains of influenza and parainfluenza, and respiratory syncytial virus that are run on the Panther Fusion system, a field upgradeable instrument addition to the base Panther system. In response to the COVID-19 pandemic, we developed and launched the Aptima SARS-CoV-2 assay and the Aptima SARS-CoV-2/Flu assay (each of which runs on our standard Panther system) and the Panther Fusion SARS-CoV-2 assay (which runs on our Panther Fusion system). In May 2022, we CE-marked two new molecular assays, Panther Fusion EBV Quant assay for quantitation of Epstein-Barr virus, and the Panther Fusion BKV Quant assay for quantitation of the BK virus. These two new assays are the first quantitative real-time PCR assays on the Panther Fusion system. These assays, along with the Aptima CMV Quant assay, expand our Panther Fusion menu of transplant monitoring assays. The ThinPrep System is primarily used in cytology applications, such as cervical cancer screening, and the Rapid Fetal Fibronectin Test assists physicians in assessing the risk of pre-term birth. We also generate service revenues from our CLIA-certified laboratory for testing related to breast cancer and all metastatic cancers.

Our Breast Health segment offers a broad portfolio of solutions for breast cancer care primarily in the areas of radiology, breast surgery, pathology and treatment. These solutions include 3D digital mammography systems, image analytics software utilizing artificial intelligence, reading workstations, ultrasound imaging, minimally invasive breast biopsy guidance systems, breast biopsy site markers, localization, specimen radiology, connectivity solutions and breast conserving surgery products. Our most advanced breast imaging platforms, Selenia Dimensions and 3Dimensions, utilize tomosynthesis to produce 3D images that show multiple contiguous slice images of the breast, which we refer to as the Genius 3D Mammography exam.

Our GYN Surgical products include our NovaSure Endometrial Ablation System, or NovaSure, our MyoSure Hysteroscopic Tissue Removal System, or MyoSure, our Fluent Fluid Management system, or Fluent, our Acessa ProVu

laparoscopic radiofrequency ablation system, or Acesa ProVu system, as well as our CoolSeal vessel sealing portfolio and our JustRight surgical stapler. The NovaSure portfolio is comprised of the NovaSure CLASSIC and NovaSure ADVANCED devices and most recently, the NovaSure V5 device for the treatment of abnormal uterine bleeding. The MyoSure suite of devices offers four options to provide incision-less removal of fibroids, polyps, and other pathology within the uterus. The Fluent system is a fluid management system that provides liquid distention during diagnostic and operative hysteroscopic procedures. The Acesa ProVu system is a fully integrated system that uses laparoscopic ultrasound, guidance mapping and radio frequency ablation to treat nearly all types of fibroids. The CoolSeal portfolio includes the Trinity, Reveal, and Mini advanced bipolar vessel sealing devices. The JustRight surgical stapler features a smaller instrument profile and is used for laparoscopic general and pediatric surgery.

Our Skeletal Health segment's products includes the Horizon DXA, a dual energy x-ray system, which evaluates bone density and performs body composition assessments, and the Fluoroscanner InSight FD mini C-arm, which assists in performing minimally invasive orthopedic surgical procedures on a patient's extremities, such as the hand, wrist, knee, foot, and ankle.

Unless the context otherwise requires, references to we, us, Hologic or our Company refer to Hologic, Inc. and its consolidated subsidiaries.

Supply Chain Considerations

The current worldwide supply chain shortages and constraints continue to impact, although to a lesser extent compared to fiscal 2022, our ability to obtain certain critical raw materials and components used primarily in our Breast Health capital equipment products. We are also dependent on a small number of semiconductor manufacturers and their allocation of chips to us. Based on our recent experience and current understanding of their allocation of chips to us, we have been able to and expect that we will continue to be able to increase production to normalized levels. If such allocation does not meet our expectations or we are not able to obtain alternative sources of chips, we believe we will not be able to manufacture sufficient quantities of our capital equipment products, primarily 3D Dimension systems, Trident specimen radiography systems and Affirm Prone biopsy systems to meet customer demand and our results of operations would be adversely affected. In addition, the prices of certain raw materials and components, as well as freight, have been rising due to certain supply chain shortages and inflation and could increase our costs further.

Trademark Notice

Hologic is a trademark of Hologic, Inc. Other trademarks, logos, and slogans registered or used by Hologic and its divisions and subsidiaries in the United States and other countries include, but are not limited to, the following: 3Dimensions, 3D Mammography, Acesa, Acesa ProVu, Affirm, Amplidiag, Aptima, ATEC, Biotheranostics, BioZorb, Brevera, CoolSeal, Diagenode, Eviva, Faxitron, Fluent, Fluoroscanner, Focal, Genius 3D, Genius 3D Mammography, Horizon, InSight, JustRight, Mobidiag, MyoSure, Novodiag, NovaSure, Panther, Panther Fusion, Rapid fFN, Selenia, Selenia Dimensions, Somatex, SuperSonic Imagine, ThinPrep, Tigris, Trident, and Tumark.

All other brand names or trademarks appearing in this Quarterly Report on Form 10-Q are the property of their respective owners. Hologic's use or display of other parties' trademarks, trade dress or products in this Quarterly Report does not imply that Hologic has a relationship with, or endorsement or sponsorship of, the trademark or trade dress owners.

ACQUISITIONS

Normedi

On April 3, 2023, we completed the acquisition of Normedi Nordic AS (“Normedi”) for a purchase price of \$7.7 million. Normedi was a long-standing distributor of the Company’s Surgical products in the Nordics region of Europe. The purchase price includes \$1.1 million for contingent consideration based on incremental revenue growth over a 2-year measurement period.

Bolder Surgical

On November 29, 2021, we completed the acquisition of Bolder Surgical Holdings, Inc., or Bolder, for a purchase price of \$160.1 million. Bolder, located in Louisville, Colorado, is a developer and manufacturer of energy vessel sealing surgical devices used in both laparoscopic and open procedures. Based on our valuation, we allocated \$96.7 million of the purchase price to the value of intangible assets and \$68.8 million to goodwill. Bolder’s results of operations are reported in our GYN Surgical segment.

RESULTS OF OPERATIONS

All dollar amounts in tables are presented in millions.

Product Revenues

	Three Months Ended						Nine Months Ended					
	July 1, 2023		June 25, 2022		Change		July 1, 2023		June 25, 2022		Change	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%
<i>Product Revenues</i>												
Diagnostics	\$ 409.7	41.6 %	\$ 534.3	53.3 %	\$ (124.6)	(23.3)%	\$ 1,378.5	44.7 %	\$ 2,428.5	62.1 %	\$ (1,050.0)	(43.2)%
Breast Health	214.5	21.8 %	149.9	15.0 %	64.6	43.1 %	631.9	20.5 %	543.3	13.9 %	88.6	16.3 %
GYN Surgical	156.3	15.9 %	137.7	13.7 %	18.6	13.6 %	452.9	14.7 %	388.7	9.9 %	64.2	16.5 %
Skeletal Health	18.6	1.9 %	15.2	1.5 %	3.4	22.4 %	59.6	1.9 %	48.2	1.2 %	11.4	23.7 %
	<u>\$ 799.1</u>	<u>81.2 %</u>	<u>\$ 837.1</u>	<u>83.5 %</u>	<u>\$ (38.0)</u>	<u>(4.5)%</u>	<u>\$ 2,522.9</u>	<u>81.8 %</u>	<u>\$ 3,408.7</u>	<u>87.1 %</u>	<u>\$ (885.8)</u>	<u>(26.0)%</u>

We had a decrease in product revenues in both the current three and nine month periods of 4.5% and 26.0%, respectively, compared to the corresponding periods in the prior year. This was primarily due to the decrease in revenues in the Diagnostics business as COVID-19 assay sales declined significantly. These decreases were partially offset by an increase in Breast and Skeletal Health revenue as supply chain constraints continue to ease, an increase in GYN Surgical revenues, as well as an extra week of activity in the current nine month period compared to the corresponding period in the prior year due to our fiscal calendar.

Diagnostics product revenues decreased \$124.6 million and \$1,050.0 million, or 23.3% and 43.2%, respectively, in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to a decrease in Molecular Diagnostics of \$138.5 million and \$1,059.2 million, respectively, partially offset by an increase in Cytology & Perinatal of \$11.1 million and \$4.2 million, respectively, and an increase in Blood Screening of \$2.7 million and \$5.0 million respectively. Molecular Diagnostics product revenue was \$273.9 million and \$990.9 million, respectively, in the current three and nine month periods compared to \$412.4 million and \$2,050.1 million, respectively, in the corresponding periods in the prior year. The decrease was primarily attributable to a decrease of \$144.2 million and \$1,053.1 million, respectively, in sales from our two SARS-CoV-2 assays (primarily the Aptima SARS-CoV-2 assay and to a lesser extent the Panther Fusion SARS-CoV-2 assay) due to lower volumes, which we primarily attribute to lower demand from an improvement in the COVID-19 pandemic compared to the prior year, the increasing use of rapid tests and a decrease in average selling prices in international markets. We expect sales of our SARS-CoV-2 assays to continue to be significantly lower in fiscal 2023 compared to fiscal 2022. We also had a decrease in sales of collection devices as a result of lower assay sales, lower Panther instruments sales as demand for those instruments has decreased, which we primarily attribute to our significantly expanded install base and the decline in the COVID-19 pandemic in the current year, and lower Mobidiag product sales. In addition, in the current three month period we

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had a decrease in sales of our Quant Viral assays, primarily HIV assays sold in Africa principally due to shipment delays. These decreases were partially offset by an increase in sales of \$25.0 million and \$69.8 million in the current three and nine month periods, respectively, from our Aptima assays (exclusive of our Aptima SARS-CoV-2 assays) primarily driven by an increase in our CV Candida, Bacterial Vaginosis, and CTGC assay volumes, which we attribute to an increase in wellness visits and expanded adoption by our laboratory customers. In addition, in the current nine month period, we had an increase in sales of our Quant Viral assays, primarily HIV sold in Africa, and an increase in volume of our Fusion respiratory assays. Within Cytology & Perinatal, in the current three and nine month periods we had an increase in sales of our ThinPrep Pap Test products driven by increased demand which we primarily attribute to the increase in wellness visits following the recovery from the COVID-19 pandemic, partially offset by lower Perinatal volumes, primarily in Europe. We also experienced a decrease in revenue from international sales denominated in foreign currencies from the unfavorable foreign currency exchange impact of the strengthened U.S. dollar against a number of currencies in the current nine month period.

Breast Health product revenues increased \$64.6 million and \$88.6 million, or 43.1% and 16.3%, respectively, in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to an increase in volumes of our digital mammography systems, primarily 3D Dimensions systems and related workstation and workflow products including software, an increase in Trident systems unit sales and higher Faxitron breast conserving surgery products. The increase in volume was primarily driven by the improvement in supply chain constraints related to electronic components, primarily semiconductor chips, which impacted our ability to manufacture sufficient quantities to meet customer demand in the prior year. In the current nine month period, we experienced a reduction in the volume of our ultrasound imaging products. In addition, we had an increase in sales of our interventional breast solutions products in the current three and nine month periods compared to the corresponding periods in the prior year primarily driven by Brevera systems and related needles, partially offset by lower volumes of Eviva handpieces and BioZorb markers in the current nine month period. We also experienced a decrease in revenue from international sales denominated in foreign currencies from the unfavorable foreign currency exchange impact of the strengthened U.S. dollar against a number of currencies in the current nine month period.

GYN Surgical product revenues increased \$18.6 million and \$64.2 million, or 13.6% and 16.5%, respectively, in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to increases in the sales volume of our MyoSure devices, Fluent Fluid Management disposables and NovaSure devices as procedure rates continue to recover from the impact of the COVID-19 pandemic and to a lesser extent an increase in sales volume of our CoolSeal vessel sealers from the Bolder acquisition. We also experienced a decrease in revenue from international sales denominated in foreign currencies from the unfavorable foreign currency exchange impact of the strengthened U.S. dollar against a number of currencies in the current nine month period.

Skeletal Health product revenues increased \$3.4 million and \$11.4 million, or 22.4% and 23.7%, respectively, in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to an increase in sales volume of our Horizon DXA systems and to a lesser extent sales of our InSight FD Fluoroscan systems and system upgrades. The sales volume increases were largely associated with the easing of supply chain constraints. We also experienced a decrease in revenue from international sales denominated in foreign currencies from the unfavorable foreign currency exchange impact of the strengthened U.S. dollar against a number of currencies in the current nine month period.

Product revenues by geography as a percentage of total product revenues were as follows:

	Three Months Ended		Nine Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
United States	74.2 %	71.3 %	74.1 %	68.2 %
Europe	14.2 %	17.8 %	15.0 %	20.6 %
Asia-Pacific	6.7 %	7.5 %	6.5 %	8.0 %
Rest of World	4.9 %	3.4 %	4.4 %	3.2 %
	100.0 %	100.0 %	100.0 %	100.0 %

In the current three and nine month periods compared to the corresponding periods in the prior year, the percentage of product revenue derived from the U.S. increased while Europe and Asia-Pacific decreased, which we primarily attribute to a larger increase in the U.S. for Breast Health capital equipment sales and related workflow and workstation products including software, Aptima assay sales (exclusive of our Aptima SARS-CoV-2 assays), as well as a lesser decline in SARS-CoV-2 assay volume compared to Europe and Asia-Pacific. Product revenue decreased in China in the current nine month period, which we primarily attribute to surges of COVID-19 and related shutdowns in the first six months of the current year, which primarily impacted the sale of our Diagnostics products (excluding SARS-CoV-2 assays) and digital mammography systems. The percentage of product revenue increased in Rest of World in the current three and nine month periods primarily due to an increase in Breast Health capital equipment sales and to a lesser extent Surgical sales for Canada, the Middle East, and Latin America, partially offset by a decrease in SARS-CoV-2 assay volume in Canada.

Service and Other Revenues

	Three Months Ended						Nine Months Ended					
	July 1, 2023		June 25, 2022		Change		July 1, 2023		June 25, 2022		Change	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%
<i>Service and Other Revenues</i>	\$ 185.3	18.8 %	\$ 165.6	16.5 %	\$ 19.7	11.9 %	\$ 562.2	18.2 %	\$ 500.9	12.8 %	\$ 61.3	12.2 %

Service and other revenues consist primarily of revenue generated from our field service organization to provide ongoing service, installation, and repair of our products. The majority of these revenues are generated within our Breast Health segment. The increase in service and other revenue in the current three and nine month periods compared to the corresponding periods in the prior year was primarily due to the continued conversion of a high percentage of our installed base of digital mammography systems to service contracts upon expiration of the warranty period, and to a lesser extent an increase in spare parts and installation and training revenue related to an increase in sales of our mammography systems. In the current nine month period, revenues were also higher from the extra week of service contract activity, resulting in \$7.9 million of incremental revenue. In our Diagnostics business, service revenue increased as a result of higher lab testing volumes from our Biotheranostics CLIA laboratory, which we primarily attribute to market acceptance from increased marketing efforts and improved customer experience.

Cost of Product Revenues

	Three Months Ended						Nine Months Ended					
	July 1, 2023		June 25, 2022		Change		July 1, 2023		June 25, 2022		Change	
	Amount	% of Product Revenue	Amount	% of Product Revenue	Amount	%	Amount	% of Product Revenue	Amount	% of Product Revenue	Amount	%
<i>Cost of Product Revenues</i>	\$ 291.0	36.4 %	\$ 266.3	31.8 %	\$ 24.7	9.3 %	\$ 879.3	34.9 %	\$ 907.0	26.6 %	\$ (27.7)	(3.1)%
<i>Amortization of Acquired Intangible Assets</i>	51.6	6.5 %	75.9	9.1 %	(24.3)	(32.0)%	159.3	6.3 %	223.1	6.5 %	(63.8)	(28.6)%
<i>Impairment of Intangible Assets and Equipment</i>	179.5	22.5 %	9.2	1.1 %	170.3	1,851.1 %	179.5	7.1 %	9.2	0.3 %	170.3	1,851.1 %
	<u>\$ 522.1</u>	<u>65.3 %</u>	<u>\$ 351.4</u>	<u>42.0 %</u>	<u>\$ 170.7</u>	<u>48.6 %</u>	<u>\$ 1,218.1</u>	<u>48.3 %</u>	<u>\$ 1,139.3</u>	<u>33.4 %</u>	<u>\$ 78.8</u>	<u>6.9 %</u>

Cost of Product Revenues. The cost of product revenues as a percentage of product revenues was 36.4% and 34.9%, respectively, in the current three and nine month periods compared to 31.8% and 26.6%, respectively, in the corresponding periods in the prior year. Cost of product revenues as a percentage of revenue increased in the current three and nine month periods primarily due to a decrease in sales of our SARS-CoV-2 assays, which have higher gross margins compared to our other diagnostic products, and comprised 3.6% and 9.0%, respectively, of total product revenue in the current three and nine month periods compared to 20.7% and 37.5%, respectively, in the corresponding periods in the prior year. Higher product costs from supply chain constraints and inflation also contributed to the increase in the cost of product revenue. This increase was partially offset by higher sales of our digital mammography systems and related software products and a decrease in inventory reserves.

Diagnostics' product costs as a percentage of revenue increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to lower sales of our SARS-CoV-2 assays, unfavorable manufacturing variances at certain of our manufacturing facilities, higher field service costs from our expanded instrument installed base, partially offset by an increase in core Aptima assay and ThinPrep Pap Test volumes, a decrease in inventory reserves and lower freight internationally. Also partially offsetting the increase in product costs as a percentage of revenue in the current nine month period was an increase in Fusion respiratory and Quant Viral assay volumes.

Breast Health's product costs as a percentage of revenue decreased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to higher sales volumes of our higher margin products, primarily 3D Dimensions and improved manufacturing utilization partially offset by a slight decline in average selling prices of our biopsy disposables due to competitive pressures and higher prices of raw materials and components from supply chain constraints and inflation. Also partially offsetting the decrease in product costs as a percentage of revenue in the current nine month period is an increase in inventory reserves and freight.

GYN Surgical's product costs as a percentage of revenue increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to product mix of higher volumes of lower margin products, mostly attributable to sales of our Fluent Fluid Management systems, CoolSeal vessel sealers and scopes, partially offset by an increase in volume of higher margin products, primarily MyoSure and NovaSure, as procedure rates continue to recover from the impact of the COVID-19 pandemic, and higher average selling prices of our NovaSure V5 device.

Skeletal Health's product costs as a percentage of revenue decreased in the current three month period compared to the corresponding period in the prior year primarily due to an increase in volume of Horizon DXA systems and upgrades as well as an increase in average selling prices of Horizon DXA and Insight FD Fluoroscan systems. Product costs as a percentage of revenue increased in the current nine month period compared to the corresponding period in the prior year due to higher component costs from supply chain constraints and inflation partially offset by an increase in volume of Horizon DXA systems and upgrades as well as an increase in average selling prices of Horizon DXA and Insight FD Fluoroscan systems.

Amortization of Intangible Assets. Amortization of intangible assets relates to acquired developed technology, which is generally amortized over its estimated useful life of between 5 and 15 years using a straight-line method or, if reliably determinable, based on the pattern in which the economic benefits of the assets are expected to be consumed. Amortization expense decreased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to lower amortization of intangible assets acquired in the Cytyc acquisition which became fully amortized in the beginning of the first quarter of fiscal 2023 and to a lesser extent, lower amortization of intangible assets acquired in the Focal

and Faxitron acquisitions due to impairments in the prior year, partially offset by an increase from developed technology intangible assets acquired in the Bolder acquisition.

Impairment of Intangible Assets and Equipment. During the third quarter of fiscal 2023, in connection with our company-wide annual budgeting and strategic planning process as well as evaluating the current operating performance of our Mobidiag business (included in the Diagnostics reportable segment), including product design and manufacturing requirements, we reassessed the short-term and long-term commercial plans for this business. We made certain operational and strategic decisions to invest and focus more on the long-term success of this business, which resulted in the significant reduction of forecasted revenues and operating results. As a result, we determined indicators of impairment existed and performed an undiscounted cash flow analysis pursuant to ASC 360, *Property, Plant, and Equipment - Overall*, to determine if the cash flows expected to be generated by the Mobidiag business over the estimated remaining useful life of its primary asset were sufficient to recover the carrying value of the asset group. Based on this analysis the undiscounted cash flows were not sufficient to recover the carrying value of the long-lived assets. As a result, we were required to perform Step 3 of the impairment test and determine the fair value of the asset group. To estimate the fair value of the asset group, we utilized the income approach, which is based on a discounted cash flow (DCF) analysis and calculates the fair value by estimating the after-tax cash flows attributable to the asset group and then discounting the after-tax cash flows to present value using a risk-adjusted discount rate. Assumptions used in the DCF require significant judgment, including judgment about appropriate discount rates, growth rates, and the amount and timing of expected future cash flows. The forecasted cash flows were based on our most recent strategic plan and for periods beyond the strategic plan, our estimates were based on assumed growth rates expected as of the measurement date. We believe the assumptions are consistent with the plans and estimates that a market participant would use to manage the business. The discount rate used is intended to reflect the risks inherent in future cash flow projections and was based on an estimate of the weighted average cost of capital (WACC) of market participants relative to the asset group. We used a discount rate of 17.0%. As a result of this analysis, the fair value of the Mobidiag asset group was below its carrying value. To record the asset group to fair value, the Company recorded an impairment charge of \$186.9 million during the third quarter of fiscal 2023. The impairment charge was allocated to the long-lived assets on a pro-rata basis and \$153.7 million of developed technology assets and \$9.1 million of equipment was written off to cost of product revenues. We believe our assumptions used to determine the fair value of the asset group were reasonable. Actual operating results and the related cash flows of the asset group could differ from the estimated operating results and related cash flows. In the event the asset group does not meet its forecasted projections, additional impairment charges could be recorded in the future.

In addition to the impairment charges discussed above, we also identified indicators of impairment related to our ultrasound imaging business (included in the Breast Health reportable segment) and recorded an impairment charge of \$26.4 million. The impairment charge was allocated to the long-lived assets and \$16.7 million of developed technology assets were written off to cost of product revenues.

During the third quarter of fiscal 2022, we determined that two developed technology assets acquired in the Faxitron acquisition were impaired as a result of the decision to cease selling certain products. As a result, we recorded an impairment charge of \$9.2 million.

Cost of Service and Other Revenues

	Three Months Ended						Nine Months Ended					
	July 1, 2023		June 25, 2022		Change		July 1, 2023		June 25, 2022		Change	
	Amount	% of Service Revenue	Amount	% of Service Revenue	Amount	%	Amount	% of Service Revenue	Amount	% of Service Revenue	Amount	%
<i>Cost of Service and Other Revenue</i>	\$ 94.8	51.2 %	\$ 101.5	61.3 %	\$ (6.7)	(6.5)%	\$ 295.8	52.6 %	\$ 287.6	57.4 %	\$ 8.2	2.9 %

Service and other revenues gross margin increased to 48.8% and 47.4%, respectively, in the current three and nine month periods compared to 38.7% and 42.6%, respectively, in the corresponding periods in the prior year. The increase in the current three and nine month periods was primarily due to an increase in lab testing revenue from Biotheranostics, which has higher margins than our legacy service business, and an increase in the average selling prices and attachment rates of our Breast Health service contracts and time and material billings.

Operating Expenses

	Three Months Ended						Nine Months Ended					
	July 1, 2023		June 25, 2022		Change		July 1, 2023		June 25, 2022		Change	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	%
<i>Operating Expenses</i>												
Research and development	\$ 72.6	7.4 %	\$ 65.1	6.5 %	\$ 7.5	11.5 %	\$ 221.4	7.2 %	\$ 207.4	5.3 %	\$ 14.0	6.8 %
Selling and marketing	149.8	15.2 %	152.3	15.2 %	(2.5)	(1.6)%	455.7	14.8 %	471.0	12.0 %	(15.3)	(3.2)%
General and administrative	90.2	9.2 %	91.9	9.2 %	(1.7)	(1.8)%	299.5	9.7 %	310.5	7.9 %	(11.0)	(3.5)%
Amortization of intangible assets	7.1	0.7 %	11.2	1.1 %	(4.1)	(36.6)%	21.9	0.7 %	33.2	0.9 %	(11.3)	(34.0)%
Impairment of intangible assets and equipment	44.3	4.5 %	—	— %	44.3	100.0 %	44.3	1.4 %	—	— %	44.3	100.0 %
Contingent consideration - fair value adjustment	—	— %	(35.4)	(3.5)%	35.4	(100.0)%	(12.4)	(0.4)%	(39.5)	(1.0)%	27.1	(68.6)%
Restructuring and Divestiture charges	2.1	0.2 %	0.8	0.1 %	1.3	162.5 %	4.9	0.2 %	0.8	— %	4.1	**
	<u>\$ 366.1</u>	<u>37.2 %</u>	<u>\$ 285.9</u>	<u>28.5 %</u>	<u>\$ 80.2</u>	<u>28.1 %</u>	<u>\$ 1,035.3</u>	<u>33.6 %</u>	<u>\$ 983.4</u>	<u>25.2 %</u>	<u>\$ 51.9</u>	<u>5.3 %</u>

** Percentage not meaningful

Research and Development Expenses. Research and development expenses increased 11.5% and 6.8% in the current three and nine month periods, respectively, compared to the corresponding periods in the prior year. The increase in the current three and nine month periods was primarily due to an increase in compensation and benefits principally from our deferred compensation plan and an increase in Breast Health as the prior year period included a \$5.2 million credit for the release of a research and development tax credit reserve related to the SuperSonic Imagine (“SSI”) acquisition, partially offset by a decrease in project spend and lower costs incurred for MDR/IVDR compliance. In the current three month period, the increase in expense was partially offset by a higher credit of \$3.2 million for funds received from the Biomedical Advanced Research and Development Authority (BARDA) grant to obtain FDA approval of our SARS-CoV-2 assays. In the current nine month period, the increase in expenses was also due to higher compensation and benefits from an extra week in the current fiscal year. At any point in time, we have a number of different research projects and clinical trials being conducted and the timing of these projects and related costs can vary from period to period.

Selling and Marketing Expenses. Selling and marketing expenses decreased 1.6% and 3.2% in the current three and nine month periods, respectively, compared to the corresponding periods in the prior year. The decrease was primarily due to lower spending on advertising and marketing initiatives as the prior year periods included a significantly larger sponsorship amount for the Women’s Tennis Association and grants supporting women’s health initiatives, and the prior year nine month period included spend on our Super Bowl commercial. These decreases were partially offset by higher commissions driven by the increase in Breast Health and GYN Surgical sales, and to a lesser extent, an increase in headcount and higher travel and meetings. In the current nine month period, the decrease in expenses was also partially offset by an extra week of compensation and benefits and an increase in severance expense.

General and Administrative Expenses. General and administrative expenses decreased 1.8% and 3.5% in the current three and nine month periods, respectively, compared to the corresponding periods in the prior year. The decrease in the current three month period was primarily due to a decrease in charitable donations of \$5.0 million and a decrease in non-income tax charges partially offset by an increase in compensation and benefits from higher expense from our deferred compensation plan due to stock market gains. The decrease in the current nine month period was primarily due to a decrease in charitable donations of \$17.0 million, a \$7.4 million settlement awarded to Hologic in the Minerva litigation received in the first quarter of fiscal 2023, lower tax project and legal expenses, and a decrease in bad debt expense. These decreases were partially offset by an increase in compensation and benefits from higher expense from our deferred compensation plan due to stock market gains and an increase in stock compensation, an \$8.9 million charge to settle a business dispute in connection with terminating the Mobidiag joint venture agreement in China, an increase in reserves for sales and use tax matters, higher travel, an increase

in information systems infrastructure and facilities costs and higher compensation and benefits from the extra week in the current nine month period.

Amortization of Intangible Assets. Amortization of intangible assets primarily results from customer relationships and trade names related to our acquisitions. These intangible assets are generally amortized over their estimated useful lives of between 5 and 30 years using a straight-line method or, if reliably determinable, based on the pattern in which the economic benefits of the assets are expected to be consumed utilizing expected undiscounted future cash flows. Amortization expense decreased in the current year periods primarily due to assets from our Cytyc acquisition becoming fully amortized at the beginning of the first quarter of fiscal 2023.

Impairment of Intangible Assets and Equipment. As discussed above, we recorded an aggregate impairment charge of \$197.4 million in the third quarter of fiscal 2023 related to our Mobidiag acquisition and \$26.4 million related to our ultrasound imaging assets. The impairment charges were allocated to the long-lived assets and written off to operating expenses as follows: Mobidiag - \$10.5 million to IPR&D, \$10.4 million to customer relationships, \$10.7 million to trade names, and \$3.0 million to equipment; Ultrasound Imaging - \$2.4 million to customer relationships, \$1.7 million to trade names, and \$5.6 million to equipment.

Contingent Consideration Fair Value Adjustments. In connection with the acquisition of Acesa Health, Inc., or Acesa, we are obligated to make contingent earn-out payments. The payments are based on achieving incremental revenue growth over a three-year period ending annually in December of each of 2021, 2022, and 2023. As of the acquisition date, we recorded a contingent consideration liability for the estimated fair value of the amount we expected to pay to the former shareholders of the acquired business. This liability is not contingent on future employment, and we recorded our estimate of the fair value of the contingent consideration liability utilizing the Monte Carlo simulation based on future revenue projections of Acesa, comparable company revenue growth rates, implied volatility and applying a risk adjusted discount rate. Increases or decreases in the fair value of contingent consideration liability can result from the passage of time, changes in discount rates, and changes in the timing, probabilities and amount of revenue estimates. In the second quarter of fiscal 2023, we recorded a gain of \$12.4 million based on a decrease in forecasted revenues over the remaining earn-out period. In the first quarter of fiscal 2022, we recorded a gain of \$4.1 million based on actual amounts owed for the first earn-out period being lower than the amount accrued as of September 25, 2021. In the third quarter of fiscal 2022, we recorded a gain of \$35.4 million primarily due to a reduction in forecasted revenues over the measurement period and to a lesser extent an increase in interest rates.

Interest Income

	Three Months Ended				Nine Months Ended			
	July 1, 2023	June 25, 2022	Change		July 1, 2023	June 25, 2022	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
<i>Interest Income</i>	\$ 32.5	\$ 2.4	\$ 30.1	**	\$ 84.6	\$ 3.6	\$ 81.0	**

** Percentage not meaningful

Interest income increased significantly in the current year periods compared to the corresponding periods in the prior year due to the significant increase in interest rates over the past fifteen months as the U.S. Federal Reserve began periodically raising its Federal Funds Rate starting in March 2022. To a lesser extent, the increase in interest income was due to higher average cash balances in the current year periods compared to the corresponding periods in the prior year.

Interest Expense

	Three Months Ended				Nine Months Ended			
	July 1, 2023	June 25, 2022	Change		July 1, 2023	June 25, 2022	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
<i>Interest Expense</i>	\$ (27.7)	\$ (22.7)	\$ (5.0)	22.0 %	\$ (83.0)	\$ (71.0)	\$ (12.0)	16.9 %

Interest expense consists primarily of the cash interest costs and the related amortization of the debt discount and deferred issuance costs on our outstanding debt. Interest expense increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to an increase in the variable interest rate under our 2021 Credit Agreement based on SOFR partially offset by amounts received under an interest rate swap agreement, which hedges the

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benchmark interest rate, versus payments made under the interest rate swap in the prior year period. In addition, the prior year interest expense included debt refinancing costs for our 2021 Credit Agreement, and interest expense related to debt acquired in the Mobidiag acquisition that was paid off in the prior year.

Other Income (Expense), net

	Three Months Ended				Nine Months Ended			
	July 1, 2023	June 25, 2022	Change		July 1, 2023	June 25, 2022	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
Other Income (Expense), net	\$ 5.9	\$ 4.8	\$ 1.1	22.9 %	\$ (7.0)	\$ 13.6	\$ (20.6)	**

**Percentage not meaningful

For the current three month period, this account primarily consisted of net foreign currency exchange gains of \$3.4 million and a gain of \$2.4 million from the change in cash surrender value of life insurance contracts related to our deferred compensation plan driven by stock market gains. For the third quarter of fiscal 2022, this account primarily consisted of net foreign currency exchange gains of \$11.4 million, primarily from settling hedging transactions, partially offset by a loss of \$7.0 million from the change in cash surrender value of life insurance contracts related to our deferred compensation plan driven by stock market losses.

For the current nine month period, this account primarily consisted of net foreign currency exchange losses of \$15.0 million, primarily from the mark-to-market of foreign currency contracts used to hedge operating results, partially offset by a gain of \$7.7 million from the change in cash surrender value of life insurance contracts related to our deferred compensation plan driven by stock market gains. For the corresponding nine month period in the prior year, this account primarily consisted of net foreign currency exchange gains of \$24.1 million, primarily from settling transactions, and a \$2.4 million gain on life insurance proceeds, partially offset by a loss of \$9.2 million from the change in cash surrender value of life insurance contracts related to our deferred compensation plan driven by stock market losses and a charge of \$4.3 million to write off an equity method investment acquired in the Mobidiag acquisition.

Provision for Income Taxes

	Three Months Ended				Nine Months Ended			
	July 1, 2023	June 25, 2022	Change		July 1, 2023	June 25, 2022	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
Provision for Income Taxes	\$ 52.6	\$ 20.0	\$ 32.6	163.0 %	\$ 165.1	\$ 261.5	\$ (96.4)	(36.9)%

Our effective tax rates for the three and nine months ended July 1, 2023 were 434.7% and 31.1%, respectively, compared to 8.1% and 18.1% for the corresponding periods in the prior year.

Our effective tax rates for the three and nine months ended July 1, 2023 were higher than the U.S. statutory tax rate primarily due to the tax effect of the impairment charges recorded for assets acquired in the Mobidiag acquisition and the impairment of our ultrasound imaging assets, income tax reserves, the global intangible low-taxed income inclusion, and state income taxes, partially offset by the impact of the U.S. deduction for foreign derived intangible income, and the geographic mix of income earned by our international subsidiaries, which are taxed at rates lower than the U.S. statutory tax rate.

Our effective tax rates for the three and nine months ended June 25, 2022 were lower than the U.S. statutory tax rate primarily due to the impact of the U.S. deduction for foreign derived intangible income, reserve releases resulting from statute of limitations expirations, and the geographic mix of income earned by our international subsidiaries, which are taxed at rates lower than the U.S. statutory tax rate, partially offset by state income taxes.

Segment Results of Operations

We operate in four segments: Diagnostics, Breast Health, GYN Surgical and Skeletal Health. The accounting policies of the segments are the same as those described in the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended September 24, 2022. We measure segment performance based on total revenues

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and operating income. Revenues from product sales of each of these segments are described in further detail above. The discussion that follows is a summary analysis of total revenues and the primary changes in operating income or loss by segment.

Diagnostocs

	Three Months Ended				Nine Months Ended			
	July 1, 2023	June 25, 2022	Change		July 1, 2023	June 25, 2022	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
Total Revenues	\$ 439.7	\$ 560.1	\$ (120.4)	(21.5)%	\$ 1,463.6	\$ 2,497.6	\$ (1,034.0)	(41.4)%
Operating Income	\$ (113.5)	\$ 175.0	\$ (288.5)	(164.9)%	\$ 142.8	\$ 1,247.4	\$ (1,104.6)	(88.6)%
Operating Income as a % of Segment Revenue	(25.8)%	31.2 %			9.8 %	49.9 %		

Diagnostocs revenues decreased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to the decrease in product revenues discussed above, partially offset by higher lab testing revenue from our Biotheranostics business.

Operating income for this business segment decreased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to a decrease in gross profit from lower COVID-19 assay sales and the impairment charges of \$197.4 million discussed above. Gross margin was 15.5% and 44.2% in the current three and nine month periods, respectively, compared to 58.0% and 69.1% in the corresponding periods in the prior year, respectively. The decrease in gross margin in the current three and nine month periods was primarily due to lower sales volumes of our SARS-CoV-2 assays which have a higher margin, the impairment charges discussed above of which \$162.8 million was included in costs of revenues, unfavorable manufacturing variances at certain of our manufacturing facilities and higher field service costs from our expanded instrument installed base, partially offset by increases in core Aptima assay and ThinPrep Pap Test volumes, a decrease in inventory reserves, higher lab testing revenue and a decrease in intangible asset amortization expense and lower freight internationally. Also partially offsetting the decrease is an increase in Fusion respiratory and Quant Viral assay volumes in the current nine month period.

Operating expenses increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to the impairment charges discussed above of which \$34.6 million was included in operating expenses. Also contributing to the increase in operating expenses in the current nine month period compared to the corresponding period in the prior year is a settlement charge of \$8.9 million related to the termination of the Mobidiag joint venture in China, an increase in travel expenses and an increase in compensation and benefits from the extra week. Partially offsetting these increases is a decrease in marketing initiatives and allocated advertising and charitable contributions, a decrease in consulting, a decrease in intangible asset amortization expense, and an increase in the BARDA credit in the current three month period. Also partially offsetting the increase in operating expenses in the current nine month period is a decrease in commissions.

Breast Health

	Three Months Ended				Nine Months Ended			
	July 1, 2023	June 25, 2022	Change		July 1, 2023	June 25, 2022	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
Total Revenues	\$ 360.3	\$ 282.8	\$ 77.5	27.4 %	\$ 1,079.9	\$ 952.7	\$ 127.2	13.3 %
Operating Income	\$ 63.3	\$ 32.0	\$ 31.3	97.8 %	\$ 233.7	\$ 163.1	\$ 70.6	43.3 %
Operating Income as a % of Segment Revenue	17.6 %	11.3 %			21.6 %	17.1 %		

Breast Health revenues increased in the current three and nine month periods compared to the corresponding periods in the prior year due to an increase in product and service revenue discussed above.

Operating income for this business segment increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to an increase in gross profit from both product sales and service partially offset by an increase in operating expenses. Gross margin was 50.9% and 54.2% in the current three and nine month periods,

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respectively, compared to 48.2% and 52.7% in the corresponding periods in the prior year, respectively. The increase in gross margin is primarily due to higher volumes of our capital equipment and related software sales, and interventional breast solutions devices, an increase in service margin from the continued conversion of digital mammography systems to service contracts and to a lesser extent the extra week in the current nine month period, partially offset by the impairment charges discussed above, of which \$16.7 million was included in cost of revenues and higher costs for raw materials and components from supply chain constraints and inflation. We also had an increase in inventory reserves and freight in the current nine month period.

Operating expenses increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to the impairment charges discussed above, of which \$9.7 million was included in operating expenses, an increase in commissions from higher sales, an increase in travel and meeting expense and higher restructuring costs, partially offset by a decrease due to the release of the research and development credit reserve related to the SSI acquisition and a decrease in marketing initiatives, allocated advertising and charitable contributions, and bad debt expense. In addition, there was an increase in compensation and benefits from the extra week in the current nine month period.

GYN Surgical

	Three Months Ended				Nine Months Ended			
	July 1, 2023	June 25, 2022	Change		July 1, 2023	June 25, 2022	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
Total Revenues	\$ 157.3	\$ 138.1	\$ 19.2	13.9 %	\$ 456.2	\$ 389.6	\$ 66.6	17.1 %
Operating Income	\$ 48.5	\$ 60.1	\$ (11.6)	(19.3)%	\$ 149.6	\$ 92.4	\$ 57.2	61.9 %
Operating Income as a % of Segment Revenue	30.9 %	43.5 %			32.8 %	23.7 %		

GYN Surgical revenues increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to the increase in product revenues discussed above.

Operating income for this business segment decreased in the current three month period compared to the corresponding period in the prior year primarily due to an increase in operating expenses, partially offset by an increase in gross profit. Operating income increased in the current nine month period compared to the corresponding period in the prior year primarily due to an increase in gross profit partially offset by an increase in operating expenses. Gross margin was 68.7% and 68.4% in the current three and nine month periods, respectively, compared to 60.4% and 59.8% in the corresponding periods in the prior year, respectively. The increase in gross margin was primarily due to an increase in higher margin product sales and a decrease in intangible asset amortization expense.

Operating expenses increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to a gain of \$35.4 million recorded in the prior year quarter and a net higher gain of \$27.0 million recorded in the prior year nine month period to decrease the Acesa contingent consideration liability to fair value. In addition, in the current three and nine month period, we had an increase in compensation and benefits primarily due to an increase in commissions and higher salaries and an increase in travel and meeting expenses, partially offset by a decrease in intangible asset amortization expense and lower marketing initiative spend. In the current nine month period, we had an increase in R&D project spend, partially offset by a gain of \$7.4 million for infringement damages from the Minerva litigation, which was recorded as a credit to general and administrative expenses.

Skeletal Health

	Three Months Ended				Nine Months Ended			
	July 1, 2023	June 25, 2022	Change		July 1, 2023	June 25, 2022	Change	
	Amount	Amount	Amount	%	Amount	Amount	Amount	%
Total Revenues	\$ 27.1	\$ 21.7	\$ 5.4	24.9 %	\$ 85.4	\$ 69.7	\$ 15.7	22.5 %
Operating Income	\$ 3.1	\$ (3.2)	\$ 6.3	**	\$ 9.8	\$ (3.6)	\$ 13.4	**
Operating Income as a % of Segment Revenue	11.4 %	(14.7)%			11.5 %	(5.2)%		

** Percentage not meaningful

Skeletal Health revenues increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to the increase in product revenues discussed above and to a lesser extent the increase in service contract revenue from the extra week in the current nine month period.

Operating income for this business segment increased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to an increase in gross profit and a decrease in operating expenses. Gross margin was 30.2% and 32.1% in the current three and nine month periods, respectively, compared to 24.2% and 30.6% in the corresponding periods in the prior year, respectively. The increase in gross margin was primarily due to an increase in product and service revenues partially offset by increased costs from supply chain constraints and inflation.

Operating expenses decreased in the current three and nine month periods compared to the corresponding periods in the prior year primarily due to a decrease in research and development project spend and marketing initiatives partially offset by an increase in commissions from higher sales.

LIQUIDITY AND CAPITAL RESOURCES

At July 1, 2023, we had \$3,358.0 million of working capital and our cash and cash equivalents totaled \$2,765.0 million. Our cash and cash equivalents increased by \$425.5 million during the first nine months of fiscal 2023 primarily due to cash generated from operating activities, partially offset by cash used in investing and financing activities primarily related to repurchases of our common stock and capital expenditures.

In the first nine months of fiscal 2023, our operating activities provided cash of \$792.5 million, primarily due to net income of \$365.4 million, non-cash charges for depreciation and amortization aggregating \$247.9 million, intangible asset and equipment impairment charges of \$223.8 million, and stock-based compensation expense of \$60.6 million. These adjustments to net income were partially offset by a decrease in deferred income taxes of \$100.2 million primarily due to the capitalization of research expenditures under the tax rules and to a lesser extent the amortization of intangible assets. Cash provided by operations included a net cash outflow of \$23.2 million from changes in our operating assets and liabilities. The net cash outflow was primarily driven by an increase of \$51.0 million in accounts receivable due to higher sales of capital equipment in the third quarter of fiscal 2023 in our Breast Health division compared to the fourth quarter of fiscal 2022, an increase in inventory of \$48.5 million principally due to an increase in finished goods and to a lesser extent raw materials, including critical electronic components, to support demand as we continue to hedge against the worldwide supply chain constraints, and a \$20.3 million decrease in accounts payable due to the timing of payments. These cash outflows were partially offset by an increase of \$46.0 million in deferred revenue primarily due to billings for annual service contracts, a decrease in prepaid expenses and other assets of \$24.6 million primarily due to normal amortization related to the Women's Tennis Association sponsorship and service and software subscriptions, a decrease in prepaid income taxes of \$15.3 million primarily due to timing of tax payments relative to the provision for income taxes, and a \$10.7 million increase in accrued expenses primarily due to an increase in accrued federal, state and value-add taxes due to the timing of payments, partially offset by a decrease in accrued compensation and benefits.

In the first nine months of fiscal 2023, our investing activities used cash of \$96.1 million primarily due to capital expenditures of \$97.7 million, which primarily consisted of the placement of equipment under customer usage agreements and purchase of manufacturing equipment and to a lesser extent building improvements, and \$10.0 million for the purchase of an equity investment. These uses of cash were partially offset by a final reimbursement of \$20.5 million received from the Department of Defense under a grant to increase production capacity of our two SARS-CoV-2 assays.

In the first nine months of fiscal 2023, our financing activities used cash of \$272.6 million primarily due to \$263.6 million for repurchases of our common stock, \$23.7 million for the payment of employee taxes withheld for the net share settlement of vested restricted stock units, and \$11.3 million for debt principal payments under our 2021 Credit Agreement. Partially offsetting these uses of cash were \$37.7 million from our equity plans from the exercise of stock options and issuance of shares under our employee stock purchase plan.

Debt

We had total recorded debt outstanding of \$2.82 billion at July 1, 2023, which was comprised of amounts outstanding under our 2021 Credit Agreement of \$1.49 billion (principal of \$1.5 billion), 2029 Senior Notes of \$938.2 million (principal of \$950.0 million), and 2028 Senior Notes of \$396.6 million (principal of \$400.0 million).

2021 Credit Agreement

On September 27, 2021, we refinanced our existing term loan and revolving credit facility with Bank of America, N.A. in its capacity as Administrative Agent, Swing Line Lender and L/C Issuer, and certain other lenders from time to time party thereto (the “2018 Credit Agreement”) by entering into a Refinancing Amendment (the “2021 Credit Agreement”). Borrowings under the 2021 Credit Agreement are secured by first-priority liens on, and a first priority security interest in, substantially all of our and our Subsidiary Guarantors’ U.S. assets. The credit facilities (the “2021 Credit Facilities”) under the 2021 Credit Agreement consist of:

- A \$1.5 billion secured term loan (“2021 Term Loan”) with a stated maturity date of September 25, 2026; and
- A secured revolving credit facility (the “2021 Revolver”) under which the Borrowers may borrow up to \$2.0 billion, subject to certain sublimits, with a stated maturity date of September 25, 2026.

As of July 1, 2023, the principal amount outstanding under the 2021 Term Loan was \$1.5 billion, no amounts were outstanding under the 2021 Revolver, and the full amount of the 2021 Revolver was available to be borrowed by the Company.

On August 22, 2022, we further amended the 2021 Credit Agreement to address the planned phase out of LIBOR by the UK Financial Conduct Authority. Under this amendment, the interest rate applicable to the loans under the 2021 Credit Agreement denominated in U.S. dollars were converted to a variant of the secured overnight financing rate (“SOFR”) plus an applicable spread. As of July 1, 2023, the interest rate under the 2021 Term Loan was 6.20% per annum.

We are also required to pay a quarterly commitment fee calculated on a daily basis equal to the Applicable Rate as of such day multiplied by the undrawn committed amount available under the 2021 Revolver. As of July 1, 2023, this commitment fee was 0.15% per annum.

We are required to make scheduled principal payments under the 2021 Term Loan in increasing amounts ranging from \$3.75 million per three-month period commencing with the three-month period ended on December 29, 2022 to \$18.75 million per three-month period commencing with the three-month period ending on December 26, 2025. The remaining scheduled balance of \$1.335 billion (or such lesser aggregate principal amount then outstanding) on the 2021 Term Loan and any amounts outstanding under the 2021 Revolver are due at their respective maturities. In addition, subject to the terms and conditions set forth in the 2021 Credit Agreement, we may be required to make certain mandatory prepayments from the net proceeds of specified types of asset sales (subject to certain reinvestment rights), debt issuances (excluding permitted debt) and insurance recoveries (subject to certain reinvestment rights). Certain of the mandatory prepayments are subject to reduction or elimination if certain financial covenants are met. Subject to certain limitations, we may voluntarily prepay any of the 2021 Credit Facilities without premium or penalty.

The 2021 Credit Agreement contains affirmative and negative covenants customarily applicable to senior secured credit facilities, including the requirement that we maintain certain financial ratios. As of July 1, 2023, we were in compliance with these covenants.

2028 Senior Notes

The total aggregate principal balance of the 2028 Senior Notes is \$400.0 million. The 2028 Senior Notes are general senior unsecured obligations and are guaranteed on a senior unsecured basis by certain of our domestic subsidiaries. The 2028 Senior Notes mature on February 1, 2028 and bear interest at the rate of 4.625% per year, payable semi-annually on February 1 and August 1 of each year. We have the option to redeem the 2028 Senior Notes on or after: February 1, 2023 through February 1, 2024 at 102.312% of par; February 1, 2024 through February 1, 2025 at 101.541% of par; February 1, 2025 through February 1, 2026 at 100.770% of par; and February 1, 2026 and thereafter at 100% of par. In addition, if there is a change of control coupled with a decline in ratings, as provided in the indenture, we will be required to make an offer to purchase each holder's 2028 Senior Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the repurchase date.

2029 Senior Notes

The total aggregate principal balance of the 2029 Senior Notes is \$950.0 million. The 2029 Senior Notes are general senior unsecured obligations and are guaranteed on a senior unsecured basis by certain domestic subsidiaries. The 2029 Senior Notes mature on February 15, 2029 and bear interest at the rate of 3.250% per year, payable semi-annually on February 15 and August 15 of each year. We may redeem the 2029 Senior Notes at any time prior to September 28, 2023 at a price equal to 100% of the aggregate principal amount so redeemed, plus accrued and unpaid interest, if any, to the redemption date and a make-whole premium set forth in the indenture. We may also redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes with the net cash proceeds of certain equity offerings at any time and from time to time before September 28, 2023, at a redemption price equal to 103.250% of the aggregate principal amount so redeemed, plus accrued and unpaid interest, if any, to the redemption date. We have the option to redeem the 2029 Senior Notes on or after: September 28, 2023 through September 27, 2024 at 101.625% of par; September 28, 2024 through September 27, 2025 at 100.813% of par; and September 28, 2025 and thereafter at 100% of par. In addition, if there is a change of control coupled with a decline in ratings, as provided in the indenture, we will be required to make an offer to purchase each holder's 2029 Senior Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the repurchase date.

Contingent Consideration Earn-Out Payments

Our contingent consideration liability is primarily related to our Acesa acquisition. We have an obligation to the former Acesa shareholders to make contingent payments based on a multiple of annual incremental revenue growth over a three-year period ending annually in December. There is no maximum earnout. Pursuant to ASC 805, *Business Combinations*, the contingent consideration was deemed to be part of the purchase price, and we recorded our estimate of the fair value of the contingent consideration liability utilizing the Monte Carlo simulation based on future revenue projections of the business, comparable companies' revenue growth rates, implied volatility and applying a risk adjusted discount rate. The first earn-out period was completed in December 2021, and we paid \$12.2 million to the former shareholders in the second quarter of fiscal 2022. The second earn-out period was completed in December 2022, resulting in a payment amount of \$7.6 million in the second quarter of fiscal 2023. During the second quarter of fiscal 2023, we updated our forecasted revenue and recorded a gain of \$12.4 million to record the liability to fair value. The reduction in fair value was primarily due to a decrease in forecasted revenues. As of July 1, 2023, the contingent consideration liability related to Acesa was recorded at its fair value of \$3.4 million.

Stock Repurchase Program

On September 22, 2022, the Board of Directors authorized a stock repurchase program, with a five-year term, to repurchase up to \$1.0 billion of our outstanding common stock, effective as of the close of trading September 23, 2022. This repurchase program replaced the previous \$1.0 billion authorization. During the three and nine months ended July 1, 2023, we repurchased 1.4 million and 3.6 million shares of our common stock for total consideration of \$114.1 million and \$264.1 million, respectively, including the 1% excise tax, which was immaterial. As of July 1, 2023, \$736.5 million remained available under this authorization. The timing of the share repurchases will be based upon our continuing analysis of market, financial, and other factors. Repurchases under the authorized share repurchase plan may be made using a variety of methods, which may include, but are not limited to, open market purchases, privately negotiated transactions, accelerated share repurchase agreements, or purchases pursuant to a Rule 10b5-1 plan under the Exchange Act. The authorized share repurchase plan may be suspended, delayed or discontinued at any time.

Legal Contingencies

We are currently involved in several legal proceedings and claims. In connection with these legal proceedings and claims, management periodically reviews estimates of potential costs to be incurred by us in connection with the adjudication or settlement, if any, of these proceedings. These estimates are developed, as applicable in consultation with outside counsel, and are based on an analysis of potential litigation outcomes and settlement strategies. In accordance with ASC 450, *Contingencies*, loss contingencies are accrued if, in the opinion of management, an adverse outcome is probable and such financial outcome can be reasonably estimated. It is possible that future results for any particular quarter or annual period may be materially affected by changes in our assumptions or the effectiveness of our strategies relating to these proceedings. Information with respect to this disclosure may be found in Note 10 to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q, which information is incorporated herein by reference.

Future Liquidity Considerations

We expect to continue to review and evaluate potential strategic transactions that we believe will complement our current or future business. Subject to the “Risk Factors” set forth or incorporated by reference in Part II, Item 1A of this Quarterly Report on Form 10-Q, as well as those described in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 24, 2022 or any other of our subsequently filed reports, and the general disclaimers set forth in our “Cautionary Statement” regarding forward-looking statements at the outset of this Item 2, we believe that our cash and cash equivalents, cash flows from operations, and the cash available under our 2021 Revolver will provide us with sufficient funds in order to fund our expected normal operations and debt payments over the next twelve months. Our longer-term liquidity is contingent upon future operating performance. We may also require additional capital in the future to fund capital expenditures, repayment of debt, acquisitions, strategic transactions or other investments. As described above, we have significant indebtedness outstanding under our 2021 Credit Agreement, 2028 Senior Notes, and 2029 Senior Notes. These capital requirements could be substantial. For a description of risks to our operating performance and our indebtedness, see the “Risk Factors” set forth or incorporated by reference in Part II, Item 1A of this Quarterly Report on Form 10-Q, as well as those described in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 24, 2022.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our interim consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to revenue recognition for multiple element arrangements, allowance for doubtful accounts, reserves for excess and obsolete inventories, valuations, purchase price allocations and contingent consideration related to business combinations, expected future cash flows including growth rates, discount rates, terminal values and other assumptions used to evaluate the recoverability of long-lived assets and goodwill, estimated fair values of intangible assets and goodwill, amortization methods and periods, warranty reserves, certain accrued expenses, restructuring and other related charges, stock-based compensation, contingent liabilities, tax reserves and recoverability of our net deferred tax assets and related valuation allowances. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates if past experience or other assumptions do not turn out to be substantially accurate. Any differences may have a material impact on our financial condition and results of operations. For a discussion of how these and other factors may affect our business, see the “Cautionary Statement” regarding forward-looking statements set forth at the outset of this Item 2 and the “Risk Factors” set forth or incorporated by reference in Part II, Item 1A of this Quarterly Report on Form 10-Q as well as those described in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 24, 2022 or any other of our subsequently filed reports.

The critical accounting estimates that we believe affect our more significant judgments and estimates used in the preparation of our consolidated financial statements presented in this report are described in Management’s Discussion and Analysis of Financial Condition and Results of Operations and in the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended September 24, 2022. There have been no material changes to our critical accounting policies or estimates from those set forth in our Annual Report on Form 10-K for the fiscal year ended September 24, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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Financial Instruments, Other Financial Instruments, and Derivative Commodity Instruments. Financial instruments consist of cash and cash equivalents, accounts receivable, equity investments, foreign currency derivative contracts, interest rate swap agreements, insurance contracts, accounts payable and debt obligations. Except for our outstanding 2028 and 2029 Senior Notes, the fair value of these financial instruments approximate their carrying amount. The fair value of our 2028 and 2029 Senior Notes was approximately \$376.8 million and \$833.5 million, respectively, as of July 1, 2023. Amounts outstanding under our 2021 Credit Agreement of \$1.5 billion aggregate principal as of July 1, 2023 are subject to variable rates of interest based on current market rates, and as such, we believe the carrying amount of these obligations approximates fair value.

Primary Market Risk Exposures. Our primary market risk exposure is in the areas of interest rate risk and foreign currency exchange rate risk. We incur interest expense on borrowings outstanding under our 2028 and 2029 Senior Notes, and 2021 Credit Agreement. The 2028 and 2029 Senior Notes have fixed interest rates. Effective September 25, 2022 (the first day of fiscal 2023), borrowings under our 2021 Credit Agreement bear interest at the SOFR Rate plus SOFR Adjustment of 0.10% plus the applicable margin of 1.00% per annum.

As of July 1, 2023, there was \$1.5 billion of aggregate principal outstanding under our 2021 Credit Agreement. Since this debt obligation is a variable rate instrument, our interest expense associated with the instrument is subject to change. A hypothetical 10% adverse movement (increase in the SOFR rate) would increase annual interest expense by approximately \$2.5 million, which is net of the impact of our interest rate swap hedge. We previously entered into an interest rate swap agreement to help mitigate the interest rate volatility associated with the variable rate interest on the amounts outstanding under our credit facilities. The critical terms of the interest rate swap were designed to mirror the terms of our SOFR-based borrowings under our 2021 Credit Agreement, and therefore the interest rate swap is highly effective at offsetting the cash flows being hedged. We designated this derivative instrument as a cash flow hedge of the variability of the Term SOFR-based interest payments on \$1.0 billion of principal. This interest rate swap contract expires on December 17, 2023. On March 23, 2023, we entered into two new consecutive interest rate swap contracts with the first contract having an effective date of December 17, 2023 and the second contract terminating September 25, 2026. The notional amount of these swaps is \$500 million.

The return from cash and cash equivalents will vary as short-term interest rates change. A hypothetical 10% increase in market interest rates would increase annual interest income by approximately \$13.0 million.

Foreign Currency Exchange Risk. Our international business is subject to risks, including, but not limited to: unique economic conditions, changes in political climate, differing tax structures, other regulations and restrictions, and foreign exchange rate volatility. Accordingly, our future results could be materially adversely impacted by changes in these or other factors.

We conduct business worldwide and maintain sales and service offices outside the U.S. as well as manufacturing facilities primarily in Costa Rica and the United Kingdom. Our international sales are denominated in a number of currencies, primarily the Euro, U.S. dollar, UK Pound, Australian dollar, Canadian dollar, Chinese Yuan and Japanese Yen. The majority of our foreign subsidiaries' functional currency is the local currency, although certain foreign subsidiaries functional currency is the U.S. dollar based on the nature of their operations or functions. Our revenues denominated in foreign currencies are positively affected when the U.S. dollar weakens against them and adversely affected when the U.S. dollar strengthens. Fluctuations in foreign currency rates could affect our sales, cost of goods and operating margins and could result in exchange losses. In addition, currency devaluations can result in a loss if we hold deposits of that currency. We have executed forward foreign currency contracts and foreign currency option contracts to hedge a portion of results denominated in the Euro, UK Pound, Australian dollar, Japanese Yen, Canadian dollar and Chinese Yuan. These contracts do not qualify for hedge accounting. As a result, we may experience volatility in our Consolidated Statements of Income due to (i) the impact of unrealized gains and losses reported in other income, net on the mark-to-market of outstanding contracts and (ii) realized gains and losses recognized in other income, net, whereas the offsetting economic gains and losses are reported in the line item of the underlying cash flow, for example, revenue.

We believe that the operating expenses of our international subsidiaries that are incurred in local currencies will not have a material adverse effect on our business, results of operations or financial condition. Our operating results and certain assets and liabilities that are denominated in foreign currencies are affected by changes in the relative strength of the U.S. dollar against those currencies. Our expenses, denominated in foreign currencies, are positively affected when the U.S. dollar strengthens against those currencies and adversely affected when the U.S. dollar weakens. However, we believe that the foreign currency exchange risk is not significant. We believe a hypothetical 10% increase or decrease in foreign currencies that we transact in would not have a material adverse impact on our financial condition or results of operations.

Item 4. Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of July 1, 2023, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of July 1, 2023.

An evaluation was also performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of any change in our internal control over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. That evaluation did not identify any change in our internal control over financial reporting that occurred during our latest fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

Information with respect to this Item may be found in Note 10 to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q, which information is incorporated herein by reference.

Additional information on our commitments and contingencies can be found in our Annual Report on Form 10-K for our fiscal year ended September 24, 2022.

Item 1A. Risk Factors.

There are no material changes from the risk factors as previously disclosed in our Annual Report on Form 10-K for our fiscal year ended September 24, 2022 or any of our subsequently filed reports.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.*Issuer's Purchases of Equity Securities*

Period of Repurchase	Total Number of Shares Purchased (#) (1)	Average Price Paid Per Share (\$) (1)	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs (#) (2)	Average Price Paid Per Share As Part of Publicly Announced Plans or Programs (\$) (2)	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under Our Programs (in millions) (\$) (2)
April 2, 2023 – April 29, 2023	901	\$ 87.67	—	\$ —	\$ 850.0
April 30, 2023 – May 27, 2023	—	—	952,454	80.17	773.6
May 28, 2023 – July 1, 2023	4,699	80.61	471,723	78.80	736.5
Total	5,600	\$ 81.75	1,424,177	\$ 79.72	\$ 736.5

- (1) For the majority of restricted stock units granted, the number of shares issued on the date that the restricted stock units vest is net of the minimum statutory tax withholding requirements that we pay in cash to the appropriate taxing authorities on behalf of our employees. These repurchases of our common stock were to cover employee income tax withholding obligations in connection with the vesting of restricted stock units under our equity incentive plans.
- (2) On September 22, 2022, the Board of Directors authorized a stock repurchase program, with a five-year term, to repurchase up to \$1.0 billion of the Company's outstanding common stock, effective as of the close of trading on September 23, 2022.

Item 5. Other Information*Rule 10b5-1 Trading Plans*

During the third quarter of fiscal 2023, Charles Dockendorff, a member of our Board of Directors, adopted a trading plan intended to satisfy Rule 10b5-1(c) under the Exchange Act on May 24, 2023 to sell up to 17,482 shares of our common stock between August 23, 2023 and May 17, 2024, the date this plan expires. The trading plan will cease upon the earlier of May 17, 2024 or the sale of all shares subject to the trading plan.

During the third quarter of fiscal 2023, none of our other directors or executive officers adopted Rule 10b5-1 trading plans and none of our directors or executive officers terminated a Rule 10b5-1 trading plan or adopted or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

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Item 6. Exhibits.

(a) Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference	
		Form	Filing Date/ Period End Date
10.1*	Amendment No. 1 to the Hologic, Inc. Amended and Restated Deferred Compensation Program (1)		
10.2*	Severance and Change of Control Agreement dated July 20, 2023 by and between Erik S. Anderson and Hologic, Inc. (1)		
10.3*	Severance and Change of Control Agreement dated July 20, 2023 by and between Essex D. Mitchell and Hologic, Inc. (1)		
10.4*	Severance and Change of Control Agreement dated July 20, 2023 by and between Jennifer Schneiders and Hologic, Inc. (1)		
10.5*	Amended and Restated Employment Agreement between Jan Verstreken and Hologic dated June 14, 2023 (1)		
31.1*	Certification of Hologic's CEO pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
31.2*	Certification of Hologic's CFO pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
32.1**	Certification of Hologic's CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
32.2**	Certification of Hologic's CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.		
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.		
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.		
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.		
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.		
101.DEF*	Inline XBRL Taxonomy Extension Definition.		
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).		

(1) Indicates management contract or compensatory plan, contract or arrangement.

* Filed herewith.

** Furnished herewith.

SIGNATURES

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.

Hologic, Inc.
(Registrant)

Date: August 1, 2023

/s/ Stephen P. MacMillan

Stephen P. MacMillan
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Date: August 1, 2023

/s/ Karleen M. Oberton

Karleen M. Oberton
Chief Financial Officer
(Principal Financial Officer)

THE HOLOGIC, INC.
AMENDED AND RESTATED
DEFERRED COMPENSATION PROGRAM

Amended and Restated
September 17, 2015

THE HOLOGIC, INC.
AMENDED AND RESTATED
DEFERRED COMPENSATION PROGRAM
ARTICLE 1 - PURPOSE; EFFECTIVE DATE

1.1 **Purpose.** The purpose of this HOLOGIC, INC. AMENDED AND RESTATED DEFERRED COMPENSATION PROGRAM (hereinafter, the “Plan”) is to permit a select group of management or highly compensated employees of Hologic, Inc. (and its selected subsidiaries and/or affiliates) to defer the receipt of income which would otherwise become payable to them. It is intended that this Plan, by providing these eligible employees an opportunity to defer the receipt of income, will assist in the retaining and attracting individuals of exceptional ability and by providing an additional opportunity to save for retirement beyond Code limitations imposed on qualified retirement plans. This Plan is intended to be “unfunded” for purposes of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

1.2 **Effective Date.** This Plan was originally adopted by the Company effective as of October 15, 2006. The Plan was later amended and restated and became effective as of December 1, 2008 and was again amended and restated as of October 15, 2011, and again on October 15, 2013, to, among other things, merge the Gen-Probe Incorporated Deferred Compensation Plan (the “Gen-Probe Plan”) with and into the Plan; and further amended and restated as of September 17, 2015 (the “Effective Date”). With respect to any amounts deferred or contributed (or to be deferred or contributed) to the Gen-Probe Plan for an applicable period commencing prior to October 15, 2013, such amounts shall at all times be subject to and governed by the terms of the Gen-Probe Plan as such terms existed immediately prior to the merger of the Gen-Probe Plan with and into the Plan, such Gen-Probe Plan being set forth here as Exhibit B. It is the intent that all of the amounts deferred and benefits provided under this Plan will comply with the terms of Section 409A of the Code and the final Treasury regulations promulgated thereunder.

1.3 **Unfunded Plan.** This plan is an unfunded top-hat plan maintained primarily to provide deferred compensation benefits for a “select group of management or highly-compensated employees” within the meaning of Sections 201, 301, and 401 of ERISA, and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA.

ARTICLE 2 - DEFINITIONS

For the purpose of this Plan, the following terms shall have the meanings indicated, unless the context clearly indicates otherwise:

2.1 **Account(s).** “Account(s)” means the notional account or accounts maintained on the books of the Company used solely to calculate the amount payable to each Participant under this Plan and shall not constitute a separate fund of assets. Account(s) shall be deemed to exist from the time amounts are first credited to such Account(s) until such time that the entire Account balance has been distributed in accordance with this Plan. The Accounts available for each Participant with respect to Participant deferrals and Company contributions prior to January 1, 2014 shall be identified as:

- (a) Deferral Account;
- (b) In-Service Account;
- (c) Matching Account; and
- (d) Retention Account.

Effective on and after January 1, 2014, for each calendar year/Deferral Period, a Participant shall have a separate account hereinafter known as a Class Year Account (for example, for the 2014 calendar year/Deferral Period, the account shall be known as the 2014 Class Year Account, for the 2015 calendar year/Deferral Period, the account shall be known as the 2015 Class Year Account, and so on) to which all Participant deferrals and Company contributions attributable to such calendar year/Deferral Period shall be credited. Accordingly, all contributions to the Plan prior to December 31, 2013 shall be allocated to one of the accounts in subsections (a) (b) (c) or (d) of this Section 2.1, and after January 1, 2014 shall be allocated to the applicable Class Year Account based on year of deferral.

2.2 **Beneficiary.** “Beneficiary” means the person, persons or entity as designated by the Participant, entitled under Article VI to receive any Plan benefits payable after the Participant’s death.

2.3 **Board.** “Board” means the Board of Directors of the Company.

2.4 **Change of Control.** “Change of Control” means:

(a) a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as defined and determined under Section 409A(a)(2)(A)(v) of the Code and Treasury Regulation 1.409A-3(i)(5). Without in any way limiting the scope of the preceding sentence, a Change of Control shall be deemed to occur on the date upon which one of the following events occurs:

(i) any one person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or more than one person acting as a group (as determined under Treasury Regulation Section 1.409A-3(i)(5)(v)(B))), acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50% of either the total fair market value or total voting power of the stock of the Company. However, if any one person, or more than one person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional control of the Company by the same person or persons is not considered to cause a change of control of the Company; or

(ii) any one person (as such term is used in the Exchange Act), or more than one person acting as a group (as determined under Treasury Regulation Section 1.409A-3(i)(5)(v)(B))), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35% or more of the total voting power of the Company. However, if any one person, or more than one person acting as a group, is considered to own more than 35% of the total voting power of the stock of the Company, the acquisition of additional control of the Company by the same person or persons is not considered to cause a change of control of the Company; or

(iii) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or

(iv) any one person (as such term is used in the Exchange Act), or more than one person acting as a group (as determined under Treasury Regulation Section 1.409A-3(i)(5)(v)(B))), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

2.5 **Code.** “Code” means the Internal Revenue Code of 1986, as amended, and any successor thereto.

2.6 **Committee.** “Compensation Committee” means the Compensation Committee appointed by the Board to administer the Plan pursuant to Article VII.

2.7 **Company.** “Company” means Hologic, Inc., a Delaware corporation, and any directly or indirectly affiliated subsidiary corporations.

2.8 **Compensation.** “Compensation” means the base salary payable to Participant and bonus identified as “Performance Based Compensation” under the terms of this Plan and any other bonus or incentive compensation which is specifically identified by the Committee as being eligible to be deferred under this Plan which is earned by a Participant with respect to employment services performed for the Company by the Participant and considered to be “wages” for purposes of federal income tax withholding. The Committee shall have the authority to exclude from the definition of Compensation which can be deferred under this Plan, provided such determination is made prior to the time that the election to defer such Compensation is required to be filed under the terms of this Plan. For purposes of this Plan only, Compensation shall be calculated before reduction for any amounts deferred by the Participant pursuant to the Company’s tax qualified plans which may be maintained under Section 401(k) or Section 125 of the Internal Revenue Code, but shall exclude “wages” associated with the exercise of stock options by Participant or income arising from other equity instruments (e.g., stock units, restricted stock units or restricted stock) awarded to a Participant. Inclusion of any other forms of compensation, including commissions payable, is subject to Committee Approval prior to the time that a Deferral Commitment is required to be filed under the terms of this Plan. Notwithstanding the preceding, with respect to Matching Contributions, Compensation shall be limited to the Code Section 401(a)(17) limit in effect for the given Deferral Period with respect to which the Matching Contributions are to be attributed.

2.9 **Deferral Election.** “Deferral Election” means an irrevocable written commitment made by a Participant to defer a portion of his/her Compensation as set forth in Article III, and as permitted by the Committee in its sole discretion. A Participant shall be required to execute separate Deferral Elections for the deferral of Performance-Based Compensation and Compensation other than Performance-Based Compensation. The Deferral Election shall apply to each payment of Compensation and/or Performance-Based Compensation, as applicable, payable to a Participant. Such designation shall be made in the form of a whole percentage. Such Deferral Election shall be made on an Election Form and at a time deemed acceptable to the Committee.

2.10 **Deferral Period.** “Deferral Period” means each calendar year. For purposes of deferrals related to Participant’s annual bonus or other Performance-Based Compensation, “Deferral Period” shall mean the Company’s Fiscal Year.

2.11 **Determination Date.** “Determination Date” means each business day.

2.12 **Disability.** “Disability means the Participant is: (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement or other disability benefits for a period of not less than 3 months under an accident and health plan covering employees of the participant’s employer.

2.13 **Distribution Election.** “Distribution Election” means the form of payment for certain benefits payable under this Plan, as elected by the Participant.

2.14 **Financial Hardship.** “Financial Hardship” means the occurrence of any of the following events:

(a) a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, a Beneficiary or the Participant’s dependent (as defined in Section 152 of the Code, without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B));

(b) loss of the Participant’s property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, not as a result of a natural disaster); or

(c) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, which may include, if applicable, (x) the imminent foreclosure of or eviction from the Participant’s primary residence, (y) the need to pay for medical expenses of the Participant or funeral expenses of the Participant’s spouse, a Beneficiary, or the Participant’s dependent (as defined in Section 152 of the Code without regard to Section 152 (b)(1), (b)(2), and (d)(1)(B)). Except as otherwise provided in this clause (c), the purchase of a home and the payment of college tuition are not Financial Hardship..

The determination of whether a Financial Hardship exists shall be determined by the Committee after addressing facts and circumstances of each case and other requirements of the applicable Treasury Regulations.

2.15 **Interest.** “Interest” means the amount credited to or charged against a Participant’s Account(s) on each Determination Date, which shall be based on the Valuation Funds chosen by the Participant as provided in Section 2.24, below and in a manner consistent with Section 4.3, below. Such credits or charges to a Participant’s Account may be either positive or negative to reflect the increase or decrease in value of the Account in accordance with the provisions of this Plan.

2.16 **Matching Contribution.** “Matching Contribution” means the annual discretionary contribution, if any, made by the Company to the Participant’s Matching Account or Class Year Account, as applicable, under Section 4.4, below.

2.17 **Participant.** “Participant” means any individual who is eligible, pursuant to Section 3.1, below as applicable, to participate in this Plan, and who either, has elected to defer Compensation under this Plan in accordance with Article III, below, or who is determined by the Committee in their sole discretion as being eligible to receive a Matching Contribution or a Retention Contribution under this Plan. Such individual shall remain a Participant in this Plan for the period of deferral, or credit, and until such time as all benefits payable under this Plan have been paid in accordance with the provisions hereof.

2.18 **Performance Based Compensation.** “Performance Based Compensation” means annual bonus and commissions, the amount of which, or the entitlement to which is contingent on the satisfaction of pre-established organizational or individual performance criteria that relate to a particular Performance Period and are not certain to be met at the time the Deferral Election is made.

2.19 **Performance Period.** “Performance Period” means a continuous period of service with the Company comprising one entire plan year (which is the Company’s fiscal year) with respect to which Performance-Based Compensation is earned.

2.20 **Plan.** “Plan” means this Amended and Restated Deferred Compensation Program, as amended from time to time.

2.21 **Retention Contribution.** “Retention Contribution” means the annual discretionary contribution, if any, made by the Company to the Participant’s Retention Account or Class Year Account, as applicable, under Section 4.4, below.

2.22 **Retirement.** “Retirement” means the termination of a Participant’s employment with the Company, for reasons other than death or Disability, on or after the earlier of: (a) attainment of age 55 with at least ten (10) years of continuous service with the Company; or (b) attainment of age sixty-five (65).

2.23 **Specified Employees.** “Specified Employees” means “key employees,” as defined in Section 416(i) of the Code without regard to paragraph (5) thereof, of the Company.

2.24 **Termination of Employment.** “Termination of Employment” occurs where the Participant ceases performing any bona fide services for the Company, irrespective of whether the Participant is receiving or scheduled to receive salary continuation, severance, employee benefits or similar payments or benefits following the cessation of services, and where such cessation of services constitutes a separation from service under Code Section 409A.

2.25 **Valuation Funds.** “Valuation Funds” means one or more of the hypothetical investment funds or indices managed by an investment manager that are selected by the Committee. These Valuation Funds are used solely to calculate the Interest that is credited to each Participant’s Account(s) in accordance with Article IV, below, and does not represent, nor should it be interpreted to convey any beneficial interest or ownership on the part of the Participant in any asset or other property of the Company. Participants may allocate their Account(s) between Valuation Funds. Exhibit A attached hereto sets forth the available Valuation Funds which may be amended from time to time in the sole and absolute discretion of the Committee.

ARTICLE 3 - ELIGIBILITY AND PARTICIPATION

3.1 Eligibility and Participation.

(a) **Eligibility.** Eligibility to participate in the Plan shall be limited to those employees of the Company who are (i) members of a select group of management or highly-compensated employees and (ii) designated as eligible to participate by the Committee, in its discretion, from time to time. An individual's eligibility to participate in the Plan may be limited, in the Committee's discretion, to deferrals only and/or to one or more Company contribution types.

(b) **Participation.** An individual's participation in the Plan shall be effective upon notification to the individual by the Committee or its designee of his/her eligibility to participate (which notification shall specify the effective date of participation), and the earlier of a contribution under this Plan being made on behalf of the Participant by the Company or the completion and submission of an Enrollment Form, Allocation Form (as defined in Section 3.2(b) below), and a Distribution Election to the Committee within the time periods set forth in Section 3.2(b).

3.2 **Form of Deferral Election.** Except as otherwise provided in Section 3.1, a Participant may irrevocably elect to make a Deferral Election and a related Distribution Election with respect to Compensation other than annual bonus Compensation or Performance-Based Compensation to be deferred for a given Deferral Period, and any Matching Contribution that may be made with respect to such Deferral Period, provided such elections are made and the respective forms are submitted to the Committee prior to the December 31 that immediately precedes the beginning of the Deferral Period. A Deferral Election and related Distribution Election with respect to any bonus or Performance-Based Compensation which is based on services performed over a period of at least twelve (12) months shall be made prior to March 27 of such performance period (and, in any event, no later than six (6) months prior to the end of such performance period), provided that: (i) the election to defer is made before the compensation has become readily ascertainable and (ii) the Participant was employed at the time the performance criteria were established. Notwithstanding the preceding, effective on and after January 1, 2014, a Deferral Election and related Distribution Election with respect to a given calendar year/Deferral Period shall apply to all Participant deferrals and Company contributions attributable to such calendar year/Deferral Period that are credited to the Participant's applicable Class Year Account for such calendar year/Deferral Period. The Deferral Election shall specify the following:

(a) **Deferral Amounts; Accounts.** A Deferral Election shall be made with respect to each payment of Compensation payable by the Company to a Participant during the Deferral Period, and, prior to January 1, 2014, shall designate the portion of each deferral that shall be allocated among either the Deferral or In-Service Accounts. In addition, for periods prior to January 1, 2014, no amounts shall be deferred into an In-Service Account once payments have commenced under the terms of this Plan and until such time as the entire Account Balance has been completely distributed. The Participant shall set forth the amount of his salary to be deferred as a whole percentage amount of Compensation.

(b) **Allocation to Valuation Funds.** The Participant shall specify in a separate form (known as the "Allocation Form") filed with the Committee, the Participant's initial allocation of the amounts deferred into each Account among the various available Valuation Funds.

(c) **Maximum Deferral.** The maximum amount of Compensation that may be deferred shall be no more than seventy-five percent (75%) of base salary and one hundred percent (100%) of annual bonus or Performance-Based Compensation.

3.3 **Period of Commitment.** Any Deferral Election or Distribution Election made by a Participant with respect to Compensation shall remain in effect solely for the current Deferral Period, and shall not remain in effect for any future Deferral Periods; provided, if a Participant suffers a Disability or terminates employment with Company prior to the end of the Deferral Period, the Deferral Period shall end as of the date of Disability or Termination of Employment. Furthermore, a Deferral Election may be temporarily revoked by operation of Section 5.6, below.

3.4 **Modification of Deferral Election.** Except as provided in Sections 3.3, above, and 5.6 below, a Deferral Election shall be irrevocable by the Participant during a Deferral Period.

3.5 **Change in Status.** If the Committee determines that a Participant's employment performance is no longer at a level that warrants reward through participation in this Plan, but does not terminate the Participant's employment with Company, the Participant's existing Deferral Election shall terminate at the end of the Deferral Period, and no new Deferral Election may be made by such Participant after notice of such determination is given by the Committee, unless the Participant later satisfies the requirements of Section 3.1. If the Committee, in its sole discretion, determines that the Participant no longer qualifies as a member of a select group of management or highly compensated employees, as determined in accordance with the ERISA, and interpretive guidance issued thereunder the Committee may, in its sole discretion terminate any Deferral Election for that year, and prohibit the Participant from making any future Deferral Elections.

3.6 **Defaults in Event of Incomplete or Inaccurate Deferral Elections or Distribution Elections.** In the event that a Participant submits an incomplete or inaccurate Deferral Election, as determined by the Committee in its discretion, such election will be rejected as an invalid Deferral Election. In addition, in the event that a Participant submits an incomplete or inaccurate Distribution Election, as determined in the Committee's discretion, the form of distribution for all monies in each Account under the Plan shall be a lump sum distribution upon Termination of Employment. Finally, in the event that a Participant submits an incomplete or inaccurate Valuation Fund, the amounts to be credited to the Participant's applicable Account shall be invested in such fund as selected by the Committee in its discretion.

ARTICLE 4 - DEFERRED COMPENSATION ACCOUNT

4.1 **Accounts.** Effective prior to January 1, 2014, the Compensation deferred by a Participant under the Plan, and Interest shall be credited to the Participant's Account(s) as selected by the Participant; any Matching Contributions and Interest thereon shall be credited to the Participant's Matching Account; and any Retention Contributions and Interest thereon shall be credited to the Participant's Retention Account. Separate accounts may be maintained on the books of the Company to reflect the different Accounts chosen by the Participant, and the Participant shall designate the portion of each deferral that will be credited to each Account as set forth in Section 3.2(a), above. These Accounts shall be used solely to calculate the amount payable to each Participant under this Plan and shall not constitute a separate fund of assets. Effective on and after January 1, 2014, for each calendar year/Deferral Period, a Participant shall have all Compensation deferred by the Participant (and Interest thereon) for a given calendar year/Deferral Period and all Company contributions attributable to such calendar year/Deferral Period (and Interest thereon) credited to the Participant's applicable Class Year Account.

4.2 **Timing of Credits; Withholding.** A Participant's deferred Compensation shall be credited to each Account designated by the Participant as soon as administratively practical after the date the Compensation deferred would have otherwise been payable to the Participant. Any Matching Contributions shall be credited to the Matching Account as set forth in Section 4.5, below. Any Retention Contributions shall be credited to the Retention Account as set forth in Section 4.5, below. Any withholding of taxes or other amounts with respect to deferred Compensation or other amounts credited under this Plan that is required by local, state or federal law shall be withheld from the Participant's corresponding non-deferred portion of the Compensation to the maximum extent possible, and any remaining amount shall reduce the amount credited to the Participant's Account in a manner specified by the Committee.

4.3 **Valuation Funds.** A Participant shall designate, at a time and in a manner acceptable to the Committee, one or more Valuation Funds for each Account for the sole purpose of determining the amount of Interest to be credited or debited to such Account. Such election shall designate the portion of each deferral of Compensation made into each Account that shall be allocated among the available Valuation Fund(s), and such election shall apply to each succeeding deferral of Compensation until such time as the Participant shall file a new election with the Committee. Upon notice to the Committee, Participants shall also be permitted to reallocate the balance in each Valuation Fund among the other available Valuation Funds as determined by the Committee. The manner in which such elections shall be made and the frequency with which such elections may be changed and the manner in which such elections shall become effective shall be determined in accordance with the procedures to be adopted by the Committee or its delegates from time to time. As of the Effective Date, such elections may be made on a daily basis electronically, and such elections shall become effective on the date made or the next available Determination Date.

4.4 Company Contributions.

(a) **Matching Contributions.** With respect to a Participant who (i) elects to defer Compensation under the Plan for a given Deferral Period, and (ii) deferred the maximum permissible amount under the Hologic, Inc. Savings and Investment Plan (the "401(k) Plan") for such Deferral Period, the Company may make a discretionary contribution to the Matching Account of the Participant for such Deferral Period in an amount not to exceed the amount that would have been credited to the Participant under the 401(k) Plan, but for the deferral limitations under the 401(k) Plan. If the Company, in its discretion, elects to make a Matching Contribution for a given Deferral Period, the applicable Matching Contribution shall be credited to each eligible Participant's Matching Account as soon as is practical after the end of the Deferral Period. Beginning with fiscal year 2015, the Company may also make a separate discretionary contribution for the benefit of a Participant, in any amount determined by the Company, as a separate contribution within the Matching Account of the Participant for the applicable fiscal year, regardless of whether the Participant participates or has made deferral elections under the 401(k) Plan for the fiscal year and the amount of any discretionary contribution shall be credited and combined with other amounts in the Participant's Matching Account. In order for a Participant to be eligible to receive a Matching Contribution, if any, made under this Section 4.4(a) with respect to a given Deferral Period, the Participant must remain an active employee of the Company on the last day of such Deferral Period, and with respect to a separate discretionary contribution in a fiscal year must remain an employee on the last day of the applicable fiscal year. Effective on and after January 1, 2014, Matching Contributions attributable to a given calendar year/Deferral Period shall be made to the Participant's applicable Class Year Account.

(b) **Retention Contributions.** Company may make a discretionary contribution to each eligible Participant's Retention Account as soon as is practical after the close of the Company's fiscal year. The amount of the credit shall be determined by the Committee in its sole discretion, and each year, the Committee shall have the discretion to increase or decrease the Retention Contribution from prior years, or to eliminate the contribution totally for any given year. Effective on and after January 1, 2014, Retention Contributions attributable to a given calendar year/Deferral Period shall be made to the Participant's applicable Class Year Account.

4.5 **Determination of Accounts.** Each Participant's Account as of each Determination Date shall consist of the balance of the Account as of the immediately preceding Determination Date, adjusted as follows:

(a) **New Deferrals.** Each Account shall be increased by any deferred Compensation credited since such prior Determination Date in the proportion chosen by the Participant, except that no amount of new deferrals shall be credited to an Account at the same time that a distribution is to be made from that Account.

(b) **Company Contributions.** Each Account shall be increased by any Matching Contributions or Retention Contributions credited since such prior Determination as set forth above in sections 4.4 or as otherwise directed by the Committee.

(c) **Distributions.** Each Account shall be reduced by the amount of each benefit payment made from that Account since the prior Determination Date. Distributions shall be deemed to have been made proportionally from each of the Valuation Funds maintained within such Account based on the proportion that such Valuation Fund bears to the sum of all Valuation Funds maintained within such Account for that Participant as of the Determination Date immediately preceding the date of payment.

(d) **Interest.** Each Account shall be increased or decreased by the Interest credited to such Account since such Determination Date as though the balance of that Account as of the beginning of the current month had been invested in the applicable Valuation Funds chosen by the Participant.

4.6 **Vesting of Accounts.** Each Participant shall be vested in the amounts credited to such Participant's Account and Interest thereon as follows:

(a) **Amounts Deferred.** A Participant shall be one hundred percent (100%) vested at all times in the amount of Compensation elected to be deferred under this Plan to the Deferral Account and In-Service Account, if any, including any Interest thereon.

(b) **Matching Contributions.** A Participant shall be one hundred percent (100%) vested at all times in the amount of Matching Contributions made, if any, to the Participant's Matching Account (or, effective on and after January 1, 2014, the applicable Class Year Account), including any Interest thereon.

(c) **Retention Contributions.** Each separate Retention Contribution, if any, to a Participant's Retention Account (or, effective on and after January 1, 2014, the applicable Class Year Account), including any Interest thereon, shall be 33% vested on September 30 of the first calendar year that commences following the fiscal year to which the Retention Contribution is attributable, provided, that the Participant remains employed by the Company on such date; vested in an additional 33% of such Retention Contribution on September 30 of the second calendar year that commences following the fiscal year to which the Retention Contribution is attributable, provided, that the Participant remains employed by the Company on such date; and vested in an additional 34% of such Retention Contribution on September 30 of the third calendar year that commences following the fiscal year to which the Retention Contribution is attributable, provided, that the Participant remains employed by the Company on such date. If the Participant fails to remain employed with the Company through the vesting dates and the Retention Contribution is not otherwise vested as providing in the following sentence, then the unvested portion of the Retention Contribution and any Interest thereon shall be forfeited and returned to the Company. Notwithstanding the previous sentence or anything else herein to the contrary, a Participant's Retention Contributions shall (i) be one hundred percent (100%) vested upon the death or Disability of the Participant, the Participant's Retirement or a Change of Control or (ii) be one hundred percent (100%) vested as otherwise provided by the Committee in its sole discretion.

(d) **Statement of Accounts.** The Committee shall direct the Plan's third-party administrator to provide to each Participant a statement showing the balances in the Participant's Account on a quarterly basis.

ARTICLE 5 - PLAN BENEFITS

5.1 **Deferral Account and Matching Account.** The vested portion of a Participant's Deferral Account and Matching Account shall be distributed to the Participant upon the Termination of Employment with the Company.

(a) **Timing of Payment.** Subject to Section 5.9, benefits payable from the Deferral Account shall commence on or about the December 15th immediately following the date of the Participant's Termination of Employment, or if termination is after December 15th (i.e., the period between December 16 and December 31 in any year), then within forty-five days following the Participant's Termination of Employment, and subsequent payments, if the Form of Payment selected provides for subsequent payments, shall be made on or about each succeeding December 15th both in accordance with the Company's normal payroll procedures.

(b) **Form of Payment.** The form of benefit payment from the Deferral Account and Matching Account (or, as applicable, a portion of the Deferral Account or Matching Account) shall be that form selected by the Participant in the applicable Deferral Election and Distribution Election which designated the distribution of the Matching Account or a portion of the Compensation deferred be allocated to the Deferral Account, and as permitted pursuant to Section 5.10 below, except that if the Participant terminates employment prior to Retirement, in which event, the Deferral Account and the Matching Account shall be paid in the form of a lump sum payment.

5.2 **Retention Account.** The vested portion of the Participant's Retention Account shall be distributed to the Participant upon the Termination of Employment with the Company.

(a) **Timing of Payment.** Subject to Section 5.9, benefits payable from the Retention Account shall commence on or about the December 15th immediately following the date of the Participant's Termination of Employment, or if termination is after December 15th later (i.e., the period between December 16 and December 31 in any year), then within forty-five days following the Participant's Termination of Employment, and subsequent payments, if the Form of Payment selected provides for subsequent payments, shall be made on or about each succeeding December 15th both in accordance with the Company's normal payroll procedures.

(b) **Form of Payment.** The form of benefit payment from the Retention Account shall be made in that form selected by the Participant in the Distribution Election set forth in the Enrollment Form filed with the Committee coincident with the initial crediting of amounts to the Retention Account, and as permitted pursuant to Section 5.10 below, except that if the Participant terminates employment prior to Retirement, in which event, the Retention Account shall be paid in the form of a lump sum payment.

5.3 **In-Service Account.** The vested portion of a Participant's In-Service Account shall generally be distributed to the Participant upon the date chosen by the Participant, or if earlier the Participant's Termination of Employment.

(a) **Timing of Payment.** Subject to Section 5.9, benefits under this section shall be payable on or about January 15th of the year specified in the first Deferral Election which designated a portion of the Compensation deferred be allocated to the In-Service Account and subsequent payments. In no event shall the date selected be earlier than twenty-four (24) months following the initial filing of the Deferral Election with respect to that In-Service Account. In the event that the Participant terminates employment with the Company prior to the date so specified, the

benefits under this section shall commence on Participant's Termination of Employment. Any benefit payments due on Termination of Employment shall commence on or about the December 15th immediately following the date of the Participant's Termination of Employment, or if termination is after December 15th (i.e., the period between December 16 and December 31 in any year), then within forty-five days following the Participant's Termination of Employment and if the Form of Payment selected provides for subsequent payments, subsequent payments shall be made on or about each succeeding December 15th both in accordance with the Company's normal payroll procedures.

(b) **Form of Payment.** The form of benefit payment from the In-Service Account shall be that form selected by the Participant pursuant to Section 5.10, below, except that if the Participant terminates employment with the Company prior to the date so specified, then the In-Service Account shall be paid in the form of a lump sum payment.

5.4 **Class Year Account.** The vested portion of each applicable Class Year Account of a Participant shall be distributed to the Participant upon the earlier of (i) the Participant's Termination of Employment with the Company or (ii) a date-certain distribution date, as elected by the Participant.

(a) **Timing of Payment.** Subject to Section 5.9, benefits payable from the applicable Class Year Account shall commence within sixty (60) days following the earlier of (i) date of the Participant's Termination of Employment or (ii) the date-certain distribution date elected by the Participant, and subsequent payments, if the Form of Payment selected provides for subsequent payments, shall be made on each subsequent anniversary date of the first payment. In no event shall a Participant be permitted to elect the tax year of payment when the sixty (60) day period spans two calendar years.

(b) **Form of Payment.** The form of benefit payment from the applicable Class Year Account shall be that form selected by the Participant in the applicable Deferral Election and Distribution Election which designated the distribution of the applicable Class Year Account. Notwithstanding the preceding, if the Participant terminates employment prior to Retirement, Retention Contributions made to the Participant's Class Year Accounts shall be distributed in the form of a lump sum payment.

5.5 **Death Benefit.** Notwithstanding any Plan provision to the contrary, upon the death of a Participant prior to the commencement of benefits under this Plan from any particular Account, Company shall pay to the Participant's Beneficiary an amount equal to the vested Account balance in that Account in the form of a lump sum payment within ninety (90) days following the Participant's date of death, provided substantiation of such death is provided to the Company within such time period. In the event of the death of the Participant after the commencement of benefits under this Plan from any Account, the benefits from that Account(s) shall be paid to the Participant's designated Beneficiary from that Account at the same time and in the same manner as if the Participant had survived.

5.6 **Hardship Distributions.** Upon a finding that a Participant has suffered a Financial Hardship, the Committee shall terminate the existing Deferral Election, and/or make distributions from any or all of the Participant's Accounts. The amount of such distribution shall be limited to the amount reasonably necessary to meet the Participant's needs resulting from the Financial Hardship plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such Financial Hardship is or may be relieved through the reimbursement or compensation by insurance, or otherwise or by liquidation of the Participant's assets (to the extent that liquidation of such assets would not itself cause severe financial hardship). The amount of such distribution will not exceed the Participant's vested Account balances. If payment is made due to Financial Hardship, the Participant's deferrals under this Plan shall cease for the period of the Financial Hardship and for twelve (12) months thereafter. If the Participant is again eligible to participate, any resumption of the Participant's deferrals under the Plan after such twelve (12) month period shall be made only at the election of the Participant in accordance with Article III herein.

5.7 **Change of Control Distributions.** Upon the occurrence of a Change of Control, benefits payable from the Participant's Accounts shall be distributed to the Participant within forty-five (45) days following the Change of Control.

5.8 **Disability Distributions.** Notwithstanding any Plan provision to the contrary, with respect to a Participant Disability occurring after October 15, 2013, upon a finding that a Participant has suffered a Disability prior to the commencement of benefits under the Plan, the Committee shall distribute the vested Account balance from each of the Participant's Accounts in the form of a lump sum payment within ninety (90) days following the Participant's Date of Disability.

5.9 **Payment to Specified Employees.** Payments of benefits due to the Termination of Employment of a Participant who is determined to meet the definition of Specified Employee shall be payable as otherwise provided, except that the initial payment shall be made no earlier than the first business day following the last day of the six (6) month anniversary following a Specified Employee's Termination of Employment with the Company in accordance with the Company's normal payroll procedures (or if earlier than the end of the six (6) month period, the date of death of the Specified Employee).

5.10 **Form of Payment.** Unless otherwise specified in this Article, the benefits payable from any Account under this Plan shall be paid in the form of benefit as provided below, and as elected by the Participant. The permitted forms of benefit payments are:

(a) A lump sum; and

(b) Annual installments for a period of up to fifteen (15) years (or in the event of payment of the In-Service Account, a maximum of five (5) years) (with respect to Class Year Accounts, up to fifteen (15) years if payment is to be made due to Termination of Employment; otherwise, up to five (5) years if payment is to be made pursuant to a date-certain distribution election) where the annual payment shall be equal to the balance of the Account (or portion of the Account payable in Installments) immediately prior to the payment, multiplied by a fraction, the numerator of which is one (1) and the denominator of which commences at the number of annual payment initially chosen and is reduced by one (1) in each succeeding year. Interest on the unpaid balance shall be based on the most recent allocation among the available Valuation Funds chosen by the Participant, made in accordance with Section 4.3, above. For purposes of Code Section 409A, installment payments shall be considered to be single payment.

5.11 **Small Account.** If the total of a Participant's vested, unpaid aggregate Account balance in all Accounts under the Plan as of the date of the Participant's Termination of Employment is less than \$10,000, the remaining unpaid, vested aggregate Account balance in all Accounts under the Plan shall be paid in a lump sum, notwithstanding any election by the Participant to the contrary.

5.12 **Withholding; Payroll Taxes.** Company shall withhold from any payment made pursuant to this Plan any taxes required to be withheld from such payments under local, state or federal law.

5.13 **Payment to Guardian.** If a Plan benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of the property, the Committee may direct payment to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution. Such distribution shall completely discharge the Committee and Company from all liability with respect to such benefit.

5.14 **Effect of Payment.** The full payment of the applicable benefit under this Article V shall completely discharge all obligations on the part of the Company to the Participant (and the Participant's Beneficiary) with respect to the operation of this Plan, and the Participant's (and Participant's Beneficiary's) rights under this Plan shall terminate.

5.15 **Forfeiture.** In the event a Participant is terminated for “cause”, then his Retention Account shall be immediately forfeited without regard to whether or not he is vested or unvested in such Retention Account. For purposes of this Plan, “cause” shall mean (i) an act or acts of personal dishonesty taken by the Participant and intended to result in substantial personal enrichment of the Participant at the expense of the Company; (ii) material violation of the Company’s Code of Conduct, and other Company Codes of Conduct or policies and procedures that are applicable to the Participant; or (iii) the conviction of the Participant of a felony involving moral turpitude, which are not remedied in a reasonable period of time after receipt of written notice from the Company. Notwithstanding anything in the Plan to the contrary, forfeiture for cause may not occur following a Change of Control.

5.16 **No Acceleration of Retirement Benefit.** Neither a Participant nor the Company may accelerate the time or schedule of any Retirement Benefit scheduled to be paid under the Plan (including, for this purpose, any Deferral Agreement or Deferral Election). Notwithstanding the foregoing, the time or schedule of any Retirement Benefit may be accelerated in any of the following circumstances:

(a) **Domestic Relations Orders.** The Plan Administrator may accelerate the time or schedule of a payment under the Plan to an individual other than the Participant, or a payment under the Plan may be made to an individual other than the Participant, to the extent necessary to fulfill a domestic relations order (as defined in Section 414(p)(1)(B) of the Code);

(b) **Payment of Employment Taxes.** The Plan Administrator may accelerate the time or schedule of a payment under the Plan, or a payment may be made under the Plan, to (x) pay the Federal Insurance Contributions Act (“FICA”) tax imposed under Sections 3101, 3121(a) or 3121(v)(2) of the Code or (y) pay the income tax at the source on wages imposed under Section 3401 of the Code or the corresponding withholding provisions of applicable state, local or foreign tax laws. However, the total payment under this clause (b) may not exceed the aggregate of the FICA amount and the income tax withholding related to the FICA amount;

(c) **Payment Upon Income Inclusion Under Section 409A.** The Plan Administrator may accelerate the time or schedule of a payment under the Plan, or a payment may be made under the Plan, at any time that the Plan fails to meet the requirements of Section 409A of the Code and the Final Regulations. Such payment may not exceed the amount required to be included in income as a result of the failure to comply with the requirements of Section 409A of the Code and the Treasury Regulations promulgated thereunder; or

(d) **Certain Offsets.** The Plan Administrator may accelerate the time or schedule of a payment under the Plan, or a payment may be made under the Plan, as satisfaction of debt of the Participant to the Company, where such debt is incurred in the ordinary course of the service relationship between the Participant and the Company, the entire amount of reduction in any of the Participant’s taxable years does not exceed \$5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

5.17 **Change of Time and/or Form of Payment.** With respect to timing of payment set forth in sections 5.1(a), 5.2(a), 5.3(a) or 5.4(a), the Participant may subsequently amend the form of payment provided or elected in any one of the aforementioned sections to a date later than that date initially chosen, by filing such amendment with the Committee no later than twelve (12) months prior to the current date of payment. The Participant may file this amendment, provided that each amendment must provide for a payout under this paragraph at a date no earlier than five (5) years after the date of payment in force immediately prior to the filing of such request, and the amendment may not take effect for twelve (12) months after the request is made.

ARTICLE 6 - BENEFICIARY DESIGNATION

6.1 **Beneficiary Designation**. Each Participant shall have the right, at any time, to designate one (1) or more persons or entity as Beneficiary (both primary as well as secondary) to whom benefits under this Plan shall be paid in the event of Participant's death prior to complete distribution of the Participant's vested Account balance. Each Beneficiary designation shall be in a written form prescribed by the Committee, shall be effective only when filed with the Committee during the Participant's lifetime and shall apply to all monies in all of the Participant's Accounts under the Plan.

6.2 **Changing Beneficiary**. Any Beneficiary designation may be changed by a Participant without the consent of the previously named Beneficiary by the filing of a new Beneficiary designation with the Committee.

6.3 **No Beneficiary Designation**. If any Participant fails to designate a Beneficiary in the manner provided above, if the designation is void, or if the Beneficiary designated by a deceased Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's Beneficiary shall be the person in the first of the following classes in which there is a survivor:

(a) The Participant's surviving spouse;

(b) The Participant's children in equal shares, except that if any of the children predeceases the Participant but leaves surviving issue, then such issue shall take by right of representation the share the deceased child would have taken if living; or

(c) The Participant's estate.

6.4 **Effect of Payment**. Payment to the Beneficiary shall completely discharge the Company's obligations under this Plan.

ARTICLE 7 - ADMINISTRATION

7.1 **Committee; Duties**. This Plan shall be administered by the Compensation Committee, or the Senior Vice President of Human Resources acting as the Plan Administrator. References to the "Compensation Committee" in the Plan shall include the Senior Vice President of Human Resources acting in his capacity as Plan Administrator. The Committee or its designee shall have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as they may arise in such administration. A majority vote of the Committee members shall control any decision.

7.2 **Agents**. The Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Company.

7.3 **Binding Effect of Decisions**. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in the Plan.

7.4 **Indemnity of Committee**. To the fullest extent permitted by the Company's Articles of Incorporation and By-Laws, the Company shall indemnify and hold harmless the members of the Compensation Committee or the Senior Vice President of Human Resources acting as the Plan Administrator against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan on account of such member's service on the Committee, except in the case of gross negligence or willful misconduct.

ARTICLE 8 - CLAIMS PROCEDURE

8.1 **Claim**. Any person or entity claiming a benefit, requesting an interpretation or ruling under the Plan (hereinafter referred to as "Claimant"), or requesting information under the Plan shall present the request in writing to the Committee, which shall respond in writing as soon as practical, but in no event later than ninety (90) days after receiving the initial claim (or no later than forty-five (45) days after receiving the initial claim regarding a Disability under this Plan).

8.2 **Denial of Claim**. If the claim or request is denied, the written notice of denial shall state:

- (a) The reasons for denial, with specific reference to the Plan provisions on which the denial is based;
- (b) A description of any additional material or information required and an explanation of why it is necessary, in which event the time frames listed in section 8.1 shall be one hundred and eighty (180) and seventy-five (75) days from the date of the initial claim respectively; and
- (c) An explanation of the Plan's claim review procedure.

8.3 **Review of Claim**. Any Claimant whose claim or request is denied or who has not received a response within sixty (60) days (or one hundred and eighty (180) days in the event of a claim regarding a Disability) may request a review by notice given in writing to the Committee. Such request must be made within sixty (60) days (or one hundred and eighty (180) days in the event of a claim regarding a Disability) after receipt by the Claimant of the written notice of denial, or in the event Claimant has not received a response sixty (60) days (or one hundred and eighty (180) days in the event of a claim regarding a Disability) after receipt by the Committee of Claimant's claim or request. The claim or request shall be reviewed by the Committee which may, but shall not be required to, grant the Claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

8.4 **Final Decision**. The decision on review shall normally be made within sixty (60) days (or forty-five (45) days in the event of a claim regarding a Disability) after the Committee's receipt of claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the Claimant shall be notified and the time limit shall be one hundred twenty (120) days (or ninety (90) days in the event of a claim regarding a Disability). The decision shall be in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

ARTICLE 9 - AMENDMENT AND TERMINATION OF PLAN

9.1 **Amendment**. The Board may at any time amend the Plan by written instrument, notice of which is given to all Participants and to Beneficiary receiving installment payments, except that no amendment shall reduce or otherwise adversely affect the amount accrued in any Account as of the date the amendment is adopted.

9.2 **Company's Right to Terminate**. The Board may at any time terminate the Plan provided that such termination of the Plan is not treated as an "acceleration of benefits" as described in Section 409A(a)(3) of the Code and the Plan termination is identified as an exception to the non-acceleration rule" under Treasury Regulation Section 1.409A-3(j)(4)(ix). Upon a permitted partial or complete termination, the Board may cease all future Deferral Elections, all current Deferral Elections, and or, in its sole discretion, pay out Accounts over a period of up to five (5) years, provided such action is not treated as an "acceleration of benefits" as described in Section 409A(a)(3) of the Code and Treasury Regulation Section 1.409A-3(j)(4)(ix):.

ARTICLE 10 - MISCELLANEOUS

10.1 **Unsecured General Creditor.** Notwithstanding any other provision of this Plan, Participants and Participants' Beneficiary shall be unsecured general creditors, with no secured or preferential rights to any assets of Company or any other party for payment of benefits under this Plan. Any property held by Company for the purpose of generating the cash flow for benefit payments shall remain its general, unpledged and unrestricted assets. Company's obligation under the Plan shall be an unfunded and unsecured promise to pay money in the future.

10.2 **Trust Fund.** Company shall be responsible for the payment of all benefits provided under the Plan. At its discretion, Company may establish one (1) or more trust funds, with such trustees as the Board may approve, for the purpose of assisting in the payment of such benefits. The assets of any such trust shall be held for payment of all Company's general creditors in the event of insolvency. To the extent any benefits provided under the Plan are paid from any such trust, Company shall have no further obligation to pay them. If not paid from the trust, such benefits shall remain the obligation of Company.

10.3 **Nonassignability.** Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

10.4 **Not a Contract of Employment.** This Plan shall not constitute an employment contract or a contract for services of any kind between the Company and the Participant. Nothing in this Plan shall confer on the Participant the right to be retained by Company or otherwise be retained in the service of the Company or to interfere with the right of the Company to terminate its relationship with a Participant at any time.

10.5 **Protective Provisions.** A Participant will cooperate with Company by furnishing any and all information requested by Company, in order to facilitate the payment of benefits hereunder, and by taking such physical examinations as Company may deem necessary and taking such other action as may be requested by Company.

10.6 **Governing Law.** The provisions of this Plan shall be construed and interpreted according to the laws of the Commonwealth of Massachusetts, except to the extent as preempted by federal law.

10.7 **Validity.** If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

10.8 **Notice.** Any notice required or permitted under the Plan shall be sufficient if in writing and hand delivered or sent by registered or certified mail. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notice to the Committee shall be directed to the company's address. Mailed notice to a Participant or Beneficiary shall be directed to the individual's last known address in company's records.

10.9 **Successors.** The provisions of this Plan shall bind and inure to the benefit of Company and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of Company, and successors of any such corporation or other business entity

10.10 **Code Section 409A.** Notwithstanding anything herein to the contrary, in the event that the Company, upon the advice of its counsel, determines in its sole and absolute discretion that a delay in payment of a benefit hereunder or other modification is necessary to comply with Section 409A of the Code and the Treasury Regulations promulgated thereunder, then such delay in payment or other modification shall be made.

HOLOGIC, INC.

BY: /s/ Robert S. McMahon

ITS: Chief Financial Officer

DATED: September 17, 2015

**AMENDMENT NO. 1 TO THE HOLOGIC, INC.
AMENDED AND RESTATED DEFERRED COMPENSATION PROGRAM**
(As Amended and Restated Effective September 17, 2015)

WHEREAS, Hologic, Inc. (the “**Company**”) maintains the Hologic, Inc. Amended and Restated Deferred Compensation Program (as amended from time to time, the “**Plan**”) for the benefit of a select group of management or highly compensated employees of the Company;

WHEREAS, pursuant to Section 9.1 of the Plan, the Board of Directors of the Company (the “**Board**”) may amend the Plan at any time, provided that no amendment may reduce or otherwise adversely affect the amount accrued in any Account (as defined in the Plan) as of the date of the amendment;

WHEREAS, pursuant to Sections 1 and 3 of the Company's Retirement Plans Administrative Committee Charter (the “**Charter**”), (i) the Board has appointed the Retirement Plan Administrative Committee (the “**Committee**”) to oversee the administration of the Company’s qualified and non-qualified retirement plans, and (ii) the Committee may adopt amendments to such plans, provided such amendments do not materially increase the Company’s financial obligations with respect to such plans; and

WHEREAS, the Committee has determined that (i) it is in the best interests of the Company to amend the Plan in order to provide that the benefits payable upon a Participant’s (as defined in the Plan) death shall be paid as a lump sum payment, regardless of whether benefits under the Plan had commenced prior to the Participant's death, and (ii) such amendment does not adversely affect the amount accrued in any Account or materially increase the Company’s financial obligations with respect to the Plan.

NOW, THEREFORE, pursuant to its authority under the Plan and the Charter, the Committee hereby amends the Plan as follows, effective as of January 01, 2023:

1. Section 5.5 of the Plan is hereby amended and restated in its entirety to read as follows:

5.5 **Death Benefit.** Notwithstanding any Plan provision to the contrary, upon the death of a Participant (and regardless of whether benefits under this Plan from any Account have commenced prior to such Participant’s death), the Company shall pay to the Participant’s Beneficiary an amount equal to the Participant’s vested Account balance in the form of a lump sum payment as soon as practicable following the Participant’s date of death and the Company’s receipt of substantiation of such death, and in all events by December 31 of the year following the year of such Participant’s death.

2. In all other respects the Plan, as amended herein, is hereby ratified and confirmed.

IN WITNESS WHEREOF, this Amendment No. 1 to the Hologic, Inc. Amended and Restated Deferred Compensation Program is executed as of this 30th day of January, 2023, effective as of the date set forth above.

HOLOGIC, INC.

By: /s/ David Peterson
Title: VP, Total Rewards

Signature Page to Amendment No. 1 to the
Hologic, Inc. Amended and Restated Deferred Compensation Program

**SEVERANCE AND
CHANGE OF CONTROL AGREEMENT**

CHANGE OF CONTROL AGREEMENT by and between HOLOGIC, INC., a Delaware corporation (the "Company"), and Erik S. Anderson (the "Executive"), dated as of July 20, 2023.

WHEREAS, the Executive serves as a senior executive of the Company;

WHEREAS, the Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat, or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations;

WHEREAS, in recognition of the Executive's role, the Company and Executive desire to enter into this Severance and Change of Control Agreement, which is consistent with the change of control and severance protection provided to the Company's most senior officers (the "Agreement"); and

WHEREAS, this Agreement shall supersede and replace the Executive's existing Change of Control Agreement dated as of July 29, 2019, and existing Senior Vice President Severance Agreement dated as of July 29, 2019.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto, each intending to be legally bound, do hereby agree as follows:

1. Certain Definitions.

(a) The "Effective Date" shall be the first date during the "Change of Control Period" (as defined in Section 1(b)) on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if the Executive's employment with the Company is terminated or the Executive ceases to be an officer of the Company prior to the date on which a Change of Control occurs, and it is reasonably demonstrated that such termination of employment (1) was at the request of a third party who has taken steps reasonably calculated to effect the Change of Control or (2) otherwise arose in connection with or in anticipation of the Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment. If prior to the Effective Date, the Executive's employment with the Company terminates, then the Executive shall have no further rights under this Agreement, except with respect to benefits under Section 6(e), if applicable, or unless such termination of Employment was in anticipation of the Change of Control in which case the termination shall be deemed to have occurred after the consummation of the Change of Control.

(b) The "Change of Control Period" is the period commencing on the date hereof and ending on December 31, 2026; provided, that commencing on December 31, 2025 and each December 31 thereafter (each such date to be referred to as the "Renewal Date"), the term of this Agreement shall automatically be extended, without any further action by the Company or the Executive, so as to terminate three years from such Renewal Date; provided, however that if the

Company shall give notice in writing to the Executive at least thirty (30) days prior to a Renewal Date (the "Pending Renewal Date"), stating that the Change of Control Period shall not be extended, then the Change of Control Period shall expire two years from the Pending Renewal Date.

2. **Change of Control.** For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the Voting Stock of the Company; provided, however, that any acquisition by the Company or its subsidiaries, or any employee benefit plan (or related trust) of the Company or its subsidiaries of 30% or more of Voting Stock shall not constitute a Change in Control; and provided, further, that any acquisition by a corporation with respect to which, following such acquisition, more than 50% of the Voting Stock of such corporation, is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Voting Stock immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the Voting Stock, shall not constitute a Change in Control; or

(b) Any transaction which results in the Continuing Directors (as defined in the Certificate of Incorporation of the Company) constituting less than a majority of the Board of Directors of the Company (the "Board"); or

(c) The consummation of (i) a Merger with respect to which all or substantially all of the individuals and entities who were the beneficial owners of the Voting Stock immediately prior to such Merger do not, following such Merger, beneficially own, directly or indirectly, more than 50% of the Voting Stock of the corporation resulting from the Merger (the "Resulting Corporation") as a result of the individuals' and entities' shareholdings in the Company immediately prior to the consummation of the Merger, (ii) a complete liquidation or dissolution of the Company or (iii) the sale or other disposition of all or substantially all (as defined under Delaware General Corporation Law) of the assets of the Company excluding a sale or other disposition of assets to a subsidiary of the Company. For purposes of this Agreement "Merger" means a reorganization, merger or consolidation involving the Company, including without limitation as a parent of a direct or indirect subsidiary of the Company effecting such transaction

Anything in this Agreement to the contrary notwithstanding, if an event that would, but for this paragraph, constitute a Change of Control results from or arises out of a purchase or other acquisition of the Company, directly or indirectly, by a corporation or other entity in which the Executive has a greater than ten percent (10%) direct or indirect equity interest, such event shall not constitute a Change of Control.

3. **Employment Period.** Subject to the terms and conditions hereof, the Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company, for the period commencing on the Effective Date and ending on the last day of the thirty-sixth month following the month in which the Effective Date occurs (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 90-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote his full business time to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid monthly, having a value at least equal to twelve times the highest monthly base salary paid or payable to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed at least annually and shall be increased at any time and from time to time as shall be substantially consistent with increases in base salary awarded in the ordinary course of business to other peer executives of the Company and its affiliated companies. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" includes any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year during the Employment Period, an annual cash bonus (the "Annual Bonus"; which shall include, without limitation, any other annual cash bonus plan or program provided to Executive such as the Short Term Incentive Plan or any other similar plan, but shall not include any cash sign-on, relocation, retention or other special bonus or payments.) in cash at least equal to the greater of (a) the average (annualized for any fiscal year consisting of less than twelve full months or with respect to which the Executive has been employed by the Company for less than twelve full months) bonus (the "Average Annual Bonus") paid or that has been earned and accrued, but unpaid to the Executive by the Company and its affiliated companies in respect of the three fiscal years immediately preceding the fiscal year in which the Effective Date occurs,

(b) the Annual Bonus paid for the fiscal year immediately preceding the Effective Date, or (c) the target bonus associated with the Company achieving its 100 percent target payout level as determined in accordance with the terms of the Company's bonus plans for senior executives for the fiscal year immediately preceding the Effective Date (the "Target Bonus"; the greater of clauses (a), (b) or (c) to be referred to as the "Highest Annual Bonus"); for the avoidance of doubt, the determination of bonus under clause (c) above shall not be reduced for the application of the Compensation Committee's discretion to reduce such bonus or bonus funding, or increased to reflect additional amounts that may be paid or payable if the Company exceeds target. Each such Annual Bonus shall be paid no later than the 15th day of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to any nonqualified plan of the Company. Notwithstanding anything herein to the contrary, any portion of Annual Base Salary or Annual Bonus electively deferred by the Executive pursuant to a qualified or a non-qualified plan including, but not limited to, the Hologic, Inc. Deferred Compensation Plan or any successor thereto ("DCP") shall be included in determining the Annual Base Salary, Annual Bonus and the Average Annual Bonus. If the fiscal year of any successor to this Agreement, as described by Section 11(c) herein, is different than the Company's fiscal year at the time of the Change of Control, then the Executive shall be paid (i) the Annual Bonus that would have been paid upon the end of Company's fiscal year ending after the Change of Control, and (ii) a pro-rata Annual Bonus for any months of service performed following the end of the Company's fiscal year, but prior to the first day of the successor's fiscal year immediately following the Change of Control. The Annual Bonuses thereafter shall be based on the successor's first full fiscal year beginning after the Change of Control and successive fiscal years thereafter. "Pro Rata Bonus" shall mean an amount equal to the Bonus Amount (average of the Annual Bonuses paid or that has been earned and accrued, but unpaid during the three full fiscal years ended prior to the Date of Termination) multiplied by a fraction the numerator of which is the number of months worked in the fiscal year through the Date of Termination and the denominator of which is 12. Any partial months shall be rounded to the nearest whole number using normal mathematical convention.

(iii) Incentive, Savings and Retirement Plans. In addition to Annual Base Salary and Annual Bonus payable as hereinabove provided, the Executive shall be entitled to participate during the Employment Period in all incentive, savings and retirement plans, practices, policies and programs applicable to other peer executives of the Company and its affiliated companies, but in no event shall such plans practices, policies and programs provide the Executive with incentive, savings and retirement benefits opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the one-year immediately preceding the Effective Date, or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) and applicable to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect at any time during the one-year period immediately preceding the Effective Date,

or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive upon submission of appropriate accountings in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as provided at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation of at least five (5) weeks and in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer incentives of the Company and its affiliated companies.

5. **Termination of Employment**

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of "Disability" set forth below), it may give to the Executive written notice in accordance with Section 13(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" means the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for "Cause". For purposes of this Agreement, "Cause" means (i) an act or acts of personal dishonesty taken by the Executive and intended to result in substantial personal enrichment of the Executive at the expense of the Company, (ii) repeated violations by the

Executive of the Executive's obligations under Section 4(a) of this Agreement (other than as a result of incapacity due to physical or mental illness) which are demonstrably willful and deliberate on the Executive's part, which are committed in bad faith or without reasonable belief that such violations are in the best interests of the Company and which are not remedied in a reasonable period of time after receipt of written notice from the Company or (iii) the conviction of the Executive of a felony involving moral turpitude. The Company shall provide the Executive with 30 days written notice of any determination of Cause and provide the Executive, for a period of 30 days following such notice, with the opportunity to appear before the Board, with or without legal representation, to present arguments and evidence on his behalf and following such presentation to the Board, the Executive may only be terminated for Cause if the Board (excluding the Executive if he is a member of the Board), by unanimous consent reasonably determines in good faith that his actions did, in fact, constitute for Cause.

(c) Good Reason. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" means:

- (i) A material diminution in the Executive's base compensation;
- (ii) A material diminution in the Executive's authority, duties and responsibilities as in effect immediately prior to the Change of Control or, if applicable, the Date of Termination;
- (iii) A material diminution in the authority, duties and responsibilities of the supervisor to whom the Executive is required to report as in effect immediately prior to the Change of Control or, if applicable, the Date of Termination;
- (iv) A material change in the geographic location in which Executive's principal office was located immediately prior to the Change of Control or, if applicable, the Date of Termination;
- (v) A material diminution in the budget over which the Executive had authority immediately prior to the of the Change of Control or, if applicable, the Date of Termination;
- (vi) Any other action or inaction that constitutes a material breach by the Company of this Agreement or any other agreement under which the Executive provides services;

provided, however, that Good Reason shall not exist unless the Executive has given written notice to the Company within ninety (90) days of the initial existence of the Good Reason event or condition(s) giving specific details regarding the event or condition; and unless the Company has had at least thirty (30) days to cure such Good Reason event or condition after the delivery of such written notice and has failed to cure such event or condition within such thirty (30) day cure period.

(d) Notice of Termination. Any termination by the Company for Cause or by the Executive for Good Reason shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date

(which date shall be not more than fifteen days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company hereunder or preclude the Executive or the Company from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means the date of receipt of the Notice of Termination or any later date (taking into account any applicable notice and cure period) specified therein, as the case may be; provided however, that (i) if the Executive's employment is terminated by the Company other than for Cause, death or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (ii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination.

(a) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for (i) payment of the sum of the following amounts: (A) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (B) the product of (I) the Highest Annual Bonus and (II) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365, and (C) any accrued and unpaid Annual Bonus amounts, compensation or vacation pay, in each case, to the extent not yet paid by the Company (the amounts described in subparagraphs (A), (B) and (C) are hereafter referred to as "Accrued Obligations" and shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination), (ii) any other benefits or compensation payable under any employee benefit plan in accordance with the applicable plans' terms, including, without limitation, any non-qualified plan or DCP; (iii) for the remainder of the Employment Period, or such longer period as any plan, program, practice or policy may provide, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided in accordance with the applicable plans, programs, practices and policies described in Section 4(b)(v) and (vi) of this Agreement as if the Executive's employment had not been terminated in accordance with the most favorable plans, practices, programs or policies of the Company and its affiliated companies as in effect and applicable generally to other peer executives and their families during the one year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families (such continuation of such benefits for the applicable period herein set forth and such transfer of the Individual Policy shall be hereinafter referred to as "Welfare Benefit Continuation"; for purposes of determining eligibility of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until the end of the Employment Period and to have retired on the last day of such period), and (iv) payment to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination of an amount equal to the sum of the Executive's Annual Base Salary and the Highest Annual Bonus. Subject to the provisions of Section 9 hereof, but, otherwise, anything herein to the contrary notwithstanding, the Executive's family shall be entitled to receive benefits at least equal to the most favorable benefits provided by the Company and any of its affiliated companies to surviving families of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to family death benefits, if any, as in effect with respect to other peer executives and their families at any time during the one year period immediately preceding the Effective Date or, if more favorable to the Executive and/or the

Executive's family, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their families.

(b) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for (i) payment of the Accrued Obligations (which shall be paid in a lump sum in cash within 30 days of the Date of Termination), (ii) the timely payment and provision of the Welfare Benefit Continuation, and (iii) payment to the Executive in a lump sum in cash within 30 days of the Date of Termination of an amount equal to the sum of the Executive's Annual Base Salary and the Highest Annual Bonus. Subject to the provisions of Section 9 hereof, but, otherwise, anything herein to the contrary notwithstanding, the Executive shall be entitled after the Disability Effective Date to receive disability and other benefits at least equal to the most favorable of those provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect with respect to other peer executives and their families at any time during the one year period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families.

(c) Cause, Other than for Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive other than for Good Reason (and other than by reason of his death or disability) during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive Annual Base Salary through the Date of Termination. In such case, such amounts shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. The Executive shall, in such event, also be entitled to any benefits required by law that are not otherwise provided by this Agreement.

(d) Termination Following a Change of Control by the Company without Cause or by the Executive for Good Reason. If during the Employment Period the Executive is terminated by the Company without Cause or he resigns for Good Reason, then the Company shall pay the Executive the following:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination all Accrued Obligations; and

(ii) the Company shall pay to the Executive a lump sum amount in cash within 30 days after the Date of Termination equal to the (such amount shall be hereinafter referred to as the "Change of Control Payment") to the product of (X) two point ninety nine (2.99) multiplied by the sum of (i) (Y) the Annual Base Salary for the fiscal year immediately preceding the Date of Termination and (ii) Highest Annual Bonus; and

(iii) notwithstanding any other provisions to the contrary contained herein or in any option agreement, restricted stock agreement, performance stock unit or other equity compensation agreement, between the Company and the Executive, or any stock option, restricted stock or other equity compensation plans sponsored by the Company, unless such agreement or plan expressly references and supersedes this Agreement, then all such unvested equity awards which Executive holds as of the Effective Date shall be immediately and automatically exercisable and/or vested, and the Executive shall have the right to exercise any such equity awards (to the extent applicable) for the shorter of one year after the Date of Termination or the remaining term of the applicable equity award.

(e) Termination by the Company Without Cause or by Executive for Good Reason. If the Executive's employment with the Company shall be terminated by the Company without Cause or by the Executive for Good Reason (as defined in Section 5(c) without regard to whether a Change of Control has occurred) at any time prior to the Effective Date, then the Executive shall be entitled to each and all of the following:

(i) the Company shall pay the Executive all Accrued Obligations;

(ii) the Company shall continue to pay the Executive his Base Salary and an amount equal to the Average Annual Bonus divided by the number of payroll periods during the one year severance period for the period of one (1) year from the Date of Termination in accordance with its normal payroll practices and subject to applicable tax withholding; and

(iii) provide the Executive and his family with the Welfare Benefit Continuation for a period of one (1) year from the Date of Termination.

(f) Mitigation. The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to the Executive in any subsequent employment.

(g) Other Severance Benefits. The severance pay and benefits provided for in Section 6(e) shall be in lieu of any other severance or termination pay to which the Executive may be entitled under any Company severance or termination plan, program, practice or arrangement. The Executive's entitlement to any other compensation or benefits shall be determined in accordance with the Company's employee benefit plans and other applicable programs, policies and practices then in effect.

7. Non-exclusivity of Rights. Except as provided in Section 6, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plans, programs, policies or practices, provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any other agreements with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

8. Full Settlement.

(a) The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment.

(b) Prior to the occurrence of a Change of Control, the Company agrees to reimburse the Executive for all legal fees and expenses which the Executive may reasonably incur as a result of any contest by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof, if

the Executive prevails in such contest. Following a Change of Control, the Company agrees to pay promptly as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

(c) If there shall be any dispute between the Company and the Executive (i) in the event of any termination of the Executive's employment by the Company, whether such termination was for Cause, or (ii) in the event of any termination of employment by the Executive, whether Good Reason existed, then, unless and until there is a final, nonappealable judgment by a court of competent jurisdiction declaring that such termination was for Cause or that the determination by the Executive of the existence of Good Reason was not made in good faith, the Company shall pay all amounts, and provide all benefits, to the Executive and/or the Executive's family or other beneficiaries, as the case may be, that the Company would be required to pay or provide pursuant to Section 6(d) as though such termination were by the Company without Cause, or by the Executive with Good Reason; provided, however, that the Company shall not be required to pay any disputed amount pursuant to this paragraph except upon receipt of an undertaking by or on behalf of the Executive to repay all such amounts to which the Executive is ultimately adjudged by such court not to be entitled.

9. **280G Protection.**

(a) In the event that the Executive shall become entitled to payment and/or benefits provided by this Agreement or any other amounts in the "nature of compensation" (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a change of ownership or effective control covered by Section 280G(b)(2) of the Internal Revenue Code (the "Code") or any person affiliated with the Company or such person) as a result of such change in ownership or effective control (collectively the "Company Payments"), and such Company Payments will be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code (and any similar tax that may hereafter be imposed by any taxing authority) the Company shall pay to the Executive the greater of the following, whichever gives the Executive the highest net after-tax amount (after taking into account federal, state, local and social security taxes at the maximum marginal rates) (x) the Company Payments or (y) one dollar less than the amount of the Company Payments that would subject the Executive to the Excise Tax. In the event that the Company Payments are required to be reduced pursuant to the foregoing sentence, then the Company Payments shall be reduced as mutually agreed between the Company and the Executive or, in the event the parties cannot agree, in the following order (1) any lump sum severance based on Base Salary or Annual Bonus, (2) any other cash amounts payable to the Executive, (3) any benefits valued as parachute payments; and (4) acceleration of vesting of any equity.

(b) For purposes of determining whether any of the Company Payments will be subject to the Excise Tax and the amount of such Excise Tax, (x) the Company Payments shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "parachute payments" in excess of the "base amount" (as defined under Code Section 280G(b)(3) of the Code) shall be treated as subject to the Excise Tax, unless and except to the extent that, in the opinion of the Company's independent certified public accountants appointed prior to any change in ownership (as defined under Section 280G(b)(2) of the Code) or tax counsel selected by such accountants or the Company (the "Accountants") such Company Payments (in whole or in part) either expressly do not constitute "parachute payments," represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the "base amount" or are otherwise not subject to the Excise Tax, and (y) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Accountants. All determinations hereunder shall be made by the Accountants

which shall provide detailed supporting calculations both to the Company and the Executive at such time as it is requested by the Company or the Executive. If the Accountants determine that payments under this Agreement must be reduced pursuant to this paragraph, they shall furnish the Executive with a written opinion to such effect. The determination of the Accountants shall be final and binding upon the Company and the Executive.

(c) In the event of any controversy with the Internal Revenue Service (or other taxing authority) with regard to the Excise Tax, the Executive shall permit the Company to control issues related to the Excise Tax (at its expense), provided that such issues do not potentially materially adversely affect the Executive, but the Executive shall control any other issues. In the event the issues are interrelated, the Executive and the Company shall in good faith cooperate so as not to jeopardize resolution of either issue, but if the parties cannot agree the Executive shall make the final determination with regard to the issues. In the event of any conference with any taxing authority regarding the Excise Tax or associated income taxes, the Executive shall permit the representative of the Company to accompany the Executive, and the Executive and the Executive's representative shall cooperate with the Company and its representative.

10. **Confidential Information**. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. **Successors**.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. The Company shall provide written evidence to the Executive to document compliance with the foregoing sentence within ten (10) business days of the Effective Date. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise. In addition, the Executive shall be entitled, upon exercise of any outstanding stock options or stock appreciation rights of the Company, to receive in lieu of shares of the Company's stock, shares of such stock or other securities of such successor as the holders of shares of the Company's stock received pursuant to the terms of the merger, consolidation or sale.

12. **Compliance With Section 409A of the Internal Revenue Code.** To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Code (hereinafter referred to as “Section 409A”). This Agreement shall be administered in a manner consistent with its intent, and any provision that would cause the Agreement to fail to satisfy Section 409A shall have no force and effect until amended to comply with Section 409A. Notwithstanding any provision of this Agreement to the contrary, in the event any payment or benefit hereunder is determined to constitute non-qualified deferred compensation subject to Section 409A, then to the extent necessary to comply with Section 409A, such payment or benefits shall not be made, provided or commenced until six (6) months after the Executive’s “separation from service” as such phrase is defined for the purposes of Section 409A.

13. **Release.** The Executive agrees that, with the exception of the Accrued Obligations due to him in accordance with the terms hereunder, that the payment of any severance under this Agreement to the Executive by the Company, is subject to and conditioned on Executive executing a general release of the Company in a form and scope determined by the Company in its sole discretion (the “Release Agreement”), without Executive revoking such Release Agreement within fifty-two (52) days of the Date of Termination (the “Consideration Period”) and provided that (a) if the Date of Termination occurs in one calendar year and the Consideration Period (including the payment date) expires during the following calendar year, then notwithstanding anything herein to the contrary, the payments of severance under Section 6(e) will be paid by the Company to the Executive in the second calendar year; (b) the Executive continues to comply with the provisions of the Non-Competition Agreement; and (c) prior to the expiration of the Consideration Period (i) Executive provides satisfactory evidence to the Company that he has returned all Company property, confidential information and documentation to the Company, and (ii) provides the Company with a signed written resignation of Executive’s status as an officer of the Company or any of its affiliates, if applicable.

14. **Miscellaneous.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Erik A. Anderson
(at the address on record with the company)

If to the Company:

Hologic, Inc.
250 Campus Drive
Marlborough, Massachusetts 02038
Attention: Chief Executive Officer

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision hereof shall not be deemed to be a waiver of such provision or any other provision thereof.

(f) This Agreement contains the entire understanding of the Company and the Executive with respect to the rights and other benefits that the Executive shall be entitled during the Employment Period, and in connection therewith shall supersede all prior oral and written communications with the Executive with respect thereto; provided, however, that the Offer Letter, and Employee Intellectual Property Rights and Non-Competition Agreement, option or other equity agreements or other employment agreement by and between the Company and Executive shall remain in full force and effect and if the Company's separation policy would provide greater benefits to the Executive than this Agreement, then the Executive may elect to receive benefits under the Company's separation policy in lieu of the benefits provided hereunder. Nothing herein shall affect the application of the Company's separation policy in lieu of the benefits provided hereunder. Nothing herein shall affect the application of the Company's separation policy prior to the Effective Date.

(g) The Executive and the Company acknowledge that, except as may otherwise be provided under this Agreement or any other written agreement between the Executive and the Company, prior to the Effective Date, the employment of the Executive by the Company is "at will" and may be terminated by either the Executive or the Company at any time. Notwithstanding anything contained herein, if during or prior to the Employment Period, the Executive shall terminate employment with the Company other than for Good Reason, then the Executive shall have no liability to the Company.

[Signature page follows]

IN WITNESS WHEREOF, the Executive has hereunto set his hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

HOLOGIC, INC.

By: /s/ Elisabeth A. Hellmann

Name: Elisabeth A. Hellmann

Title: Senior Vice President, Global Human Resources and Corporate Communications

EXECUTIVE

/s/ Erik S. Anderson

Erik S. Anderson

**SEVERANCE AND
CHANGE OF CONTROL AGREEMENT**

CHANGE OF CONTROL AGREEMENT by and between HOLOGIC, INC., a Delaware corporation (the "Company"), and Essex D. Mitchell (the "Executive"), dated as of July 20, 2023.

WHEREAS, the Executive serves as a senior executive of the Company;

WHEREAS, the Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat, or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations;

WHEREAS, in recognition of the Executive's role, the Company and Executive desire to enter into this Severance and Change of Control Agreement, which is consistent with the change of control and severance protection provided to the Company's most senior officers (the "Agreement"); and

WHEREAS, this Agreement shall supersede and replace the Executive's existing Change of Control Agreement dated as of August 31, 2020, and existing Vice President Severance Agreement dated as of August 31, 2020.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto, each intending to be legally bound, do hereby agree as follows:

1. Certain Definitions.

(a) The "Effective Date" shall be the first date during the "Change of Control Period" (as defined in Section 1(b)) on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if the Executive's employment with the Company is terminated or the Executive ceases to be an officer of the Company prior to the date on which a Change of Control occurs, and it is reasonably demonstrated that such termination of employment (1) was at the request of a third party who has taken steps reasonably calculated to effect the Change of Control or (2) otherwise arose in connection with or in anticipation of the Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment. If prior to the Effective Date, the Executive's employment with the Company terminates, then the Executive shall have no further rights under this Agreement, except with respect to benefits under Section 6(e), if applicable, or unless such termination of Employment was in anticipation of the Change of Control in which case the termination shall be deemed to have occurred after the consummation of the Change of Control.

(b) The "Change of Control Period" is the period commencing on the date hereof and ending on December 31, 2026; provided, that commencing on December 31, 2025 and each December 31 thereafter (each such date to be referred to as the "Renewal Date"), the term of this Agreement shall automatically be extended, without any further action by the Company or the Executive, so as to terminate three years from such Renewal Date; provided, however that if the Company shall give notice in writing to the Executive at least thirty (30) days prior to a Renewal Date (the "Pending Renewal Date"), stating that the Change of Control Period shall not be extended, then the Change of Control Period shall expire two years from the Pending Renewal Date.

2. **Change of Control.** For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the Voting Stock of the Company; provided, however, that any acquisition by the Company or its subsidiaries, or any employee benefit plan (or related trust) of the Company or its subsidiaries of 30% or more of Voting Stock shall not constitute a Change in Control; and provided, further, that any acquisition by a corporation with respect to which, following such acquisition, more than 50% of the Voting Stock of such corporation, is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Voting Stock immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the Voting Stock, shall not constitute a Change in Control; or

(b) Any transaction which results in the Continuing Directors (as defined in the Certificate of Incorporation of the Company) constituting less than a majority of the Board of Directors of the Company (the "Board"); or

(c) The consummation of (i) a Merger with respect to which all or substantially all of the individuals and entities who were the beneficial owners of the Voting Stock immediately prior to such Merger do not, following such Merger, beneficially own, directly or indirectly, more than 50% of the Voting Stock of the corporation resulting from the Merger (the "Resulting Corporation") as a result of the individuals' and entities' shareholdings in the Company immediately prior to the consummation of the Merger, (ii) a complete liquidation or dissolution of the Company or (iii) the sale or other disposition of all or substantially all (as defined under Delaware General Corporation Law) of the assets of the Company excluding a sale or other disposition of assets to a subsidiary of the Company. For purposes of this Agreement "Merger" means a reorganization, merger or consolidation involving the Company, including without limitation as a parent of a direct or indirect subsidiary of the Company effecting such transaction

Anything in this Agreement to the contrary notwithstanding, if an event that would, but for this paragraph, constitute a Change of Control results from or arises out of a purchase or other acquisition of the Company, directly or indirectly, by a corporation or other entity in which the Executive has a greater than ten percent (10%) direct or indirect equity interest, such event shall not constitute a Change of Control.

3. **Employment Period.** Subject to the terms and conditions hereof, the Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company, for the period commencing on the Effective Date and ending on the last day of the thirty-sixth month following the month in which the Effective Date occurs (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 90-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote his full business time to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid monthly, having a value at least equal to twelve times the highest monthly base salary paid or payable to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed at least annually and shall be increased at any time and from time to time as shall be substantially consistent with increases in base salary awarded in the ordinary course of business to other peer executives of the Company and its affiliated companies. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" includes any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year during the Employment Period, an annual cash bonus (the "Annual Bonus"; which shall include, without limitation, any other annual cash bonus plan or program provided to Executive such as the Short Term Incentive Plan or any other similar plan, but shall not include any cash sign-on, relocation, retention or other special bonus or payments.) in cash at least equal to the greater of (a) the average (annualized for any fiscal year consisting of less than twelve full months or with respect to which the Executive has been employed by the Company for less than twelve full months) bonus (the "Average Annual Bonus") paid or that has been earned and accrued, but unpaid to the Executive by the Company and its affiliated companies in respect of the three fiscal years immediately preceding the fiscal year in which the Effective Date occurs,

(b) the Annual Bonus paid for the fiscal year immediately preceding the Effective Date, or (c) the target bonus associated with the Company achieving its 100 percent target payout level as determined in accordance with the terms of the Company's bonus plans for senior executives for the fiscal year immediately preceding the Effective Date (the "Target Bonus"; the greater of clauses (a), (b) or (c) to be referred to as the "Highest Annual Bonus"); for the avoidance of doubt, the determination of bonus under clause (c) above shall not be reduced for the application of the Compensation Committee's discretion to reduce such bonus or bonus funding, or increased to reflect additional amounts that may be paid or payable if the Company exceeds target. Each such Annual Bonus shall be paid no later than the 15th day of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to any nonqualified plan of the Company. Notwithstanding anything herein to the contrary, any portion of Annual Base Salary or Annual Bonus electively deferred by the Executive pursuant to a qualified or a non-qualified plan including, but not limited to, the Hologic, Inc. Deferred Compensation Plan or any successor thereto ("DCP") shall be included in determining the Annual Base Salary, Annual Bonus and the Average Annual Bonus. If the fiscal year of any successor to this Agreement, as described by Section 11(c) herein, is different than the Company's fiscal year at the time of the Change of Control, then the Executive shall be paid (i) the Annual Bonus that would have been paid upon the end of Company's fiscal year ending after the Change of Control, and (ii) a pro-rata Annual Bonus for any months of service performed following the end of the Company's fiscal year, but prior to the first day of the successor's fiscal year immediately following the Change of Control. The Annual Bonuses thereafter shall be based on the successor's first full fiscal year beginning after the Change of Control and successive fiscal years thereafter. "Pro Rata Bonus" shall mean an amount equal to the Bonus Amount (average of the Annual Bonuses paid or that has been earned and accrued, but unpaid during the three full fiscal years ended prior to the Date of Termination) multiplied by a fraction the numerator of which is the number of months worked in the fiscal year through the Date of Termination and the denominator of which is 12. Any partial months shall be rounded to the nearest whole number using normal mathematical convention.

(iii) Incentive, Savings and Retirement Plans. In addition to Annual Base Salary and Annual Bonus payable as hereinabove provided, the Executive shall be entitled to participate during the Employment Period in all incentive, savings and retirement plans, practices, policies and programs applicable to other peer executives of the Company and its affiliated companies, but in no event shall such plans practices, policies and programs provide the Executive with incentive, savings and retirement benefits opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the one-year immediately preceding the Effective Date, or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) and applicable to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect at any time during the one-year period immediately preceding the Effective Date,

or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive upon submission of appropriate accountings in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as provided at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation of at least five (5) weeks and in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer incentives of the Company and its affiliated companies.

5. **Termination of Employment**

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of "Disability" set forth below), it may give to the Executive written notice in accordance with Section 13(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" means the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for "Cause". For purposes of this Agreement, "Cause" means (i) an act or acts of personal dishonesty taken by the Executive and intended to result in substantial personal enrichment of the Executive at the expense of the Company, (ii) repeated violations by the

Executive of the Executive's obligations under Section 4(a) of this Agreement (other than as a result of incapacity due to physical or mental illness) which are demonstrably willful and deliberate on the Executive's part, which are committed in bad faith or without reasonable belief that such violations are in the best interests of the Company and which are not remedied in a reasonable period of time after receipt of written notice from the Company or (iii) the conviction of the Executive of a felony involving moral turpitude. The Company shall provide the Executive with 30 days written notice of any determination of Cause and provide the Executive, for a period of 30 days following such notice, with the opportunity to appear before the Board, with or without legal representation, to present arguments and evidence on his behalf and following such presentation to the Board, the Executive may only be terminated for Cause if the Board (excluding the Executive if he is a member of the Board), by unanimous consent reasonably determines in good faith that his actions did, in fact, constitute for Cause.

(c) Good Reason. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" means:

- (i) A material diminution in the Executive's base compensation;
- (ii) A material diminution in the Executive's authority, duties and responsibilities as in effect immediately prior to the Change of Control or, if applicable, the Date of Termination;
- (iii) A material diminution in the authority, duties and responsibilities of the supervisor to whom the Executive is required to report as in effect immediately prior to the Change of Control or, if applicable, the Date of Termination;
- (iv) A material change in the geographic location in which Executive's principal office was located immediately prior to the Change of Control or, if applicable, the Date of Termination;
- (v) A material diminution in the budget over which the Executive had authority immediately prior to the of the Change of Control or, if applicable, the Date of Termination;
- (vi) Any other action or inaction that constitutes a material breach by the Company of this Agreement or any other agreement under which the Executive provides services;

provided, however, that Good Reason shall not exist unless the Executive has given written notice to the Company within ninety (90) days of the initial existence of the Good Reason event or condition(s) giving specific details regarding the event or condition; and unless the Company has had at least thirty (30) days to cure such Good Reason event or condition after the delivery of such written notice and has failed to cure such event or condition within such thirty (30) day cure period.

(d) Notice of Termination. Any termination by the Company for Cause or by the Executive for Good Reason shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date

(which date shall be not more than fifteen days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company hereunder or preclude the Executive or the Company from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means the date of receipt of the Notice of Termination or any later date (taking into account any applicable notice and cure period) specified therein, as the case may be; provided however, that (i) if the Executive's employment is terminated by the Company other than for Cause, death or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (ii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination.

(a) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for (i) payment of the sum of the following amounts: (A) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (B) the product of (I) the Highest Annual Bonus and (II) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365, and (C) any accrued and unpaid Annual Bonus amounts, compensation or vacation pay, in each case, to the extent not yet paid by the Company (the amounts described in subparagraphs (A), (B) and (C) are hereafter referred to as "Accrued Obligations" and shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination), (ii) any other benefits or compensation payable under any employee benefit plan in accordance with the applicable plans' terms, including, without limitation, any non-qualified plan or DCP; (iii) for the remainder of the Employment Period, or such longer period as any plan, program, practice or policy may provide, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided in accordance with the applicable plans, programs, practices and policies described in Section 4(b)(v) and (vi) of this Agreement as if the Executive's employment had not been terminated in accordance with the most favorable plans, practices, programs or policies of the Company and its affiliated companies as in effect and applicable generally to other peer executives and their families during the one year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families (such continuation of such benefits for the applicable period herein set forth and such transfer of the Individual Policy shall be hereinafter referred to as "Welfare Benefit Continuation"; for purposes of determining eligibility of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until the end of the Employment Period and to have retired on the last day of such period), and (iv) payment to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination of an amount equal to the sum of the Executive's Annual Base Salary and the Highest Annual Bonus. Subject to the provisions of Section 9 hereof, but, otherwise, anything herein to the contrary notwithstanding, the Executive's family shall be entitled to receive benefits at least equal to the most favorable benefits provided by the Company and any of its affiliated companies to surviving families of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to family death benefits, if any, as in effect with respect to other peer executives and their families at any time during the one year period immediately preceding the Effective Date or, if more favorable to the Executive and/or the

Executive's family, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their families.

(b) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for (i) payment of the Accrued Obligations (which shall be paid in a lump sum in cash within 30 days of the Date of Termination), (ii) the timely payment and provision of the Welfare Benefit Continuation, and (iii) payment to the Executive in a lump sum in cash within 30 days of the Date of Termination of an amount equal to the sum of the Executive's Annual Base Salary and the Highest Annual Bonus. Subject to the provisions of Section 9 hereof, but, otherwise, anything herein to the contrary notwithstanding, the Executive shall be entitled after the Disability Effective Date to receive disability and other benefits at least equal to the most favorable of those provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect with respect to other peer executives and their families at any time during the one year period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families.

(c) Cause, Other than for Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive other than for Good Reason (and other than by reason of his death or disability) during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive Annual Base Salary through the Date of Termination. In such case, such amounts shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. The Executive shall, in such event, also be entitled to any benefits required by law that are not otherwise provided by this Agreement.

(d) Termination Following a Change of Control by the Company without Cause or by the Executive for Good Reason. If during the Employment Period the Executive is terminated by the Company without Cause or he resigns for Good Reason, then the Company shall pay the Executive the following:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination all Accrued Obligations; and

(ii) the Company shall pay to the Executive a lump sum amount in cash within 30 days after the Date of Termination equal to the (such amount shall be hereinafter referred to as the "Change of Control Payment") to the product of (X) two point ninety nine (2.99) multiplied by the sum of (i) (Y) the Annual Base Salary for the fiscal year immediately preceding the Date of Termination and (ii) Highest Annual Bonus; and

(iii) notwithstanding any other provisions to the contrary contained herein or in any option agreement, restricted stock agreement, performance stock unit or other equity compensation agreement, between the Company and the Executive, or any stock option, restricted stock or other equity compensation plans sponsored by the Company, unless such agreement or plan expressly references and supersedes this Agreement, then all such unvested equity awards which Executive holds as of the Effective Date shall be immediately and automatically exercisable and/or vested, and the Executive shall have the right to exercise any such equity awards (to the extent applicable) for the shorter of one year after the Date of Termination or the remaining term of the applicable equity award.

(e) Termination by the Company Without Cause or by Executive for Good Reason. If the Executive's employment with the Company shall be terminated by the Company without Cause or by the Executive for Good Reason (as defined in Section 5(c) without regard to whether a Change of Control has occurred) at any time prior to the Effective Date, then the Executive shall be entitled to each and all of the following:

(i) the Company shall pay the Executive all Accrued Obligations;

(ii) the Company shall continue to pay the Executive his Base Salary and an amount equal to the Average Annual Bonus divided by the number of payroll periods during the one year severance period for the period of one (1) year from the Date of Termination in accordance with its normal payroll practices and subject to applicable tax withholding; and

(iii) provide the Executive and his family with the Welfare Benefit Continuation for a period of one (1) year from the Date of Termination.

(f) Mitigation. The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to the Executive in any subsequent employment.

(g) Other Severance Benefits. The severance pay and benefits provided for in Section 6(e) shall be in lieu of any other severance or termination pay to which the Executive may be entitled under any Company severance or termination plan, program, practice or arrangement. The Executive's entitlement to any other compensation or benefits shall be determined in accordance with the Company's employee benefit plans and other applicable programs, policies and practices then in effect.

7. Non-exclusivity of Rights. Except as provided in Section 6, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plans, programs, policies or practices, provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any other agreements with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

8. Full Settlement.

(a) The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment.

(b) Prior to the occurrence of a Change of Control, the Company agrees to reimburse the Executive for all legal fees and expenses which the Executive may reasonably incur as a result of any contest by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof, if the Executive prevails in such contest. Following a Change of Control, the Company agrees to pay promptly as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

(c) If there shall be any dispute between the Company and the Executive (i) in the event of any termination of the Executive's employment by the Company, whether such termination was for Cause, or (ii) in the event of any termination of employment by the Executive, whether Good Reason existed, then, unless and until there is a final, nonappealable judgment by a court of competent jurisdiction declaring that such termination was for Cause or that the determination by the Executive of the existence of Good Reason was not made in good faith, the Company shall pay all amounts, and provide all benefits, to the Executive and/or the Executive's family or other beneficiaries, as the case may be, that the Company would be required to pay or provide pursuant to Section 6(d) as though such termination were by the Company without Cause, or by the Executive with Good Reason; provided, however, that the Company shall not be required to pay any disputed amount pursuant to this paragraph except upon receipt of an undertaking by or on behalf of the Executive to repay all such amounts to which the Executive is ultimately adjudged by such court not to be entitled.

9. 280G Protection.

(a) In the event that the Executive shall become entitled to payment and/or benefits provided by this Agreement or any other amounts in the "nature of compensation" (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a change of ownership or effective control covered by Section 280G(b)(2) of the Internal Revenue Code (the "Code") or any person affiliated with the Company or such person) as a result of such change in ownership or effective control (collectively the "Company Payments"), and such Company Payments will be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code (and any similar tax that may hereafter be imposed by any taxing authority) the Company shall pay to the Executive the greater of the following, whichever gives the Executive the highest net after-tax amount (after taking into account federal, state, local and social security taxes at the maximum marginal rates) (x) the Company Payments or (y) one dollar less than the amount of the Company Payments that would subject the Executive to the Excise Tax. In the event that the Company Payments are required to be reduced pursuant to the foregoing sentence, then the Company Payments shall be reduced as mutually agreed between the Company and the Executive or, in the event the parties cannot agree, in the following order (1) any lump sum severance based on Base Salary or Annual Bonus, (2) any other cash amounts payable to the Executive, (3) any benefits valued as parachute payments; and (4) acceleration of vesting of any equity.

(b) For purposes of determining whether any of the Company Payments will be subject to the Excise Tax and the amount of such Excise Tax, (x) the Company Payments shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "parachute payments" in excess of the "base amount" (as defined under Code Section 280G(b)(3) of the Code) shall be treated as subject to the Excise Tax, unless and except to the extent that, in the opinion of the Company's independent certified public accountants appointed prior to any change in ownership (as defined under Section 280G(b)(2) of the Code) or tax counsel selected by such accountants or the Company (the "Accountants") such Company Payments (in whole or in part) either expressly do not constitute "parachute payments," represent

reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the "base amount" or are otherwise not subject to the Excise Tax, and (y) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Accountants. All determinations hereunder shall be made by the Accountants which shall provide detailed supporting calculations both to the Company and the Executive at such time as it is requested by the Company or the Executive. If the Accountants determine that payments under this Agreement must be reduced pursuant to this paragraph, they shall furnish the Executive with a written opinion to such effect. The determination of the Accountants shall be final and binding upon the Company and the Executive.

(c) In the event of any controversy with the Internal Revenue Service (or other taxing authority) with regard to the Excise Tax, the Executive shall permit the Company to control issues related to the Excise Tax (at its expense), provided that such issues do not potentially materially adversely affect the Executive, but the Executive shall control any other issues. In the event the issues are interrelated, the Executive and the Company shall in good faith cooperate so as not to jeopardize resolution of either issue, but if the parties cannot agree the Executive shall make the final determination with regard to the issues. In the event of any conference with any taxing authority regarding the Excise Tax or associated income taxes, the Executive shall permit the representative of the Company to accompany the Executive, and the Executive and the Executive's representative shall cooperate with the Company and its representative.

10. **Confidential Information.** The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. **Successors.**

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. The Company shall provide written evidence to the Executive to document compliance with the foregoing sentence within ten (10) business days of the Effective Date. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise. In addition, the Executive shall be entitled, upon exercise of any outstanding stock options or stock appreciation rights of the Company, to receive

in lieu of shares of the Company's stock, shares of such stock or other securities of such successor as the holders of shares of the Company's stock received pursuant to the terms of the merger, consolidation or sale.

12. **Compliance With Section 409A of the Internal Revenue Code.** To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Code (hereinafter referred to as "Section 409A"). This Agreement shall be administered in a manner consistent with its intent, and any provision that would cause the Agreement to fail to satisfy Section 409A shall have no force and effect until amended to comply with Section 409A. Notwithstanding any provision of this Agreement to the contrary, in the event any payment or benefit hereunder is determined to constitute non-qualified deferred compensation subject to Section 409A, then to the extent necessary to comply with Section 409A, such payment or benefits shall not be made, provided or commenced until six (6) months after the Executive's "separation from service" as such phrase is defined for the purposes of Section 409A.

13. **Release.** The Executive agrees that, with the exception of the Accrued Obligations due to him in accordance with the terms hereunder, that the payment of any severance under this Agreement to the Executive by the Company, is subject to and conditioned on Executive executing a general release of the Company in a form and scope determined by the Company in its sole discretion (the "Release Agreement"), without Executive revoking such Release Agreement within fifty-two (52) days of the Date of Termination (the "Consideration Period") and provided that (a) if the Date of Termination occurs in one calendar year and the Consideration Period (including the payment date) expires during the following calendar year, then notwithstanding anything herein to the contrary, the payments of severance under Section 6(e) will be paid by the Company to the Executive in the second calendar year; (b) the Executive continues to comply with the provisions of the Non-Competition Agreement; and (c) prior to the expiration of the Consideration Period (i) Executive provides satisfactory evidence to the Company that he has returned all Company property, confidential information and documentation to the Company, and (ii) provides the Company with a signed written resignation of Executive's status as an officer of the Company or any of its affiliates, if applicable.

14. **Miscellaneous.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Essex D. Mitchell
(at the address on record with the company)

If to the Company:

Hologic, Inc.
250 Campus Drive
Marlborough, Massachusetts 02038

Attention: Chief Executive Officer

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision hereof shall not be deemed to be a waiver of such provision or any other provision thereof.

(f) This Agreement contains the entire understanding of the Company and the Executive with respect to the rights and other benefits that the Executive shall be entitled during the Employment Period, and in connection therewith shall supersede all prior oral and written communications with the Executive with respect thereto; provided, however, that the Offer Letter, and Employee Intellectual Property Rights and Non-Competition Agreement, option or other equity agreements or other employment agreement by and between the Company and Executive shall remain in full force and effect and if the Company's separation policy would provide greater benefits to the Executive than this Agreement, then the Executive may elect to receive benefits under the Company's separation policy in lieu of the benefits provided hereunder. Nothing herein shall affect the application of the Company's separation policy in lieu of the benefits provided hereunder. Nothing herein shall affect the application of the Company's separation policy prior to the Effective Date.

(g) The Executive and the Company acknowledge that, except as may otherwise be provided under this Agreement or any other written agreement between the Executive and the Company, prior to the Effective Date, the employment of the Executive by the Company is "at will" and may be terminated by either the Executive or the Company at any time. Notwithstanding anything contained herein, if during or prior to the Employment Period, the Executive shall terminate employment with the Company other than for Good Reason, then the Executive shall have no liability to the Company.

[Signature page follows]

IN WITNESS WHEREOF, the Executive has hereunto set his hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

HOLOGIC, INC.

By: /s/ Elisabeth A. Hellmann

Name: Elisabeth A. Hellmann

Title: Senior Vice President, Global Human Resources and Corporate Communications

EXECUTIVE

/s/ Essex D. Mitchell

Essex D. Mitchell

**SEVERANCE AND
CHANGE OF CONTROL AGREEMENT**

CHANGE OF CONTROL AGREEMENT by and between HOLOGIC, INC., a Delaware corporation (the "Company"), and Jennifer Schneiders (the "Executive"), dated as of July 20, 2023.

WHEREAS, the Executive serves as a senior executive of the Company;

WHEREAS, the Board of Directors of the Company (the "Board"), has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat, or occurrence of a Change of Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other corporations;

WHEREAS, in recognition of the Executive's role, the Company and Executive desire to enter into this Severance and Change of Control Agreement, which is consistent with the change of control and severance protection provided to the Company's most senior officers (the "Agreement"); and

WHEREAS, this Agreement shall supersede and replace the Executive's existing Change in Control Severance Plan for Vice Presidents, and Severance Plan for Vice Presidents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto, each intending to be legally bound, do hereby agree as follows:

1. Certain Definitions.

(a) The "Effective Date" shall be the first date during the "Change of Control Period" (as defined in Section 1(b)) on which a Change of Control occurs. Anything in this Agreement to the contrary notwithstanding, if the Executive's employment with the Company is terminated or the Executive ceases to be an officer of the Company prior to the date on which a Change of Control occurs, and it is reasonably demonstrated that such termination of employment (1) was at the request of a third party who has taken steps reasonably calculated to effect the Change of Control or (2) otherwise arose in connection with or in anticipation of the Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment. If prior to the Effective Date, the Executive's employment with the Company terminates, then the Executive shall have no further rights under this Agreement, except with respect to benefits under Section 6(e), if applicable, or unless such termination of Employment was in anticipation of the Change of Control in which case the termination shall be deemed to have occurred after the consummation of the Change of Control.

(b) The "Change of Control Period" is the period commencing on the date hereof and ending on December 31, 2026; provided, that commencing on December 31, 2025 and each December 31 thereafter (each such date to be referred to as the "Renewal Date"), the term of this Agreement shall automatically be extended, without any further action by the Company or the Executive, so as to terminate three years from such Renewal Date; provided, however that if the Company shall give notice in writing to the Executive at least thirty (30) days prior to a Renewal Date (the "Pending Renewal Date"), stating that the Change of Control Period shall not be extended, then the Change of Control Period shall expire two years from the Pending Renewal Date.

2. **Change of Control.** For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the Voting Stock of the Company; provided, however, that any acquisition by the Company or its subsidiaries, or any employee benefit plan (or related trust) of the Company or its subsidiaries of 30% or more of Voting Stock shall not constitute a Change in Control; and provided, further, that any acquisition by a corporation with respect to which, following such acquisition, more than 50% of the Voting Stock of such corporation, is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Voting Stock immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the Voting Stock, shall not constitute a Change in Control; or

(b) Any transaction which results in the Continuing Directors (as defined in the Certificate of Incorporation of the Company) constituting less than a majority of the Board of Directors of the Company (the "Board"); or

(c) The consummation of (i) a Merger with respect to which all or substantially all of the individuals and entities who were the beneficial owners of the Voting Stock immediately prior to such Merger do not, following such Merger, beneficially own, directly or indirectly, more than 50% of the Voting Stock of the corporation resulting from the Merger (the "Resulting Corporation") as a result of the individuals' and entities' shareholdings in the Company immediately prior to the consummation of the Merger, (ii) a complete liquidation or dissolution of the Company or (iii) the sale or other disposition of all or substantially all (as defined under Delaware General Corporation Law) of the assets of the Company excluding a sale or other disposition of assets to a subsidiary of the Company. For purposes of this Agreement "Merger" means a reorganization, merger or consolidation involving the Company, including without limitation as a parent of a direct or indirect subsidiary of the Company effecting such transaction

Anything in this Agreement to the contrary notwithstanding, if an event that would, but for this paragraph, constitute a Change of Control results from or arises out of a purchase or other acquisition of the Company, directly or indirectly, by a corporation or other entity in which the Executive has a greater than ten percent (10%) direct or indirect equity interest, such event shall not constitute a Change of Control.

3. **Employment Period.** Subject to the terms and conditions hereof, the Company hereby agrees to continue the Executive in its employ, and the Executive hereby agrees to remain in the employ of the Company, for the period commencing on the Effective Date and ending on the last day of the thirty-sixth month following the month in which the Effective Date occurs (the "Employment Period").

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 90-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote her full business time to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date.

(b) Compensation.

(i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary ("Annual Base Salary"), which shall be paid monthly, having a value at least equal to twelve times the highest monthly base salary paid or payable to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed at least annually and shall be increased at any time and from time to time as shall be substantially consistent with increases in base salary awarded in the ordinary course of business to other peer executives of the Company and its affiliated companies. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" includes any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, the Executive shall be awarded, for each fiscal year during the Employment Period, an annual cash bonus (the "Annual Bonus"; which shall include, without limitation, any other annual cash bonus plan or program provided to Executive such as the Short Term Incentive Plan or any other similar plan, but shall not include any cash sign-on, relocation, retention or other special bonus or payments.) in cash at least equal to the greater of (a) the average (annualized for any fiscal year consisting of less than twelve full months or with respect to which the Executive has been employed by the Company for less than twelve full months) bonus (the "Average Annual Bonus") paid or that has been earned and accrued, but unpaid to the Executive by the Company and its affiliated companies in respect of the three fiscal years immediately preceding the fiscal year in which the Effective Date occurs,

(b) the Annual Bonus paid for the fiscal year immediately preceding the Effective Date, or (c) the target bonus associated with the Company achieving its 100 percent target payout level as determined in accordance with the terms of the Company's bonus plans for senior executives for the fiscal year immediately preceding the Effective Date (the "Target Bonus"; the greater of clauses (a), (b) or (c) to be referred to as the "Highest Annual Bonus"); for the avoidance of doubt, the determination of bonus under clause (c) above shall not be reduced for the application of the Compensation Committee's discretion to reduce such bonus or bonus funding, or increased to reflect additional amounts that may be paid or payable if the Company exceeds target. Each such Annual Bonus shall be paid no later than the 15th day of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus pursuant to any nonqualified plan of the Company. Notwithstanding anything herein to the contrary, any portion of Annual Base Salary or Annual Bonus electively deferred by the Executive pursuant to a qualified or a non-qualified plan including, but not limited to, the Hologic, Inc. Deferred Compensation Plan or any successor thereto ("DCP") shall be included in determining the Annual Base Salary, Annual Bonus and the Average Annual Bonus. If the fiscal year of any successor to this Agreement, as described by Section 11(c) herein, is different than the Company's fiscal year at the time of the Change of Control, then the Executive shall be paid (i) the Annual Bonus that would have been paid upon the end of Company's fiscal year ending after the Change of Control, and (ii) a pro-rata Annual Bonus for any months of service performed following the end of the Company's fiscal year, but prior to the first day of the successor's fiscal year immediately following the Change of Control. The Annual Bonuses thereafter shall be based on the successor's first full fiscal year beginning after the Change of Control and successive fiscal years thereafter. "Pro Rata Bonus" shall mean an amount equal to the Bonus Amount (average of the Annual Bonuses paid or that has been earned and accrued, but unpaid during the three full fiscal years ended prior to the Date of Termination) multiplied by a fraction the numerator of which is the number of months worked in the fiscal year through the Date of Termination and the denominator of which is 12. Any partial months shall be rounded to the nearest whole number using normal mathematical convention.

(iii) Incentive, Savings and Retirement Plans. In addition to Annual Base Salary and Annual Bonus payable as hereinabove provided, the Executive shall be entitled to participate during the Employment Period in all incentive, savings and retirement plans, practices, policies and programs applicable to other peer executives of the Company and its affiliated companies, but in no event shall such plans practices, policies and programs provide the Executive with incentive, savings and retirement benefits opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the one-year immediately preceding the Effective Date, or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) and applicable to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect at any time during the one-year period immediately preceding the Effective Date, or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive upon submission of appropriate accountings in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as provided at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation of at least five (5) weeks and in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect at any time during the one-year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer incentives of the Company and its affiliated companies.

5. Termination of Employment

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of "Disability" set forth below), it may give to the Executive written notice in accordance with Section 13(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability"

means the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative (such agreement as to acceptability not to be withheld unreasonably).

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for "Cause". For purposes of this Agreement, "Cause" means (i) an act or acts of personal dishonesty taken by the Executive and intended to result in substantial personal enrichment of the Executive at the expense of the Company, (ii) repeated violations by the Executive of the Executive's obligations under Section 4(a) of this Agreement (other than as a result of incapacity due to physical or mental illness) which are demonstrably willful and deliberate on the Executive's part, which are committed in bad faith or without reasonable belief that such violations are in the best interests of the Company and which are not remedied in a reasonable period of time after receipt of written notice from the Company or (iii) the conviction of the Executive of a felony involving moral turpitude. The Company shall provide the Executive with 30 days written notice of any determination of Cause and provide the Executive, for a period of 30 days following such notice, with the opportunity to appear before the Board, with or without legal representation, to present arguments and evidence on her behalf and following such presentation to the Board, the Executive may only be terminated for Cause if the Board (excluding the Executive if she is a member of the Board), by unanimous consent reasonably determines in good faith that her actions did, in fact, constitute for Cause.

(c) Good Reason. The Executive's employment may be terminated during the Employment Period by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" means:

(i) A material diminution in the Executive's base compensation;

(ii) A material diminution in the Executive's authority, duties and responsibilities as in effect immediately prior to the Change of Control or, if applicable, the Date of Termination;

(iii) A material diminution in the authority, duties and responsibilities of the supervisor to whom the Executive is required to report as in effect immediately prior to the Change of Control or, if applicable, the Date of Termination;

(iv) A material change in the geographic location in which Executive's principal office was located immediately prior to the Change of Control or, if applicable, the Date of Termination;

(v) A material diminution in the budget over which the Executive had authority immediately prior to the of the Change of Control or, if applicable, the Date of Termination;

(vi) Any other action or inaction that constitutes a material breach by the Company of this Agreement or any other agreement under which the Executive provides services;

provided, however, that Good Reason shall not exist unless the Executive has given written notice to the Company within ninety (90) days of the initial existence of the Good Reason event or condition(s) giving specific details regarding the event or condition; and unless the Company has had at least thirty (30) days to cure such Good Reason event or condition after the delivery of such written notice and has failed to cure such event or condition within such thirty (30) day cure period.

(d) Notice of Termination. Any termination by the Company for Cause or by the Executive for Good Reason shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 13(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than fifteen days after the giving of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company hereunder or preclude the Executive or the Company from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means the date of receipt of the Notice of Termination or any later date (taking into account any applicable notice and cure period) specified therein, as the case may be; provided however, that (i) if the Executive's employment is terminated by the Company other than for Cause, death or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, and (ii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

6. Obligations of the Company upon Termination.

(a) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement, other than for (i) payment of the sum of the following amounts: (A) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, (B) the product of (I) the Highest Annual Bonus and (II) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365, and (C) any accrued and unpaid Annual Bonus amounts, compensation or vacation pay, in each case, to the extent not yet paid by the Company (the amounts described in subparagraphs (A), (B) and (C) are hereafter referred to as "Accrued Obligations" and shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination), (ii) any other benefits or compensation payable under any employee benefit plan in accordance with the applicable plans' terms, including, without limitation, any non-qualified plan or DCP; (iii) for the remainder of the Employment Period, or such longer period as any plan, program, practice or policy may provide, the Company shall continue benefits to the Executive and/or the Executive's family at least equal to those which would have been provided in accordance with the applicable plans, programs, practices and policies described in Section 4(b)(v) and (vi) of this Agreement as if the Executive's employment had not been terminated in accordance with the most favorable

plans, practices, programs or policies of the Company and its affiliated companies as in effect and applicable generally to other peer executives and their families during the one year period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families (such continuation of such benefits for the applicable period herein set forth and such transfer of the Individual Policy shall be hereinafter referred to as "Welfare Benefit Continuation"; for purposes of determining eligibility of the Executive for retiree benefits pursuant to such plans, practices, programs and policies, the Executive shall be considered to have remained employed until the end of the Employment Period and to have retired on the last day of such period), and (iv) payment to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination of an amount equal to the sum of the Executive's Annual Base Salary and the Highest Annual Bonus. Subject to the provisions of Section 9 hereof, but, otherwise, anything herein to the contrary notwithstanding, the Executive's family shall be entitled to receive benefits at least equal to the most favorable benefits provided by the Company and any of its affiliated companies to surviving families of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to family death benefits, if any, as in effect with respect to other peer executives and their families at any time during the one year period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect on the date of the Executive's death with respect to other peer executives of the Company and its affiliated companies and their families.

(b) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations to the Executive, other than for (i) payment of the Accrued Obligations (which shall be paid in a lump sum in cash within 30 days of the Date of Termination), (ii) the timely payment and provision of the Welfare Benefit Continuation, and (iii) payment to the Executive in a lump sum in cash within 30 days of the Date of Termination of an amount equal to the sum of the Executive's Annual Base Salary and the Highest Annual Bonus. Subject to the provisions of Section 9 hereof, but, otherwise, anything herein to the contrary notwithstanding, the Executive shall be entitled after the Disability Effective Date to receive disability and other benefits at least equal to the most favorable of those provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect with respect to other peer executives and their families at any time during the one year period immediately preceding the Effective Date or, if more favorable to the Executive and/or the Executive's family, as in effect at any time thereafter with respect to other peer executives of the Company and its affiliated companies and their families.

(c) Cause, Other than for Good Reason. If the Executive's employment shall be terminated by the Company for Cause or by the Executive other than for Good Reason (and other than by reason of her death or disability) during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive Annual Base Salary through the Date of Termination. In such case, such amounts shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. The Executive shall, in such event, also be entitled to any benefits required by law that are not otherwise provided by this Agreement.

(d) Termination Following a Change of Control by the Company without Cause or by the Executive for Good Reason. If during the Employment Period the Executive is terminated by the Company without Cause or she resigns for Good Reason, then the Company shall pay the Executive the following:

(i) the Company shall pay to the Executive in a lump sum in cash within 30 days after the Date of Termination all Accrued Obligations; and

(ii) the Company shall pay to the Executive a lump sum amount in cash within 30 days after the Date of Termination equal to the (such amount shall be hereinafter referred to as the "Change of Control Payment") to the product of (X) two point ninety nine (2.99) multiplied by the sum of (i) (Y) the Annual Base Salary for the fiscal year immediately preceding the Date of Termination and (ii) Highest Annual Bonus; and

(iii) notwithstanding any other provisions to the contrary contained herein or in any option agreement, restricted stock agreement, performance stock unit or other equity compensation agreement, between the Company and the Executive, or any stock option, restricted stock or other equity compensation plans sponsored by the Company, unless such agreement or plan expressly references and supersedes this Agreement, then all such unvested equity awards which Executive holds as of the Effective Date shall be immediately and automatically exercisable and/or vested, and the Executive shall have the right to exercise any such equity awards (to the extent applicable) for the shorter of one year after the Date of Termination or the remaining term of the applicable equity award.

(e) Termination by the Company Without Cause or by Executive for Good Reason. If the Executive's employment with the Company shall be terminated by the Company without Cause or by the Executive for Good Reason (as defined in Section 5(c) without regard to whether a Change of Control has occurred) at any time prior to the Effective Date, then the Executive shall be entitled to each and all of the following:

(i) the Company shall pay the Executive all Accrued Obligations;

(ii) the Company shall continue to pay the Executive her Base Salary and an amount equal to the Average Annual Bonus divided by the number of payroll periods during the one year severance period for the period of one (1) year from the Date of Termination in accordance with its normal payroll practices and subject to applicable tax withholding; and

(iii) provide the Executive and her family with the Welfare Benefit Continuation for a period of one (1) year from the Date of Termination.

(f) Mitigation. The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to the Executive in any subsequent employment.

(g) Other Severance Benefits. The severance pay and benefits provided for in Section 6(e) shall be in lieu of any other severance or termination pay to which the Executive may be entitled under any Company severance or termination plan, program, practice or arrangement. The Executive's entitlement to any other compensation or benefits shall be determined in accordance with the Company's employee benefit plans and other applicable programs, policies and practices then in effect.

7. Non-exclusivity of Rights. Except as provided in Section 6, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plans, programs, policies or practices, provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any other agreements with the

Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

8. **Full Settlement.**

(a) The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment.

(b) Prior to the occurrence of a Change of Control, the Company agrees to reimburse the Executive for all legal fees and expenses which the Executive may reasonably incur as a result of any contest by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof, if the Executive prevails in such contest. Following a Change of Control, the Company agrees to pay promptly as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof.

(c) If there shall be any dispute between the Company and the Executive (i) in the event of any termination of the Executive's employment by the Company, whether such termination was for Cause, or (ii) in the event of any termination of employment by the Executive, whether Good Reason existed, then, unless and until there is a final, nonappealable judgment by a court of competent jurisdiction declaring that such termination was for Cause or that the determination by the Executive of the existence of Good Reason was not made in good faith, the Company shall pay all amounts, and provide all benefits, to the Executive and/or the Executive's family or other beneficiaries, as the case may be, that the Company would be required to pay or provide pursuant to Section 6(d) as though such termination were by the Company without Cause, or by the Executive with Good Reason; provided, however, that the Company shall not be required to pay any disputed amount pursuant to this paragraph except upon receipt of an undertaking by or on behalf of the Executive to repay all such amounts to which the Executive is ultimately adjudged by such court not to be entitled.

9. **280G Protection.**

(a) In the event that the Executive shall become entitled to payment and/or benefits provided by this Agreement or any other amounts in the "nature of compensation" (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a change of ownership or effective control covered by Section 280G(b)(2) of the Internal Revenue Code (the "Code") or any person affiliated with the Company or such person) as a result of such change in ownership or effective control (collectively the "Company Payments"), and such Company Payments will be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code (and any similar tax that may hereafter be imposed by any taxing authority) the Company shall pay to the Executive the greater of the following, whichever gives the Executive the highest net after-tax amount (after taking into account federal, state, local and social security taxes at the maximum marginal rates) (x) the Company Payments or (y) one dollar less than the amount of the Company Payments that would

subject the Executive to the Excise Tax. In the event that the Company Payments are required to be reduced pursuant to the foregoing sentence, then the Company Payments shall be reduced as mutually agreed between the Company and the Executive or, in the event the parties cannot agree, in the following order (1) any lump sum severance based on Base Salary or Annual Bonus, (2) any other cash amounts payable to the Executive, (3) any benefits valued as parachute payments; and (4) acceleration of vesting of any equity.

(b) For purposes of determining whether any of the Company Payments will be subject to the Excise Tax and the amount of such Excise Tax, (x) the Company Payments shall be treated as “parachute payments” within the meaning of Section 280G(b)(2) of the Code, and all “parachute payments” in excess of the “base amount” (as defined under Code Section 280G(b)(3) of the Code) shall be treated as subject to the Excise Tax, unless and except to the extent that, in the opinion of the Company’s independent certified public accountants appointed prior to any change in ownership (as defined under Section 280G(b)(2) of the Code) or tax counsel selected by such accountants or the Company (the “Accountants”) such Company Payments (in whole or in part) either expressly do not constitute “parachute payments,” represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the “base amount” or are otherwise not subject to the Excise Tax, and (y) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Accountants. All determinations hereunder shall be made by the Accountants which shall provide detailed supporting calculations both to the Company and the Executive at such time as it is requested by the Company or the Executive. If the Accountants determine that payments under this Agreement must be reduced pursuant to this paragraph, they shall furnish the Executive with a written opinion to such effect. The determination of the Accountants shall be final and binding upon the Company and the Executive.

(c) In the event of any controversy with the Internal Revenue Service (or other taxing authority) with regard to the Excise Tax, the Executive shall permit the Company to control issues related to the Excise Tax (at its expense), provided that such issues do not potentially materially adversely affect the Executive, but the Executive shall control any other issues. In the event the issues are interrelated, the Executive and the Company shall in good faith cooperate so as not to jeopardize resolution of either issue, but if the parties cannot agree the Executive shall make the final determination with regard to the issues. In the event of any conference with any taxing authority regarding the Excise Tax or associated income taxes, the Executive shall permit the representative of the Company to accompany the Executive, and the Executive and the Executive’s representative shall cooperate with the Company and its representative.

10. **Confidential Information**. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement.

11. **Successors**.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of

descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. The Company shall provide written evidence to the Executive to document compliance with the foregoing sentence within ten (10) business days of the Effective Date. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise. In addition, the Executive shall be entitled, upon exercise of any outstanding stock options or stock appreciation rights of the Company, to receive in lieu of shares of the Company's stock, shares of such stock or other securities of such successor as the holders of shares of the Company's stock received pursuant to the terms of the merger, consolidation or sale.

12. **Compliance With Section 409A of the Internal Revenue Code.** To the extent applicable, it is intended that this Agreement comply with the provisions of Section 409A of the Code (hereinafter referred to as "Section 409A"). This Agreement shall be administered in a manner consistent with its intent, and any provision that would cause the Agreement to fail to satisfy Section 409A shall have no force and effect until amended to comply with Section 409A. Notwithstanding any provision of this Agreement to the contrary, in the event any payment or benefit hereunder is determined to constitute non-qualified deferred compensation subject to Section 409A, then to the extent necessary to comply with Section 409A, such payment or benefits shall not be made, provided or commenced until six (6) months after the Executive's "separation from service" as such phrase is defined for the purposes of Section 409A.

13. **Release.** The Executive agrees that, with the exception of the Accrued Obligations due to her in accordance with the terms hereunder, that the payment of any severance under this Agreement to the Executive by the Company, is subject to and conditioned on Executive executing a general release of the Company in a form and scope determined by the Company in its sole discretion (the "Release Agreement"), without Executive revoking such Release Agreement within fifty-two (52) days of the Date of Termination (the "Consideration Period") and provided that (a) if the Date of Termination occurs in one calendar year and the Consideration Period (including the payment date) expires during the following calendar year, then notwithstanding anything herein to the contrary, the payments of severance under Section 6(e) will be paid by the Company to the Executive in the second calendar year; (b) the Executive continues to comply with the provisions of the Non-Competition Agreement; and (c) prior to the expiration of the Consideration Period (i) Executive provides satisfactory evidence to the Company that she has returned all Company property, confidential information and documentation to the Company, and (ii) provides the Company with a signed written resignation of Executive's status as an officer of the Company or any of its affiliates, if applicable.

14. **Miscellaneous.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Jennifer Schneiders
(at the address on record with the company)

If to the Company:

Hologic, Inc.
250 Campus Drive
Marlborough, Massachusetts 02038
Attention: Chief Executive Officer

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision hereof shall not be deemed to be a waiver of such provision or any other provision thereof.

(f) This Agreement contains the entire understanding of the Company and the Executive with respect to the rights and other benefits that the Executive shall be entitled during the Employment Period, and in connection therewith shall supersede all prior oral and written communications with the Executive with respect thereto; provided, however, that the Offer Letter, and Employee Intellectual Property Rights and Non-Competition Agreement, option or other equity agreements or other employment agreement by and between the Company and Executive shall remain in full force and effect and if the Company's separation policy would provide greater benefits to the Executive than this Agreement, then the Executive may elect to receive benefits under the Company's separation policy in lieu of the benefits provided hereunder. Nothing herein shall affect the application of the Company's separation policy in lieu of the benefits provided hereunder. Nothing herein shall affect the application of the Company's separation policy prior to the Effective Date.

(g) The Executive and the Company acknowledge that, except as may otherwise be provided under this Agreement or any other written agreement between the Executive and the Company, prior to the Effective Date, the employment of the Executive by the Company is "at will" and may be terminated by either the Executive or the Company at any time. Notwithstanding anything contained herein, if during or prior to the Employment Period, the Executive shall terminate employment with the Company other than for Good Reason, then the Executive shall have no liability to the Company.

[Signature page follows]

IN WITNESS WHEREOF, the Executive has hereunto set her hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

HOLOGIC, INC.

By: /s/ Elisabeth A. Hellmann

Name: Elisabeth A. Hellmann

Title: Senior Vice President, Global Human Resources and Corporate Communications

EXECUTIVE

/s/ Jennifer Schneiders

Jennifer Schneiders

HOLOGIC

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

between

Hologic Swiss Group GmbH, Baarerstrasse 52, 6300 Zug, Switzerland (hereinafter referred to as "**Company**")

and

Jan Verstreken, at the address on record with the Company (hereinafter referred to as "**Employee**")

Hereinafter jointly referred to as "**Parties**"

IT IS AGREED as follows:

1. FUNCTION

- 1.1 The Company employs the Employee as **Group President - International** in accordance with the terms and conditions set out in this employment agreement (the "**Agreement**").
- 1.2 The Employee may be asked to perform additional duties or other roles from time to time during their employment with the Company or companies forming part of the group of companies (the "**Group**").
- 1.3 The Employee shall report to the Chief Executive Officer of Hologic, Inc.. The Employee acknowledges and accepts that neither the organizational chart of the Company nor the person to whom they must report are of the essence of this Agreement.

2. TERM

- 2.1 The Agreement is dated as of 14 June 2023 and effective as of 1 January 2023.
- 2.2 No probation period applies.
- 2.3 For continuous service purposes, the Employee's start date with the Company will remain **as 3 January 2017**

3. PLACE OF EMPLOYMENT

The Parties agree that the place of employment is not of the essence of this Agreement. Accordingly, the Employee may be required to travel and work inside Switzerland and internationally for the proper discharge of their duties.

4. DUTIES

During the employment, the Employee will:

- 4.1 faithfully and diligently carry out the careful instructions of the Company and at all times use their best endeavours to promote the best interests of the Company and the Group;
- 4.2 devote the whole of their working time and attention and skills to the Company and the Group. And you may not work in a self-employed capacity or for anyone other than the Company without the prior express permission of your manager.
- 4.3 in any event, not accept, directly or indirectly, any indemnity, commission or tip, whether in cash or in kind, from any person who may have a professional relationship with the Company or the Group.

5. WORKING TIME

- 5.1 The Employee shall work the minimum fulltime working hours applicable within the Company, currently 40 hours per week.
- 5.2 In view of the scope and the nature of their professional responsibilities and their position of trust, the Employee may, from time to time, in order to perform their duties, be required to work additional hours, including evenings and weekends. Any such additional time is compensated by base salary. No additional remuneration or compensation would be due.

6. BASE SALARY & SHORT-TERM INCENTIVE PLAN (STIP)

- 6.1 The Employee shall receive an annual gross base salary of CHF 585,000 which shall be paid in 12 monthly installments on an annual basis. After deducting any applicable social security and other contributions as well as withholding professional income taxes (if applicable), the base salary (as with any other cash payments under this Agreement) will be paid by electronic transfer into the Employee's bank account at the end of each calendar month at the latest.
- 6.2 The Employee is eligible to participate in the Company's Short-term Incentive Plan (STIP) with an annual target of 75% of base salary, subject to the rules that are from time to time in place alongside objectives set. Any payment made under the STIP is subject to local deductions.

7. COMPANY CAR

The Employee will be eligible for a cash allowance, currently CHF 1,620 net per month

8. OTHER ALLOWANCES

The Employee will be eligible to receive the following allowances each month:

- Housing allowance CHF 2,700 net
- Health insurance allowance CHF 1,350 net

Every other compensation, bonus, allowance or other advantage that the Company may award in excess of what is provided for in this Agreement, should be considered as discretionary. As such, the Company retains the right to change or withdraw any such

reward. Any such reward shall be subject to relevant internal approval, including approval by the Compensation Committee of the Board of Directors of Hologic, Inc.

9. REIMBURSEMENT OF PROFESSIONAL EXPENSES

- 9.1 The Employee will be entitled to the reimbursement of all reasonable and normal expenses incurred in the performance of their duties and responsibilities under this Agreement. Provided, of course, that such expenses are incurred, reported and documented in accordance with the policies, practices and procedures of the Company as are from time to time in effect.
- 9.2 Since the Company provides to the Employee access to a workplace on its premises at any time, the Employee is not entitled to any home office compensation.

10. VACATION AND HOLIDAYS

- 10.1 The Employee is entitled to 25 vacation days during any calendar year. The Employee shall take any vacation in accordance with the Company's vacation and approval policy.
- 10.2 The Employee is entitled to public holidays in accordance with Swiss law.

11. INCAPACITY TO WORK

- 11.1 The Employee undertakes to immediately inform the Company in the event they are unable to perform their duties hereunder due to illness, accident, force majeure or any other cause. The Employee shall further provide the Company with a medical certificate within 48 hours after the commencement of the period of inability to work, indicating the beginning and the likely duration of their inability to work.
- 11.2 The Employee shall immediately notify the Company of any extension of the inability to work and shall provide the Company with a new medical certificate within 48 hours.
- 11.3 The Company has the right to have the Employee examined by a medical officer of its choice.
- 11.4 Provided the Employee provides the Company with the medical certificate, they will be entitled to receive their remuneration during their absence in accordance with Swiss law and this Agreement.
- 11.5 If the Employee is prevented from performing the duties under this Agreement by other reasons than the Employee's fault (such as illness, accident, performance of legal duties), the Company shall pay the salary in accordance with articles 324a and 324b of the Swiss Code of Obligations directly or via a suitable insurance programme.

12. SOCIAL SECURITY, PENSION FUND AND INSURANCES

- 12.1 The Company shall seek to protect the Employee against the economic consequences of retirement, disability and death through appropriate policies or allowances equivalent or superior to the terms offered under the previous UK employment contract. The overall contributions to the pension plan shall be 20%, (calculated on base salary and bonus award up to the annual cap) and will be borne by both Parties (currently 60% by the Company and 40% by the Employee). Reference is made to the applicable pension fund regulations, as amended from time to time, which form an integral part of this Agreement.
- 12.2 The Company shall insure the Employee against the economic consequences of occupational accidents at work and occupational diseases, as well as non-occupational accidents under the Accident Insurance Act (UVG). The Company shall pay the premium for the insurance covering occupational accidents at work and occupational diseases. In addition to the mandatory accident insurance, the Company shall take out supplementary accident insurance. The details and conditions of the insurance benefits are based on the relevant applicable regulations and policies, as amended from time to time, which form an integral part of this Agreement.
- 12.3 The Company shall insure the Employee through a daily sickness benefits insurance. The income protection or daily sickness benefits insurance shall constitute a supplementary insurance solution to article 324a of the Swiss Code of Obligations, and it shall replace the statutory entitlement to continued salary payment. The details and conditions of the insurance benefits are based on the relevant applicable regulations and policies, as amended from time to time, which form an integral part of this Agreement.
- 12.4 The contributions for AHV/IV/EO (social security), ALV (compulsory unemployment insurance), BVG (compulsory old-age insurance) and UVG (compulsory accident insurance) as well as withholding professional income taxes, if applicable, to be borne by the Employee in accordance with the provisions of this Agreement and Swiss law and shall be deducted from the gross compensation payments made to the Employee.

13. CONFIDENTIAL INFORMATION

- 13.1 The Employee agrees at all times during their employment and after the termination of their employment, that they will hold in strictest confidence and will not, except as required for the benefit of the Company or as authorized in writing by the Company, publish, disclose or use any Confidential Information of the Company or the Group.

"Confidential Information" means any proprietary information, technical data, trade secrets or know-how of the Company or the Group, including but not limited to, research, product plans, products, services, customers, markets, software, developments, works, processes, formulas, technology, designs, drawings, engineering, marketing, finance or other business information disclosed to the Employee by the Company either directly or indirectly in writing, orally or by drawings or observation. Confidential Information also includes information of third parties in the possession of the Company that the Company is obliged to maintain in confidence. Confidential Information does not include any of the foregoing items that have become publicly known and made generally available through no wrongful act of the Employee or of others who were under confidentiality obligations as to the items or items involved.

13.2 The Employee agrees that they will not, during their employment with the Company, improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity and that they will not bring onto the premises of the Company any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

13.3 The Employee recognizes and understands that they shall not disclose any invention, business secret or secret concerning a personal or confidential matter, which they have obtained during their employment with the Company even after the termination of this Agreement.

14. NON COMPETITION AND NON SOLICITATION

14.1. In the event of termination via resignation or termination for any reason (including change in control), you are expressly prevented from soliciting employees who currently work for the Company, or who did so in the 12 months prior to leaving.

14.2. In the event of termination via resignation or termination for any reason (including change in control), you expressly refrain from entering the service of a company manufacturing or selling products or services likely to compete with those of the Company, to create on its own account a similar company or to participate directly or indirectly, in any capacity whatsoever. As such, you are prohibited from prospecting, for any product or service likely to compete with the products or services of the Company, the customers of the Company and to deal with any natural or legal person who has been the client of the Company at any time during the two (2) years preceding his effective departure from the Company. The territory concerned by this noncompete obligation is Europe, the Middle East, Africa, Asia-Pacific, Latin America and Canada.

14.3. Furthermore it is expressly agreed that the execution of this clause is limited to a period of twelve (12) months from the date of the effective departure from the Company. During this non-compete period, the Company will pay an indemnity equal to the remuneration received by the employee on the basis of the previous 12 months, representing full compensation for the wages, bonuses and benefits received by the employee.

14.4. It is understood that in all circumstances the Company will be able either to reduce the duration of the period of application of the non-competition clause, or to give up the latter.

15. TRANSFER OF INTELLECTUAL PROPERTY RIGHTS

15.1 Inventions and designs produced by the Employee alone or in collaboration with others in the course of the Employee's work for the Company and in performance of the Employee's contractual obligations belong to the Company, regardless of whether or not they may be protected.

15.2 The Company may also acquire any inventions and designs that were produced by the Employee in the course of the Employee's work for the Company but not in performance of the Employee's contractual obligations. The Employee shall notify the Company promptly in writing about any such inventions and designs. The Company may then inform the Employee in writing within 6 months if it wishes to acquire the invention or design.

- 15.3 The Employee shall transfer to the Company all copyrights, including any registration rights, to works produced during the term of the employment, including any computer programs, without further remuneration. This applies to all work products created during the course of the Employee's work for the Company, either alone or in collaboration with third parties, regardless of whether the relevant work product was created in performance of the Employee's contractual obligations or not.
- 15.4 The transfer of copyright gives the Company in particular the exclusive right to use, transfer, modify and develop the works, decide how and when the works may be made public, and defend the works against third party infringement using any means it sees fit. The Employee hereby irrevocably and unconditionally waives all rights (including, but not limited to, moral and personality rights) under all laws in connection with the intellectual property, including, but not limited to, copyright work, in whatever part of the world such rights may be enforceable (and to the extent legally possible any and all broadly equivalent rights the Employee may have in any other part of the world) including, but not limited to, any right to be identified and named as the author/creator of such intellectual property, and to publish or to decide on the time of the publication of the intellectual property.
- 15.5 The Employee shall give the Company a right of first offer and of first refusal regarding any rights to works produced outside the course of the Employee's work, which are related to the Company's or the Group's activities.
- 15.6 The Employee recognizes the Company's exclusive right to the (registered and unreg- istered) trademarks and logos, including, but not limited to, domain names, and the Employee shall not to use or register them during and at any time after the termination of this Agreement.
- 15.7 The Company may apply for registration of such intellectual property in its own name, and the Employee shall at the Company's costs support the Company if necessary or useful to achieve such registration. This also applies after the termination of this Agreement, if and to the extent such support is reasonable.

16. TERMINATION

- 16.1 In the event of resignation, you are required to give the Company 3 months of notice of your intention to resign. The right to waive all or part of the notice period may be exercised by either party by mutual consent.
- 16.2 In the event that your employment is terminated by the Company for any reason other than change of control (as such term is defined in the Hologic, Inc. Amended and Restated 2008 Equity Incentive Plan or a successor plan thereto), you will receive 24 months of total compensation including base pay, bonus, allowances and benefits (or cash equivalent). In the event your employment is terminated by the Company for change of control, you will receive accrued obligations (includes pro-rated bonus), 2.99x annual base salary, 2.99x bonus and full vesting of equity. The change of control period extends for 3 years after the change of control occurs. Any payments under this clause are inclusive of any provision made in Hologic's corporate policies (e.g. CIC) and are subject to local taxes and deductions.

17. APPLICABLE LAW AND JURISDICTION

17.1 This Agreement and any claim arising out of or in connection therewith is governed by, and construed in accordance with, the substantive laws of Switzerland, excluding its rules on conflict of laws and excluding international treaties.

17.2 All conflicts arising out of this Agreement shall be brought to the courts determined pursuant to the Swiss Code of Civil Procedure.

18. ENTIRE AGREEMENT

This Agreement sets forth the entire agreement and understanding between the Company and the Employee and annuls and replaces all prior discussions or arrangements, whether written or verbal, between the Parties, including the Amended Contract of Employment between the Employee and Hologic Limited dated as of December 11, 2020. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by both Parties.

19. SEVERABILITY

If one or more of the provisions of this Agreement are deemed void by law, then the remaining provisions will continue in full force and effect.

20. COUNTERPARTS

This Agreement is executed in two original copies. Each of the Parties declare having received their original.

Place, Date: Manchester
June 23rd 2023
On behalf of the Company

/s/ Carmel O’Kane
Signature

Carmel O’Kane
Print Name

Place, Date: June 23, 2023
Employee

/s/ Jan Verstreken
Signature

Jan Verstreken
Print Name

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen P. MacMillan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hologic, Inc.;
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: August 1, 2023

/s/ Stephen P. MacMillan

Stephen P. MacMillan
Chairman, President and Chief Executive Officer

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Karleen M. Oberton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hologic, Inc.;
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: August 1, 2023

/s/ Karleen M. Oberton

Karleen M. Oberton
Chief Financial Officer

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

I, Stephen P. MacMillan, Chief Executive Officer of Hologic, Inc., a Delaware corporation (the “Company”), do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), that:

- (1) The Quarterly Report on Form 10-Q for the quarter ended July 1, 2023 (the “Form 10-Q”) of the Company 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 Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 1, 2023

/s/ Stephen P. MacMillan

Stephen P. MacMillan
Chairman, President and Chief Executive Officer

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 HAS BEEN PROVIDED TO HOLOGIC, INC. AND WILL BE RETAINED BY HOLOGIC, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

I, Karleen M. Oberton, Chief Financial Officer of Hologic, Inc., a Delaware corporation (the “Company”), do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), that:

- (1) The Quarterly Report on Form 10-Q for the quarter ended July 1, 2023 (the “Form 10-Q”) of the Company 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 Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 1, 2023

/s/ Karleen M. Oberton

Karleen M. Oberton
Chief Financial Officer

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 HAS BEEN PROVIDED TO HOLOGIC, INC. AND WILL BE RETAINED BY HOLOGIC, INC. AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.