

# Fourth Quarter Results Fiscal Year 2018

November 6<sup>th</sup>, 2018



## Forward-Looking Statements

- These materials include forward-looking statements and it's possible that actual results could differ from our expectations. Factors that could cause such differences appear in our earnings release and in our recent SEC filings.

## Non-GAAP Financial Measures

- These materials also include Non-GAAP financial measures. A reconciliation to the comparable GAAP measures can be found herein, or in our earnings release and the financial schedules attached thereto.
- Certain financial information excludes the impact of the following items:
  1. Foreign currency translation.
  2. Adjustments to current and prior year periods as noted in the schedules in the appendix of this presentation.
- Reconciliations of certain forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures are omitted from the financial schedules attached hereto as we are unable to provide such reconciliations without unreasonable efforts. Sufficient information is not available to calculate certain forward-looking adjustments required for such reconciliations, including future restructuring charges and acquisition-related costs. We expect these future charges and costs could have a potentially significant impact on our future GAAP financial results.
- Basis of Presentation for Revenue Growth Metrics: All revenue amounts are presented on a GAAP basis. As such, YTD revenue amounts reflect BD standalone results in Q1 and BD + Bard results starting in Q2. In addition, revenue amounts reflect the BD / Bard portfolio alignment. Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment. Reconciliations of comparable FXN revenue growth to the comparable GAAP measure are included in our earnings release and the related financial schedules.
- A copy of our earnings release, including the financial schedules, is posted on the "Investors" section of the BD.com website.

Note: All figures on accompanying slides are rounded. Totals may not add due to rounding. Percentages are based on un-rounded figures. FXN = Estimated foreign exchange-neutral currency growth. \$ = Dollars in millions except per share data.

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# Executive overview

**Vincent A. Forlenza**  
Chairman and CEO

# BD strategy and execution toward advancing the world of health

## Our long-term strategy is focused on

- Providing **leading medical technologies** and **innovative solutions** for our customers and their patients,
- **Driving sustainable healthcare** by increasing access, driving better outcomes, mitigating system cost pressures, and improving health care safety, through:

### Medical

- Improving medication management across the continuum of care
- Leading in infection prevention and health care safety

### Life Sciences

- Enhancing the diagnosis of infectious disease and cancer
- Empowering research insights inside and outside the cell

### Interventional

- Advancing the management of high burden diseases
- Enabling surgical and interventional procedures

# FY 2018 Year-end highlights

- **Strong performance and execution to finish FY 2018**
  - Very strong revenue growth across all three segments
  - Driving robust margin expansion and mid-teens earnings growth
- **Proud of the organization's ability to successfully execute on two transformative acquisitions concurrently**
  - Achieved \$350M CareFusion cost synergies
  - Bard integration and cost synergy capture on track
  - \$1.2B debt pay down this year and at 3.9x gross leverage
- **Strong new product uptake and notable portfolio updates:**
  - New product innovation driving growth, including the new Alaris™ pump, Pyxis™ ES, BD MAX™, BD FACSMelody™ and BD Horizon Brilliant™ dyes, LUTONIX™ AV and Covera™ stent graft
  - Successful completion of the U.S. Dispensing change
  - Acquisition of TVA Medical & divestiture of non-core assets

# FY 2019 Guidance and outlook

FY 2019 Guidance	
Comparable Revenues FXN % Growth <sup>(1)</sup>	<b>5.0% to 6.0%</b>
Adjusted EPS \$	<b>\$12.05 to \$12.15</b>
Underlying EPS FXN % Growth	<b>16% to 17%</b>
Adjusted EPS FXN % Growth	<b>13% to 14%</b>
Adjusted EPS % Growth	<b>~10%</b>

- Guidance reflects continued strong revenue growth and good momentum across both the legacy BD and Bard businesses
- Facing several macro headwinds in FY 2019...continuing from Q4'18
- Strong underlying EPS growth, better than the deal model
- Confident in our outlook for FY 2019
- Announcing ~\$250M Bard revenue synergy target by FY 2022

(1) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

# Financial performance

**Christopher Reidy**

Executive Vice President, CFO and Chief Administrative Officer

# FY 2018

## Financial highlights

### Revenue growth:

Q4 revenues driven by MMS & Pharmaceutical Systems, as expected

### Margin Expansion:

Q4 gross margins of 56.5%, +350 bps FXN

### Capital deployment:

- \$700M debt pay down in the fourth quarter
- 3.9x gross leverage at Sep 30<sup>th</sup>

	Fourth Quarter	Total Year
<b>Revenues<sup>(1)</sup></b>	<b>\$4,402</b>	<b>\$15,983</b>
% Growth	+39.0%	+32.2%
Comparable FXN % Growth <sup>(2)</sup> <i>1H U.S. Dispensing Change and Q1 Hurricane Impact<sup>(3)</sup></i>	+8.4%	+5.8% (0.6%)
<b>Adjusted EPS<sup>(4)</sup></b>	<b>\$2.93</b>	<b>\$11.01</b>
% Growth	+22.1%	+16.1%
FXN % Growth	+24.6%	+12.3%

(1) All revenue amounts are presented on a GAAP basis. As such, YTD revenue amounts reflect BD standalone results in Q1 and BD + Bard results starting in Q2.

(2) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

(3) Represents estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2 and the hurricane in Puerto Rico on the Bard business in Q1.

(4) Current and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments (including the non-cash amortization of acquisition-related intangible assets); integration, restructuring and transaction costs; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment.

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# Q4 FY 2018

## Medical segment update

Revenues <sup>(1)</sup>	Fourth Quarter			Full Year		
	\$	% Growth	Comparable FXN % Growth <sup>(2)</sup>	\$	% Growth	Comparable FXN % Growth <sup>(2)</sup>
<b>Medical segment</b> <i>1H U.S. Dispensing Change<sup>(3)</sup></i>	\$2,346	+20.8%	<b>+10.1%</b>	\$8,616	+16.1%	<b>+5.6%</b> <b>(0.8%)</b>
<b>Medication Delivery Solutions</b>	967	+34.1%	<b>+5.9%</b>	3,644	+29.6%	<b>+5.6%</b>
<b>Medication Management Solutions</b> <i>1H U.S. Dispensing Change<sup>(3)</sup></i>	692	+21.1%	<b>+21.3%</b>	2,470	7.7%	<b>6.6%</b> <b>(2.8%)</b>
<b>Diabetes Care</b>	285	+0.5%	<b>+1.7%</b>	1,105	+4.6%	<b>+2.9%</b>
<b>Pharmaceutical Systems</b>	403	+9.8%	<b>+9.4%</b>	1,397	+11.2%	<b>+6.4%</b>



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Note: Figures are \$ millions. Totals may not add due to rounding.

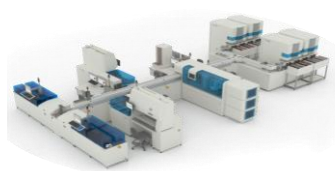
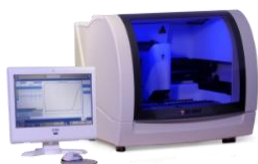
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# Q4 FY 2018

## Life Sciences segment update

Revenues	Fourth Quarter			Full Year		
	\$	% Growth	FXN % Growth	\$	% Growth	FXN % Growth
<b>Life Sciences segment</b>	\$1,108	+5.5%	<b>+6.9%</b>	\$4,330	+8.6%	<b>+6.8%</b>
<b>Diagnostic Systems</b>	384	+6.9%	<b>+8.2%</b>	1,536	+11.5%	<b>+9.6%</b>
<b>Preamalytical Systems</b>	393	+4.0%	<b>+6.1%</b>	1,553	+5.5%	<b>+4.1%</b>
<b>Biosciences</b>	331	+5.6%	<b>+6.4%</b>	1,241	+9.0%	<b>+6.8%</b>



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# Q4 FY 2018

## Interventional segment update

Revenues	Fourth Quarter			Full Year
	\$	% Growth	Comparable FXN % Growth <sup>(1)</sup>	Comparable FXN % Growth <sup>(1)</sup>
<b>Interventional Segment</b> <i>Q1 Hurricane Impact<sup>(2)</sup></i>	\$948	NM	<b>+6.0%</b>	<b>+5.2%</b> <b>(0.9%)</b>
<b>Peripheral Intervention</b>	348	NM	<b>+7.6%</b>	<b>+9.3%</b>
<b>Surgery</b> <i>Q1 Hurricane Impact<sup>(2)</sup></i>	328	NM	<b>+3.3%</b>	<b>+1.3%</b> <b>(2.4%)</b>
<b>Urology &amp; Critical Care</b>	271	NM	<b>+7.4%</b>	<b>+5.3%</b>



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(2) Represents estimated impact from the hurricane in Puerto Rico on the Bard business in Q1.  
Note: Figures are \$ millions. Totals may not add due to rounding. NM = not meaningful.

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# Q4 FY 2018

## Geographic revenue highlights

Revenues <sup>(1)</sup>	Fourth Quarter			Year-to-date		
	\$	% Growth	Comparable FXN % Growth <sup>(2)</sup>	\$	% Growth	Comparable FXN % Growth <sup>(2)</sup>
<b>United States</b> <i>1H U.S. Dispensing change and Q1 Hurricane Impact<sup>(1)</sup></i>	\$2,448	+48.9%	<b>+8.7%</b>	\$8,768	+34.8%	<b>+5.0%</b> <b>(1.0%)</b>
<b>International</b>	\$1,954	+28.4%	<b>+7.9%</b>	\$7,215	+29.1%	<b>+7.0%</b>
<b>Developed Markets</b> <i>1H U.S. Dispensing change and Q1 Hurricane Impact<sup>(1)</sup></i>	3,704	+41.1%	<b>+7.7%</b>	13,458	+32.7%	<b>+4.8%</b> <b>(0.7%)</b>
<b>Emerging Markets</b>	698	+28.9%	<b>+11.8%</b>	2,525	+29.3%	<b>+11.6%</b>
<b>China</b>	288	+59.5%	<b>+13.6%</b>	1,036	+50.9%	<b>+13.2%</b>

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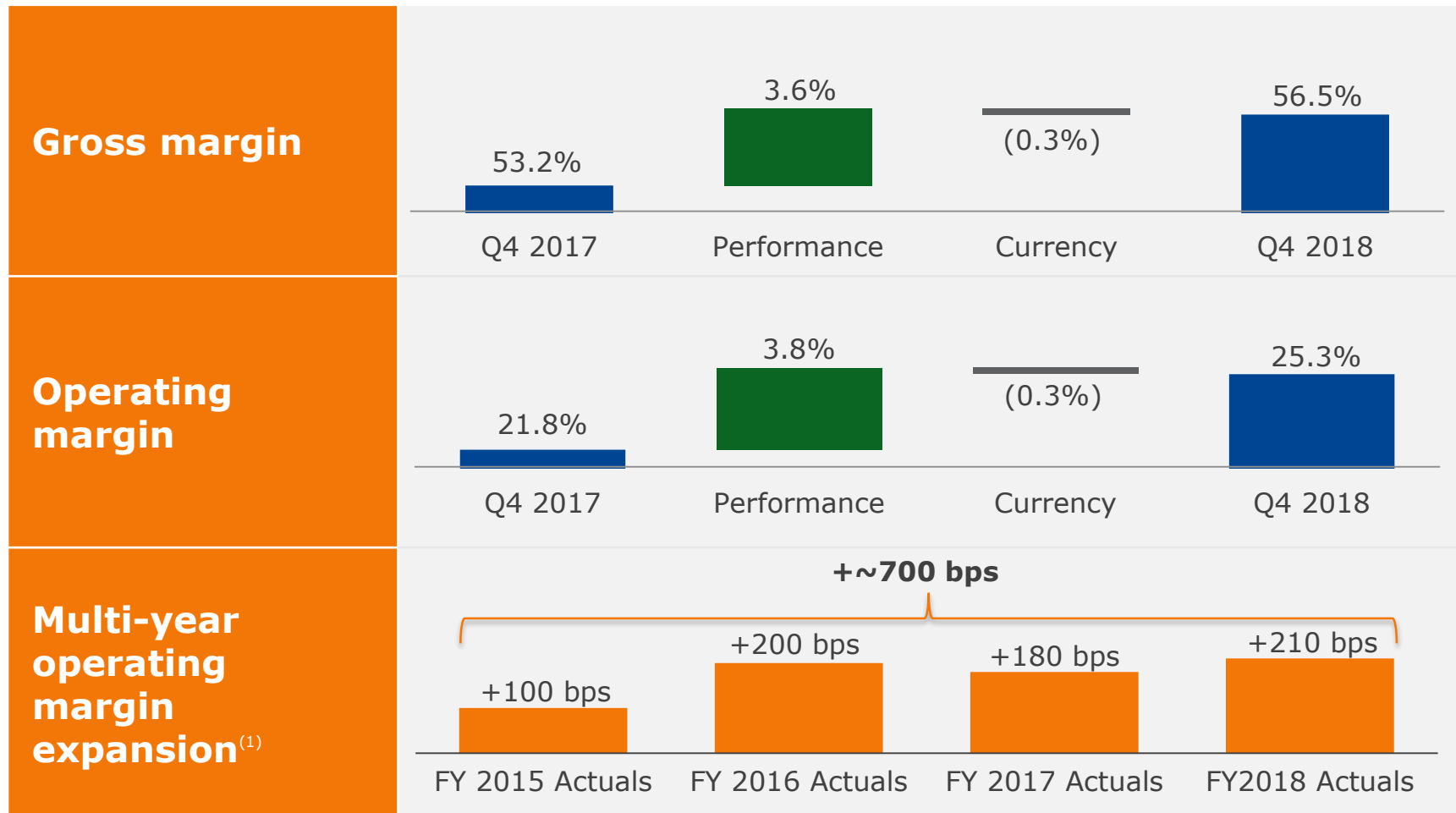


# Q4 FY 2018 adjusted income statement

As adjusted	Q4 FY 2018	% Growth	% FXN Growth	Q4 FY 2017
<b>Revenues</b> <i>Comparable % FXN Growth<sup>(1)</sup></i>	<b>\$4,402</b>	<b>39.0%</b>	<b>40.1%</b> 8.4%	<b>\$3,166</b>
<b>Gross profit</b> % of revenues	<b>2,487</b> 56.5%	<b>47.6%</b>	<b>49.4%</b>	<b>1,685</b> 53.2%
SSG&A % of revenues	1,102 25.0%	(42.4%)	(43.6%)	774 24.4%
R&D % of revenues	273 6.2%	(23.6%)	(23.5%)	221 7.0%
<b>Operating income</b> % of revenues	<b>1,113</b> <b>25.3%</b>	<b>61.1%</b>	<b>64.1%</b>	<b>691</b> <b>21.8%</b>
Interest / Other, Net	119			76
Tax rate	15.3%			14.6%
<b>Net Income</b>	<b>842</b>	<b>60.3%</b>	<b>63.3%</b>	<b>525</b>
Preferred Dividend	38			n/a
<b>Net Income applicable to common shareholders</b>	<b>804</b>	<b>53.1%</b>	<b>56.1%</b>	<b>525</b>
Share Count	274.7			218.6
<b>Adjusted EPS<sup>(2)</sup></b>	<b>\$2.93</b>	<b>22.1%</b>	<b>24.6%</b>	<b>\$2.40</b>

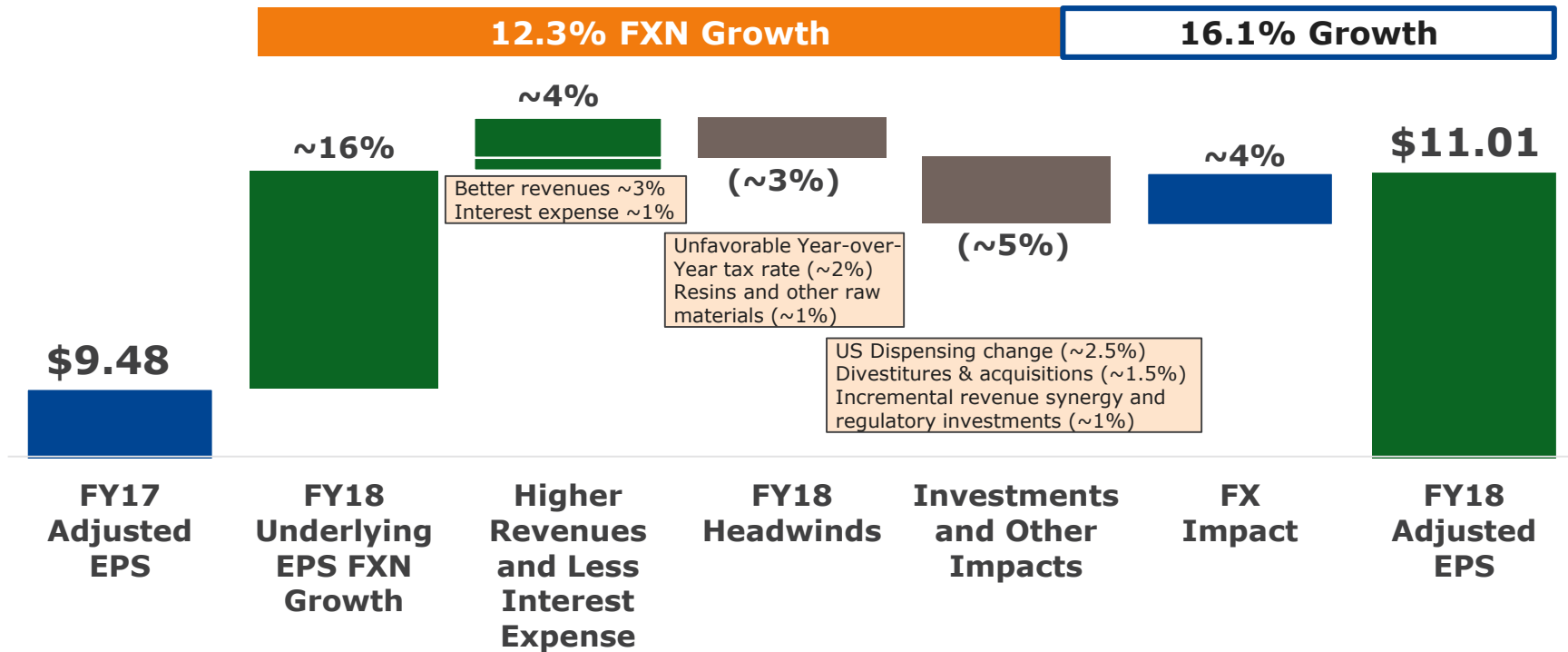
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# Q4 FY 2018 adjusted gross and operating margins



(1) Underlying margin expansion excludes currency and pension impacts for all periods.  
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# FY 2018 adjusted EPS results



- Robust underlying EPS growth of ~16% FXN

# Guidance

**Christopher Reidy**

Executive Vice President, CFO and Chief Administrative Officer



# FY 2019 revenue guidance

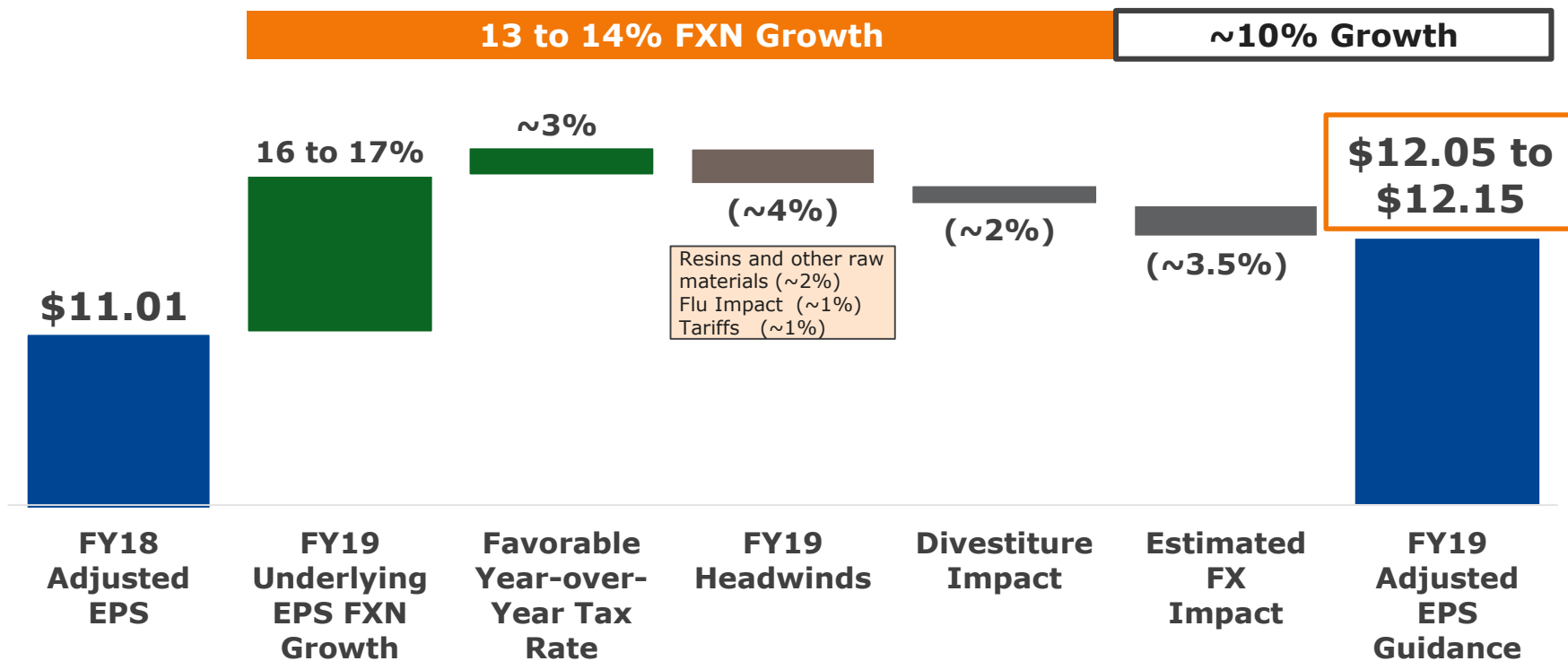
<b>Comparable Revenues FXN % Growth Guidance<sup>(1)</sup></b>	<b>FY 2019 Guidance</b>
<b>BDX</b>	<b>5.0% to 6.0%</b>
<b>Medical</b>	<b>5.0% to 6.0%</b>
<b>Life Sciences</b>	<b>4.0% to 5.0%</b>
<b>Interventional</b>	<b>6.0% to 7.0%</b>

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# FY 2019 adjusted EPS guidance<sup>(1)</sup>



- Strong underlying EPS growth, better than the deal model

(1) Current and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments (including the non-cash amortization of acquisition-related intangible assets); integration, restructuring and transaction costs; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment.

(2) Underlying EPS FXN growth excludes FY19 headwinds, favorable tax rate and estimated FX impact.

# FY 2019 guidance

As adjusted	FY 2019 Guidance
<b>BD Comparable Revenues FXN % Growth<sup>(1)</sup></b>	<b>5.0% to 6.0%</b>
<b>Revenue – FX Impact</b>	<b>(~2.0%)</b>
<b>BD Reported Revenues</b>	<b>8.5% to 9.5%</b>
Gross margin	56.5% to 57.5%
SSG&A (% of sales)	24.5% to 25.5%
R&D (% of sales)	~6.0%
Operating margin	25.5% to 26.5%
Operating margin expansion FXN	+100 to 150 bps
Interest/other, net <sup>(3)</sup>	(\$475M to \$525M)
Effective tax rate	14% to 16%
Preferred Dividend	(\$152M)
Share count	~275M
<b>Adjusted EPS</b>	<b>\$12.05 to \$12.15</b>
<b>Adjusted EPS FXN % Growth</b>	<b>13% to 14%</b>
<b>Adjusted EPS % Growth</b>	<b>~10%</b>
Operating cash flow	~\$4.2B
Capital expenditures	~\$900M

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# Executive summary

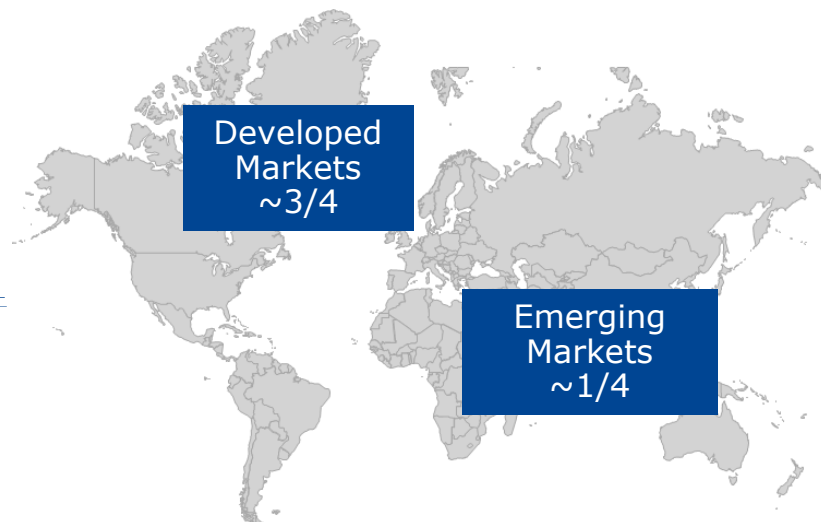
**Vincent A. Forlenza**  
Chairman and CEO

# Expect ~\$250M Bard revenue synergies by FY 2022

## Key strategic initiatives

- 1** Expand vascular access with a holistic portfolio of leading catheter technologies within medication management
- 2** Stronger global surgical offerings for biosurgery, hernia, infection prevention and oncology
- 3** Drive global scale and geographic expansion by being a strategic partner in US and Europe, and drive enhanced scale in emerging markets

## Global reach and impact



- **United States:** Expand vascular access management, enhance surgical offerings and reach, and grow as a strategic partner
- **Europe:** Opportunity for channel expansion with highly relevant product solutions for international markets
- **Emerging Markets:** Leverage BD's scale and global presence to commercialize highly relevant product solutions for international markets

# FY 2019 Planned Product Launches

Medical	Life Sciences	Interventional
<ul style="list-style-type: none"> <li>• BD PhaSeal™ Optima – hazardous drug safety closed system transfer device (US)</li> <li>• IV Solutions – 0.45% sodium chloride and lactated ringers</li> <li>• PowerGlide® Cue (vascular access technologies platform)</li> <li>• BD Provena™ PICC</li> <li>• BD Neoflon™ Pro Global Markets</li> <li>• BD Pyxis™ ES 1.6</li> <li>• BD HealthSight™ Data Manager 1.1</li> <li>• BD Pyxis SupplyStation™ RF</li> <li>• BD Nano Pro™ pen needles</li> <li>• Type 2 Patch Pump (CY19)</li> <li>• BD Hylok™ glass pre-fillable syringe platform</li> </ul>	<ul style="list-style-type: none"> <li>• BD MAX™ – Enteric Viral Panel (US)</li> <li>• BD Phoenix™ CPO Detect (US)</li> <li>• BD Kiestra™ IdentifA</li> <li>• BD COR (EU) early access launch</li> <li>• BD Eclipse™ Ultrafill blood collection safety needle</li> <li>• BD FACSDuet™ automated sample processor</li> <li>• BD FACSLyric™ 12 color clinical instrument</li> <li>• BD Horizon™ brilliant UV dyes</li> <li>• BD FACSymphony™ S6 sorter</li> <li>• BD AbSeq protein expression: 400 additional assays</li> </ul>	<ul style="list-style-type: none"> <li>• LUTONIX™ 014 Drug Coated Balloon for Below-the-knee arterial treatment</li> <li>• Covera™ stent graft (fistula indication)</li> <li>• Venovo™ (large diameter venous stent)</li> <li>• WavelinQ™ (Endovascular AV Fistula System)</li> <li>• TRIDYNE™ aortic vascular sealant</li> <li>• OptiFix™ AT (articulating mesh fixation product)</li> <li>• SureStep™ Externals</li> <li>• SureStep™ Intermittent catheters</li> <li>• SureStep™ Male external catheters</li> </ul>

# Key takeaways

## **Completed successful first year as BD + Bard**

- Very strong revenue growth driven by breadth of portfolio
- Solid operational performance and cost synergy capture driving continued margin expansion
- Announcing Bard revenue synergies
- Successful product innovation and adoption driving growth
- Executing on our strategy as a combined company
- Confident in our outlook as we move forward



**BD**

Advancing the  
world of health



# Our focus on sustainable performance



**INNOVATION**

Developing new products and solutions that improve outcomes, reduce system costs and promote healthcare safety

## Q4 Update

BD officially opened our state-of-the-art Research Centre in Ireland, a Centre of Excellence to expand our offering of electromechanical products



**ACCESS**

Providing access to affordable medical technologies to resource limited populations around the globe

## Q4 Update

BD Global Health celebrated a decade of partnerships with PEPFAR and U.S. CDC to address HIV/AIDS and the Global Health Security Agenda



**EFFICIENCY**

Working across the value chain to minimize environmental impact and maintain resilient global operations

## Q4 Update

BD participated in the 2018 Chemical Footprint Project, providing transparency around our chemicals management strategy



**EMPOWERMENT**

Fostering a purpose-driven culture that supports an inclusive and diverse workplace and community engagement

## Q4 Update

BD awarded five community health centers with a total of \$1 million in grant funding, as part of the BD Helping Build Healthy Communities program

# FY 2018 Planned Product Launches

Medical	Life Sciences	Interventional
<ul style="list-style-type: none"> <li>✓ BD PhaSeal™ Optima (EU and Canada)</li> <li>✓ BD PureHub™ IV needless connector disinfectant caps</li> <li>✓ IV Solutions – 0.9% sodium chloride and 5% dextrose               <ul style="list-style-type: none"> <li>• IV Solutions – additional compounds (delay to FY 2019)</li> </ul> </li> <li>✓ Next Gen Accucath™ catheter</li> <li>✓ BD Venflon™ I with BD Instaflash™ Needle Technology</li> <li>✓ BD Venflon™ Pro Safety with BD Instaflash™ Needle Technology</li> <li>✓ BD HealthSight™ integrated MMS platform</li> <li>✓ BD Pyxis™ ES 1.5.2</li> <li>✓ BD Neopak™ XSi™ glass pre-fillable syringe</li> </ul>	<ul style="list-style-type: none"> <li>✓ BD MAX™ – Enteric Viral Panel (CE Mark)</li> <li>✓ BD MAX™ – TB</li> <li>✓ BD MAX™ Check-Points CPO assay (CE Mark)</li> <li>✓ BD Onclarity™ HPV (U.S. PMA)</li> <li>✓ BD Synapsys™ Informatics DS platform</li> <li>✓ BD AbSeq assays for protein expression</li> <li>✓ Additional BD OptiBuild™ reagents / Sirigen dyes</li> </ul>	<ul style="list-style-type: none"> <li>✓ LifeStent™ 5Fr. ProSeries™ stent</li> <li>✓ OptiFix™ open fixation system</li> <li>✓ LUTONIX™ AV catheter</li> <li>✓ Covera™ stent graft (AV access graft indication)</li> <li>✓ Magic3™ catheter</li> <li>✓ AllPoints™ port access system</li> <li>✓ Echo 2™ position system with Ventralight™ ST mesh</li> <li>✓ LUTONIX™ drug coated balloon catheter – Long Lesion (200mm+ balloon lengths for SFA treatment)</li> </ul>

# FY 2018 Guidance and Actuals

As adjusted	August Guidance	FY 2018 Actuals
<b>BD Comparable Revenues FXN % Growth<sup>(1)</sup></b>	<b>5.5%+</b>	<b>5.8%</b>
<b>BD Comparable Revenues FXN % Growth<sup>(2)</sup> excluding U.S. dispensing change and hurricane impact</b>	<b>6.0%+</b>	<b>6.5%</b>
<b>Revenue – FX Impact</b>	<b>~2.5%</b>	<b>1.8%</b>
<b>BD Reported Revenues</b>	<b>31.5%+</b>	<b>32.2%</b>
Gross margin	56.0% to 57.0%	56.5%
SSG&A (% of sales)	24.5% to 25.5%	25.1%
R&D (% of sales)	6.0% to 7.0%	6.1%
Operating margin Operating margin expansion FXN	25.0% to 26.0% +200 to 250 bps	25.2% +210 bps
Interest/other, net <sup>(3)</sup>	(\$500M to \$525M)	(\$453M)
Effective tax rate	17.0% to 19.0%	16.7%
Preferred Dividend	(\$114M)	(\$114M)
Share count	~261M	261M
<b>Adjusted EPS</b>	<b>\$10.95 to \$11.05</b>	<b>\$11.01</b>
<b>Adjusted EPS FXN % Growth</b>	<b>~12%</b>	<b>12.3%</b>
<b>Adjusted EPS % Growth</b>	<b>15.5% to 16.5%</b>	<b>16.1%</b>
Operating cash flow	~\$3.5B	\$3.6B
Capital expenditures	\$850M to \$900M	\$895M

(1) Comparable revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment. (2) Underlying Growth excludes the estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2 and the estimated sales impact from the hurricane in Puerto Rico on the Bard business in Q1. (3) Amounts previously reported by Bard as related to the Gore royalty revenue have been reclassified to Other Income to reflect the reporting classification by BD. (4) Current and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments (including the non-cash amortization of acquisition-related intangible assets); integration, restructuring and transaction costs; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment.

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# Q4 FY 2018 & Q4 FY 2017 Adjustment Reconciliations

(Unaudited; Amounts in millions, except per share data)

## Three Months Ended September 30, 2018

	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Income, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
<b>Reported \$ for Three Months Ended September 30, 2018</b>	<b>\$ 4,402</b>	<b>\$ 2,091</b>	<b>\$ 1,103</b>	<b>\$ 278</b>	<b>\$ 140</b>	<b>\$ -</b>	<b>\$ 570</b>	<b>\$ (172)</b>	<b>\$ 16</b>	<b>\$ 550</b>	<b>\$ (135)</b>	<b>\$ (0.64)</b>
<i>Reported % of Revenues</i>		47.5%	25.1%	6.3%			13.0%				(3.1%)	
<i>Reported effective tax rate</i>										132.5%		
<b>Specified items:</b>												
Purchase accounting adjustments pre-tax <sup>(1)</sup>	-	341	(1)	-	-	-	342	(1)	33	-	374	1.39
Restructuring costs pre-tax <sup>(2)</sup>	-	-	-	-	(57)	-	57	-	-	-	57	0.21
Integration costs pre-tax <sup>(2)</sup>	-	-	-	-	(88)	-	88	-	-	-	88	0.33
Transaction costs pre-tax <sup>(3)</sup>	-	-	-	-	5	-	(5)	-	-	-	(5)	(0.02)
Hurricane recovery costs	-	2	-	-	-	-	2	-	-	-	2	0.01
Net impact of gain on sale of investment and asset impairments <sup>(4)</sup>	-	53	-	(5)	-	-	58	-	5	-	63	0.23
Dilutive impact <sup>(5)</sup>	-	-	-	-	-	-	-	-	-	-	-	(0.07)
Income tax benefit of special items <sup>(6)</sup>	-	-	-	-	-	-	-	-	-	(398)	398	1.48
<b>Adjusted \$ for Three Months Ended September 30, 2018</b>	<b>\$ 4,402</b>	<b>\$ 2,487</b>	<b>\$ 1,102</b>	<b>\$ 273</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,113</b>	<b>\$ (173)</b>	<b>\$ 54</b>	<b>\$ 152</b>	<b>\$ 842</b>	<b>\$ 2.93</b>
<i>Adjusted % of Adjusted Revenues</i>		56.5%	25.0%	6.2%			25.3%				19.1%	
<i>Adjusted effective tax rate</i>										15.3%		

## Three Months Ended September 30, 2017

	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Income, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
<b>Reported \$ for Three Months Ended September 30, 2017</b>	<b>\$ 3,166</b>	<b>\$ 1,554</b>	<b>\$ 774</b>	<b>\$ 221</b>	<b>\$ 111</b>	<b>\$ 5</b>	<b>\$ 443</b>	<b>\$ (111)</b>	<b>\$ (7)</b>	<b>\$ (1)</b>	<b>\$ 327</b>	<b>\$ 1.24</b>
<i>Reported % of Revenues</i>		49.1%	24.4%	7.0%			14.0%				10.3%	
<i>Reported effective tax rate</i>										(0.4%)		
<b>Specified items:</b>												
Purchase accounting adjustments pre-tax <sup>(1)</sup>	-	132	-	-	-	-	131	(1)	(1)	-	130	0.56
Restructuring costs pre-tax <sup>(2)</sup>	-	-	-	-	(30)	-	30	-	-	-	30	0.13
Integration costs pre-tax <sup>(2)</sup>	-	-	-	-	(78)	-	78	-	-	-	78	0.34
Transaction costs pre-tax <sup>(3)</sup>	-	-	-	-	(2)	-	2	-	-	-	2	0.01
Financing impacts pre-tax <sup>(7)</sup>	-	-	-	-	-	-	-	44	-	-	44	0.19
Lease contract modification-related charge <sup>(8)</sup>	-	-	-	-	-	-	6	-	-	-	6	0.03
Litigation-related item <sup>(9)</sup>	-	-	-	-	-	(6)	6	-	-	-	(1)	(0.01)
Dilutive impact <sup>(5)</sup>	-	-	-	-	-	1	(1)	-	-	-	-	0.31
Income tax benefit of special items	-	-	-	-	-	-	-	-	-	91	(91)	(0.39)
<b>Adjusted \$ for Three Months Ended September 30, 2017</b>	<b>\$ 3,166</b>	<b>\$ 1,685</b>	<b>\$ 774</b>	<b>\$ 221</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 691</b>	<b>\$ (68)</b>	<b>\$ (8)</b>	<b>\$ 90</b>	<b>\$ 525</b>	<b>\$ 2.40</b>
<i>Adjusted % of Revenues</i>		53.2%	24.4%	7.0%			21.8%				16.6%	
<i>Adjusted effective tax rate</i>										14.6%		

## Three Months Ended September 30, 2018 versus September 30, 2017

<b>Adjusted \$ change</b>	<b>C=A-B</b>	<b>\$ 1,236</b>	<b>\$ 802</b>	<b>\$ (328)</b>	<b>\$ (52)</b>	<b>\$ -</b>	<b>\$ 422</b>	<b>\$ (105)</b>	<b>\$ 62</b>	<b>\$ (62)</b>	<b>\$ 317</b>	<b>\$ 0.53</b>
<b>Adjusted % change</b>	<b>D=C/B</b>	<b>39.0%</b>	<b>47.6%</b>	<b>(42.4%)</b>	<b>(23.6%)</b>	<b>-</b>	<b>61.1%</b>	<b>(153.6%)</b>	<b>813.5%</b>	<b>(69.4%)</b>	<b>60.3%</b>	<b>22.1%</b>
<b>Foreign currency translation impact</b>	<b>E</b>	<b>\$ (33)</b>	<b>\$ (30)</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (21)</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 4</b>	<b>\$ (16)</b>	<b>\$ (0.06)</b>
<b>Adjusted foreign currency neutral \$ change</b>	<b>F=C-E</b>	<b>\$ 1,270</b>	<b>\$ 832</b>	<b>\$ (338)</b>	<b>\$ (52)</b>	<b>\$ -</b>	<b>\$ 443</b>	<b>\$ (105)</b>	<b>\$ 60</b>	<b>\$ (66)</b>	<b>\$ 333</b>	<b>\$ 0.59</b>
<b>Adjusted foreign currency neutral % change</b>	<b>G=F/B</b>	<b>40.1%</b>	<b>49.4%</b>	<b>(43.6%)</b>	<b>(23.5%)</b>	<b>-</b>	<b>64.1%</b>	<b>(153.6%)</b>	<b>794.2%</b>	<b>(73.3%)</b>	<b>63.3%</b>	<b>24.6%</b>

<sup>(1)</sup> Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt.

<sup>(2)</sup> Represents restructuring and integration costs associated with the Bard and CareFusion acquisitions, as well as restructuring costs associated with other portfolio rationalization initiatives.

<sup>(3)</sup> Represents transaction costs primarily associated with the Bard acquisition.

<sup>(4)</sup> Includes \$58 million of charges to write down the value of fixed assets primarily in the Diabetes Care unit.

<sup>(5)</sup> The amount in 2018 represents the exclusion of share equivalents associated with share-based plans from the reported diluted shares outstanding calculation because such equivalents would have been antidilutive due to the net loss incurred during the period. The adjusted diluted average shares outstanding (in thousands) were 274,693. The amount in 2017 represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition.

<sup>(6)</sup> Includes additional tax expense, net, of \$365 million relating to new U.S. tax legislation.

<sup>(7)</sup> Represents financing impacts associated with the Bard acquisition.

<sup>(8)</sup> Represents an adjustment to a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

<sup>(9)</sup> Represents an adjustment to litigation-related reserves.



# FY 2018 & FY 2017 Adjustment Reconciliations

(Unaudited; Amounts in millions, except per share data)

## Twelve Months Ended September 30, 2018

	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Income, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
<b>Reported \$ for Twelve Months Ended September 30, 2018</b>	<b>\$ 15,983</b>	<b>\$ 7,262</b>	<b>\$ 4,015</b>	<b>\$ 1,006</b>	<b>\$ 744</b>	<b>\$ -</b>	<b>\$ 1,497</b>	<b>\$ (641)</b>	<b>\$ 318</b>	<b>\$ 862</b>	<b>\$ 311</b>	<b>\$ 0.60</b>
<i>Reported % of Revenues</i>		45.4%	25.1%	6.3%			9.4%				1.9%	
<i>Reported effective tax rate</i>										73.5%		
<b>Specified items:</b>												
Purchase accounting adjustments pre-tax <sup>(1)</sup>	-	1,633	(6)	(0)	-	-	1,639	(7)	101	-	1,733	6.55
Restructuring costs pre-tax <sup>(2)</sup>	-	-	-	-	(344)	-	344	-	-	-	344	1.30
Integration costs pre-tax <sup>(2)</sup>	-	-	-	-	(344)	-	344	-	-	-	344	1.30
Transaction costs pre-tax <sup>(3)</sup>	-	-	-	-	(56)	-	56	-	-	-	56	0.21
Financing impacts pre-tax <sup>(4)</sup>	-	-	-	-	-	-	-	49	-	-	49	0.19
Hurricane recovery costs	-	16	(1)	-	-	-	17	-	-	-	17	0.07
Losses on debt extinguishment <sup>(5)</sup>	-	-	-	-	-	-	-	-	16	-	16	0.06
Net impact of gain on sale of investment and asset impairments <sup>(6)</sup>	-	116	-	(23)	-	-	139	-	(290)	-	(151)	(0.57)
Dilutive impact <sup>(7)</sup>	-	-	-	-	-	-	-	-	-	-	-	0.30
Income tax benefit of special items and impact of tax reform <sup>(8)</sup>	-	-	-	-	-	-	-	-	-	(265)	265	1.00
<b>Adjusted \$ for Twelve Months Ended September 30, 2018</b>	<b>\$ 15,983</b>	<b>\$ 9,027</b>	<b>\$ 4,009</b>	<b>\$ 983</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,036</b>	<b>\$ (599)</b>	<b>\$ 145</b>	<b>\$ 597</b>	<b>\$ 2,985</b>	<b>\$ 11.01</b>
<i>Adjusted % of Adjusted Revenues</i>		56.5%	25.1%	6.1%			25.2%				18.7%	
<i>Adjusted effective tax rate</i>										16.7%		

## Twelve Months Ended September 30, 2017

	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Expense, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
<b>Reported \$ for Twelve Months Ended September 30, 2017</b>	<b>\$ 12,093</b>	<b>\$ 5,942</b>	<b>\$ 2,925</b>	<b>\$ 774</b>	<b>\$ 354</b>	<b>\$ 410</b>	<b>\$ 1,478</b>	<b>\$ (445)</b>	<b>\$ (57)</b>	<b>\$ (124)</b>	<b>\$ 1,100</b>	<b>\$ 4.60</b>
<i>Reported % of Revenues</i>		49.1%	24.2%	6.4%			12.2%				9.1%	
<i>Reported effective tax rate</i>										(12.7%)		
<b>Specified items:</b>												
Purchase accounting adjustments pre-tax <sup>(1)</sup>	-	529	-	-	-	-	529	(14)	(24)	-	491	2.20
Restructuring costs pre-tax <sup>(2)</sup>	-	-	-	-	(85)	-	85	-	-	-	85	0.38
Integration costs pre-tax <sup>(2)</sup>	-	-	-	-	(237)	-	237	-	-	-	237	1.06
Transaction costs pre-tax <sup>(3)</sup>	-	-	-	-	(33)	-	33	-	6	-	39	0.17
Financing impacts pre-tax <sup>(4)</sup>	-	-	-	-	-	-	-	131	-	-	131	0.58
Losses on debt extinguishment <sup>(5)</sup>	-	-	-	-	-	-	-	-	73	-	73	0.33
Lease contract modification-related charge <sup>(9)</sup>	-	-	-	-	-	(748)	748	-	-	-	748	3.34
Litigation-related item <sup>(10)</sup>	-	-	-	-	-	337	(337)	-	-	-	(337)	(1.51)
Dilutive impact <sup>(7)</sup>	-	-	-	-	-	-	-	-	-	-	-	0.54
Income tax benefit of special items	-	-	-	-	-	-	-	-	-	495	(495)	(2.21)
<b>Adjusted \$ for Twelve Months Ended September 30, 2017</b>	<b>\$ 12,093</b>	<b>\$ 6,471</b>	<b>\$ 2,925</b>	<b>\$ 774</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,772</b>	<b>\$ (328)</b>	<b>\$ (2)</b>	<b>\$ 371</b>	<b>\$ 2,071</b>	<b>\$ 9.48</b>
<i>Adjusted % of Revenues</i>		53.5%	24.2%	6.4%			22.9%				17.1%	
<i>Adjusted effective tax rate</i>										15.2%		

## Twelve Months Ended September 30, 2018 versus September 30, 2017

<b>Adjusted \$ change</b>	<b>C=A-B</b>	<b>\$ 3,890</b>	<b>\$ 2,556</b>	<b>\$ (1,084)</b>	<b>\$ (208)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,264</b>	<b>\$ (270)</b>	<b>\$ 147</b>	<b>\$ (226)</b>	<b>\$ 914</b>	<b>\$ 1.53</b>
<b>Adjusted % change</b>	<b>D=C/B</b>	<b>32.2%</b>	<b>39.5%</b>	<b>(37.1%)</b>	<b>(26.9%)</b>	<b>-</b>	<b>-</b>	<b>45.6%</b>	<b>(82.3%)</b>	<b>9711.9%</b>	<b>(60.9%)</b>	<b>44.2%</b>	<b>16.1%</b>
<b>Foreign currency translation impact</b>	<b>E</b>	<b>\$ 269</b>	<b>\$ 183</b>	<b>\$ (63)</b>	<b>\$ (8)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 113</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (20)</b>	<b>\$ 93</b>	<b>\$ 0.36</b>
<b>Adjusted foreign currency neutral \$ change</b>	<b>F=C-E</b>	<b>\$ 3,622</b>	<b>\$ 2,372</b>	<b>\$ (1,021)</b>	<b>\$ (200)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,151</b>	<b>\$ (270)</b>	<b>\$ 147</b>	<b>\$ (206)</b>	<b>\$ 822</b>	<b>\$ 1.17</b>
<b>Adjusted foreign currency neutral % change</b>	<b>G=F/B</b>	<b>29.9%</b>	<b>36.7%</b>	<b>(34.9%)</b>	<b>(25.9%)</b>	<b>-</b>	<b>-</b>	<b>41.5%</b>	<b>(82.3%)</b>	<b>9722.6%</b>	<b>(55.4%)</b>	<b>39.7%</b>	<b>12.3%</b>

<sup>(1)</sup> Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$478 million recorded relative to Bard's inventory on the acquisition date.

<sup>(2)</sup> Represents restructuring and integration costs associated with the Bard and CareFusion acquisitions, as well as restructuring costs associated with other portfolio rationalization initiatives.

<sup>(3)</sup> Represents transaction costs primarily associated with the Bard acquisition.

<sup>(4)</sup> Represents financing impacts associated with the Bard acquisition.

<sup>(5)</sup> Represents losses recognized upon the extinguishment of certain long-term senior notes.

<sup>(6)</sup> Represents the net amount recognized in the period related to BD's sale of its non-controlling interest in Vyire Medical, partially offset by \$81 million of charges recorded to write down the carrying value of certain intangible and other assets in the Biosciences unit as well as \$58 million of charges to write

<sup>(7)</sup> Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition and BD shares issued as consideration transferred to acquire Bard. The adjusted diluted average shares outstanding (in thousands) was 260,758.

<sup>(8)</sup> Includes additional tax expense, net, of \$640 million relating to new U.S. tax legislation.

<sup>(9)</sup> Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

<sup>(10)</sup> Represents the reversal of certain reserves related to an appellate court decision which, among other things, reversed an unfavorable antitrust judgment in the RTI case.



# Q4 FY 2018 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

(Unaudited)

Three Months Ended September 30, 2018

	<u>2018</u>	<u>2017</u>	<u>Growth</u>	<u>Foreign Currency Translation</u>	<u>Foreign Currency Neutral Growth</u>	<u>Growth %</u>	<u>Foreign Currency Neutral Growth %</u>
Reported Diluted (Loss) Earnings per Share	<u>\$(0.64)</u>	<u>\$1.24</u>	<u>\$(1.88)</u>	<u>\$ (0.06)</u>	<u>\$ (1.82)</u>	<u>(151.6%)</u>	<u>(146.8%)</u>
Purchase accounting adjustments (\$374 million and \$130 million pre-tax, respectively) (1)	1.39	0.56		—			
Restructuring costs (\$57 million and \$30 million pre-tax, respectively) (2)	0.21	0.13		—			
Integration costs (\$88 million and \$78 million pre-tax, respectively) (2)	0.33	0.34		—			
Transaction costs (\$5 million and \$2 million pre-tax, respectively) (3)	(0.02)	0.01		—			
Financing impacts (\$44 million pre-tax) (4)	—	0.19		—			
Hurricane recovery costs (\$2 million pre-tax)	0.01	—		—			
Net impact of gain on sale of investment and asset impairments (\$63 million pre-tax) (5)	0.23	—		—			
Lease contract modification-related charge (\$6 million pre-tax) (6)	—	0.03		—			
Litigation-related item (\$1 million pre-tax) (7)	—	(0.01)		—			
Dilutive impact (8)	(0.07)	0.31		—			
Impact of tax reform and income tax benefit of special items (\$398 million and \$(91) million, respectively) (9)	<u>1.48</u>	<u>(0.39)</u>		<u>—</u>			
Adjusted Diluted Earnings per Share	<u>\$2.93</u>	<u>\$2.40</u>	<u>\$0.53</u>	<u>\$ (0.06)</u>	<u>\$0.59</u>	<u>22.1%</u>	<u>24.6%</u>

(1) Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt.

(2) Represents restructuring and integration costs associated with the Bard and CareFusion acquisitions, as well as restructuring costs associated with other portfolio rationalization initiatives.

(3) Represents transaction costs primarily associated with the Bard acquisition.

(4) Represents financing impacts associated with the Bard acquisition.

(5) Includes \$58 million of charges to write down the value of fixed assets primarily in the Diabetes Care unit.

(6) Represents an adjustment to a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

(7) Represents an adjustment to litigation-related reserves.

(8) The amount in 2018 represents the exclusion of share equivalents associated with share-based plans from the reported diluted shares outstanding calculation because such equivalents would have been antidilutive due to the net loss incurred during the period. The adjusted diluted average shares outstanding (in thousands) were 274,693. The amount in 2017 represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition.

(9) Includes additional tax expense, net, of \$365 million relating to new U.S. tax legislation.

# FY 2018 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

(Unaudited)

Twelve Months Ended September 30, 2018

	2018	2017	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$0.60	\$4.60	\$(4.00)	\$0.32	\$ (4.32)	(87.0%)	(93.9%)
Purchase accounting adjustments (\$1.733 billion and \$491 million pre-tax, respectively) (1)	6.55	2.20		0.01			
Restructuring costs (\$344 million and \$85 million pre-tax, respectively) (2)	1.30	0.38		0.01			
Integration costs (\$344 million and \$237 million pre-tax, respectively) (2)	1.30	1.06		0.01			
Transaction costs (\$56 million and \$39 million pre-tax, respectively) (3)	0.21	0.17		—			
Financing impacts (\$49 million and \$131 million pre-tax, respectively) (4)	0.19	0.58		—			
Hurricane recovery costs (\$17 million pre-tax)	0.07	—		—			
Losses on debt extinguishment (\$16 million and \$73 million pre-tax, respectively) (5)	0.06	0.33		—			
Net impact of gain on sale of investment and asset impairments (\$(151) million pre-tax) (6)	(0.57)	—		0.01			
Lease contract modification-related charge (\$748 million pre-tax) (7)	—	3.34		—			
Litigation-related item (\$(337) million pre-tax) (8)	—	(1.51)		—			
Dilutive Impact (9)	0.30	0.54		—			
Impact of tax reform and income tax benefit of special items (\$265 million and \$(495) million, respectively) (10)	1.00	(2.21)		(0.01)			
Adjusted Diluted Earnings per Share	\$11.01	\$9.48	\$1.53	\$0.36	\$1.17	16.1%	12.3%

(1) Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$478 million recorded relative to Bard's inventory on the acquisition date.

(2) Represents restructuring and integration costs associated with the Bard and CareFusion acquisitions, as well as restructuring costs associated with other portfolio rationalization initiatives.

(3) Represents transaction costs primarily associated with the Bard acquisition.

(4) Represents financing impacts associated with the Bard acquisition.

(5) Represents losses recognized upon the extinguishment of certain long-term senior notes.

(6) Represents the net amount recognized in the period related to BD's sale of its non-controlling interest in Vyair Medical, partially offset by \$81 million of charges recorded to write down the carrying value of certain intangible and other assets in the Biosciences unit as well as \$58 million of charges to write down the value of fixed assets primarily in the Diabetes Care unit.

(7) Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

(8) Represents the reversal of certain reserves related to an appellate court decision which, among other things, reversed an unfavorable antitrust judgment in the RTI case.

(9) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition and BD shares issued as consideration transferred to acquire Bard. The adjusted diluted average shares outstanding (in thousands) was 260,758.

(10) Includes additional tax expense, net, of \$640 million relating to new U.S. tax legislation.



# FY 2017 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

(Unaudited)

	Twelve Months Ended September 30,						
	2017	2016	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 4.60	\$ 4.49	\$ 0.11	\$ (0.23)	\$ 0.34	2.4%	7.6%
Purchase accounting adjustments (\$491 million and \$527 million pre-tax, respectively) <sup>(1)</sup>	2.20	2.42					
Restructuring costs (\$85 million and \$526 million pre-tax, respectively) <sup>(2)</sup>	0.38	2.42					
Integration costs (\$237 million and \$192 million pre-tax, respectively) <sup>(2)</sup>	1.06	0.88					
Transaction costs (\$39 million and \$10 million pre-tax, respectively) <sup>(2)</sup>	0.17	0.04					
Financing costs (\$131 million pre-tax) <sup>(3)</sup>	0.58	—					
Losses on debt extinguishment (\$73 million pre-tax) <sup>(4)</sup>	0.33	—					
Lease contract modification-related charge (\$748 million pre-tax) <sup>(5)</sup>	3.34	—					
Litigation-related item (\$(337) million pre-tax) <sup>(6)</sup>	(1.51)	—					
Dilutive Impact <sup>(7)</sup>	0.54	—					
Pension settlement charges (\$6 million pre-tax) <sup>(8)</sup>	—	0.03					
Income tax benefit of special items (\$(495) million and \$(369) million, respectively)	(2.21)	(1.70)					
Adjusted Diluted Earnings per Share	\$ 9.48	\$ 8.59	\$ 0.89	\$ (0.24)	\$ 1.13	10.4%	13.2%

(1) Includes adjustments related to the purchase accounting for acquisitions, primarily CareFusion, impacting identified intangible assets and valuation of fixed assets and debt.

(2) Represents integration, restructuring and transaction costs which are associated with the acquisition of CareFusion and other portfolio rationalization initiatives, as well as integration and transaction costs which relate to the pending agreement to acquire Bard.

(3) Represents financing costs, primarily fees paid to enter into a bridge facility, incurred in connection with the pending agreement to acquire Bard.

(4) Represents losses recognized upon the extinguishment of certain long-term senior notes.

(5) Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

(6) Largely represents the reversal of certain reserves related to an appellate court decision which, among other things, reversed an unfavorable antitrust judgment in the RTI case.

(7) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the pending acquisition of Bard, and of preferred share dividends payable on mandatory convertible preferred stock outstanding. The year-to-date adjusted diluted average shares outstanding (in thousands) is 218,323.

(8) Represents pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost.



# FY 2018 Reconciliation – FX Impact Emerging, Developed Markets & China

	A	B	C	D=A+B+C	E	F	G	H	I=E+F+G+H	J=(A-E)/E	K	L=(D-I-K)/I
	BD	Bard Q1	Divestiture		BD	Bard	Presentation	Divestiture				
	Reported	(a)	Adjustments	Comparable	Reported	(a)	Alignment	Adjustments	Comparable	% Rptd	FX Impact	Comp
	2018	2018	(b)	2018	2017	2017	Adjustments (c)	(b)	2017	Change		FXN %
												Change
<b>Three Months Ended September 30,</b>												
DEVELOPED MARKETS	3,704	-	-	3,704	2,625	832	(4)	(12)	3,441	41.1	(3)	7.7
EMERGING MARKETS	698	-	-	698	541	111	-	(0)	652	28.9	(31)	11.8
CHINA	288	-	-	288	180	72	-	(0)	252	59.5	1	13.6
<b>Twelve Months Ended September 30,</b>												
DEVELOPED MARKETS	13,458	848	(20)	14,286	10,140	3,301	(14)	(46)	13,380	32.7	260	4.8
EMERGING MARKETS	2,525	119	(1)	2,644	1,953	401	-	(2)	2,352	29.3	19	11.6
CHINA	1,036	72	(1)	1,108	686	254	-	(1)	940	50.9	44	13.2

## Footnote Explanations

(a) Amounts in 2018 represent revenues for the quarter ended December 31, 2017; amounts in 2017 represent revenues for the quarterly periods included in BD's fiscal year 2017. Amounts presented in alignment with BD's current-period segment, organizational unit and regional reporting structure. Also reflects the elimination of revenues from the Peripheral Intervention unit related to a royalty income stream, reported as revenues by Bard, which BD reports as non-operating income in the current-year period.

(b) Represents adjustments for BD's divestiture of its soft tissue core needle biopsy product line and Bard's divestiture of its Aspira® product line.

Represents the elimination of revenues from the Medication Delivery Solutions unit which BD previously recognized from Bard as third-party revenues and that would be treated as intercompany revenues in the

(c) current-year period.

# FY 2019 Revenue Outlook Reconciliation

	Q1	Q2	Q3	Q4	FY2018	BD Including Bard		
	Revenues	Revenues	Revenues	Revenues	Revenues	FY2019 Outlook		
						% Change	FX Impact	% Change FXN
BDX Revenue	\$ 3,080	\$ 4,222	\$ 4,278	\$ 4,402	\$ 15,983	8.5% to 9.5%	~2.0	10.5% to 11.5%

## Comparable Revenue Growth

	FY2018	FY2018	FY2018	FY2018	FY2018	FY2019 Outlook
	Revenues	Revenues	Revenues	Revenues	Revenues	% Change FXN Comparable
BDX As Reported Revenue	\$ 3,080	\$ 4,222	\$ 4,278	\$ 4,402	\$ 15,983	
Bard Q1	968	0	0	0	968	
Intercompany Adjustment	(3)	0	0	0	(3)	
Divestiture Adjustment (1) (2)	(33)	(27)	(35)	(29)	(124)	
BDX NewCo Comparable Revenue	\$ 4,012	\$ 4,195	\$ 4,244	\$ 4,373	\$ 16,824	5.0% to 6.0%
BD Medical As Reported Revenue	\$ 1,852	\$ 2,172	\$ 2,246	\$ 2,346	\$ 8,616	
Bard Q1	213	0	0	0	213	
Intercompany Adjustment	(3)	0	0	0	(3)	
BD Medical Comparable Revenue	\$ 2,062	\$ 2,172	\$ 2,246	\$ 2,346	\$ 8,826	5.0% to 6.0%
BD Life Sciences As Reported Revenue	\$ 1,045	1,098	1,079	1,108	\$ 4,330	
Divestiture Adjustment (2)	(20)	(22)	(35)	(29)	(106)	
BDLS NewCo Comparable Revenue	\$ 1,025	\$ 1,076	\$ 1,045	\$ 1,079	\$ 4,224	4.0% to 5.0%
BD Interventional as Reported	\$ 183	952	954	948	\$ 3,037	
Bard Q1	755	0	0	0	755	
Divestiture Adjustment (1)	(12)	(5)	0	0	(18)	
BD Interventional Comparable Revenue	\$ 925	\$ 947	\$ 954	\$ 948	\$ 3,774	6.0% to 7.0%

FXN - Foreign Currency Neutral

(1) Excludes the impact from the divestitures of BD's soft tissue core needle biopsy product line and Bard's Aspira product line of tunneled home drainage catheters and accessories.

(2) Excludes the impact from the divestiture of BD's Advanced Bioprocessing Business

# FY 2019 EPS Outlook Reconciliation

	BD Including Bard		
	FY2019 Outlook		
	Full Year FY2019 Outlook	Full Year FY2018	% Increase
Adjusted Fully Diluted Earnings per Share	\$12.05 to 12.15	\$11.01	~10%
Estimated FX Impact			~3.5%
Adjusted FXN Growth			13% - 14%

FXN - Foreign Currency Neutral

- (1) Excludes the impact from the divestiture of BD's Advanced Bioprocessing Business.
- (2) Excludes the impact from the divestitures of BD's soft tissue core needle biopsy product line and Bard's Aspira product line of tunneled home drainage catheters and accessories.