

Third Quarter Results Fiscal Year 2020

August 6, 2020



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 furnished as an exhibit to the Form 8-k that BD filed today with the SEC, and in our recent SEC filings.

Non-GAAP Financial Measures

- These materials also include Non-GAAP financial measures. A reconciliation to the most directly 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 foreign currency translation
- Basis of Presentation for Revenue Growth Metrics: All revenue amounts are presented on a GAAP basis. FXN revenue growth reflects growth on a currency neutral basis.
- A copy of our earnings release, including the financial schedules, is posted on the "Investors" section of the BD.com website.

Footnotes

1. Figures other than Revenue and Preferred Dividend are "as adjusted" which 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.

Note: COVID impact represents BD's estimate of the net financial impact of the global COVID-19 pandemic on the Company's results. Revenue growth rates are not adjusted to reflect the impact of COVID-19.

Q3 Overview

Tom Polen

CEO and President

Our Q3 financial results reflect the impact of COVID-19 during the quarter, with encouraging trends in June and July



Interventional

Sequential improvement each month as elective and non-urgent procedures begin to resume



Medical

Impacted by lower hospital utilization, with demand for medical consumables improving in June



Life Sciences

Strong demand for COVID-19 diagnostics, offset by lower capital investments and deferral of routine lab work

BD is well positioned to support customers through the pandemic and to return to growth as healthcare continues to stabilize and recover.

BD is uniquely positioned to advance COVID-19 solutions across the continuum of care

CONTINUUM OF CARE

Discovery

Diagnosis

Delivery of care & treatment of disease



Life Sciences

Improving diagnosis & selection of optimal treatment



- Enabling **research** to understand immune response



- Expanding rapid **diagnostic & point-of-care** testing & surveillance



Medical

Optimizing core healthcare delivery processes



- Enabling **medication management** and delivery



- Anticipating & preparing for a worldwide **vaccination campaign**



Interventional

Advancing technologies to treat high-burden diseases & conditions



- Ensuring **critical care** & treatment for high-burden conditions

Informatics: integrated workflow management and data analytics

Advancing innovation and launching new diagnostic solutions to help the world's response to COVID-19



Point-of-care antigen

Rapid and reliable testing at the point of care:

- Confirms active COVID-19 infection in **15 minutes**
- Installed base of **>25,000** across U.S.
- Expect to deliver **10 million tests** by September
- Ramping production to **12 million tests** per month at end of February 2021

BD Veritor™
Plus System



Informatics

BD Synapsys™



Patient Management



Specimen Collection



Molecular PCR

Easy-to-use, real-time PCR tests on BD MAX™

- **EUA & CE-marked** COVID-19 assays
- Confirms active COVID-19 infection in **2-3 hours**
- Currently produce **1 million tests/month**
- Ramping production to **1.9 million tests/month** by end of calendar year 2020



BD MAX™
Molecular System

Leveraging our manufacturing capabilities and scale to help the world prepare to deliver a COVID-19 vaccine

- Global orders for **470 million** injection devices to date:



190 million



75 million



65 million

Other

140 million

- Investing to **expand injection device manufacturing capacity** in the U.S.
 - Through a public-private partnership, BARDA will invest an estimated \$42 million into the \$70 million capital project.
- Expect majority of orders to be delivered in FY21



We are continuing to actively discuss injection device needs with governments around the world.

FY 2020 Planned Product Launches: Robust pipeline drives growth with innovative solutions



Medical



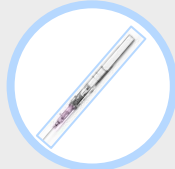
BD Provena™ Solo



BD Provena™ Midline Catheter with Max Barrier+ Kits



BD PowerMidline™ Catheter with Max Barrier+ Kits



BD InSyte™ Autoguard™ BC Pro



BD Intraosseous Vascular Access Device



BD Pyxis™ Logistics 1.2



BD Intevia™ 1ml



BD HealthSight™: MedSafety, Clinical Advisor & Infusion Diversion



BD Ultrasafe Plus™ 2.25



BD Hylok™ for IV



Life Sciences



BD Synapsys™ 3.1



BD COR™ GX/PX with Onclarity™



BD Kiestra™ IdentifA



BD Kiestra™ ReadA Compact



BD MAX™ COVID-19 Assays



BD FACSymphony™ S6 Sorter



BD OptiBuild™ Reagents



BD Veritor™ COVID-19 POC Antigen Test



BD FACSMelody™ 4-way Sorting



BD FACSDuet™ Enhancements



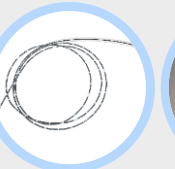
BD Eclipse™ Ultrafill Blood Collection Safety Needle



Interventional



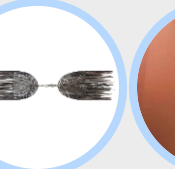
SureStep™ Vacutainer®



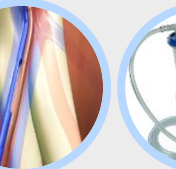
Ultraverse™ 014 and 018



Lutonix® AV Low Profile



Caterpillar™ Embolization Device



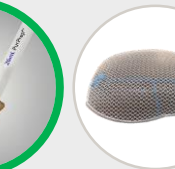
WavelinQ™ 4F+



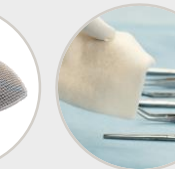
Dry-Doc™ Vacuum Station



Elevation™ Breast Biopsy Device



BD PurPrep™



3D Max™ MID



Layered Non-woven Hemostat



Arctic Sun® Stat Temperature Management System



Bone Biopsy Device

Previously launched New launch since last quarter



Advancing our long-term strategy to emerge strong and better positioned for value creation



- ✓ Strong focus on **cash and expense management**
- ✓ **Project Recode** remains on track
- ✓ **Operating with discipline** to maximize impact



Access the report at
<http://bd.com/sustainability>

Q3 results and COVID-19 impact

Chris Reidy

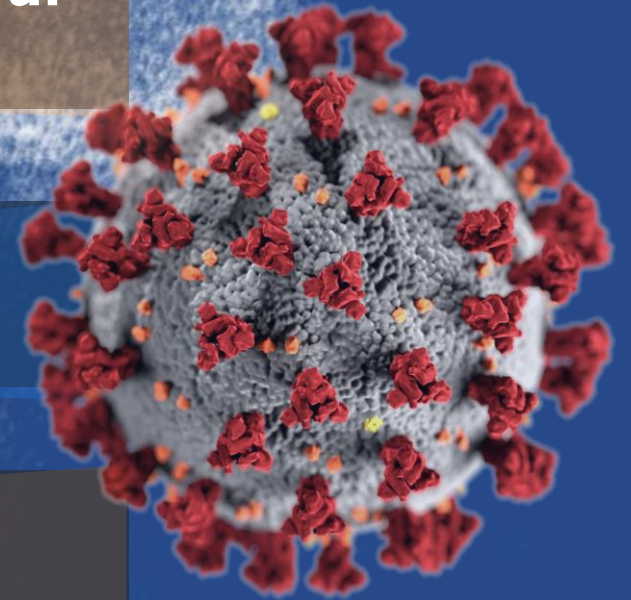
Executive Vice President, CFO and Chief Administrative Officer

Continuing to create and deliver value to all stakeholders




1 Continue to prioritize and adapt to the needs of our associates and customers around the world

2 Rapidly expanding our portfolio of solutions to address the COVID-19 pandemic

3 Focused on execution as our long-term strategy remains intact



Financial results: Q3 FY 2020

		Q3	YTD	
 Revenue Growth	Q3 revenue growth impacted by (~\$600M) related to COVID-19	\$3,855	\$12,333	
		FXN % growth <i>COVID impact</i>	(9.4%) ~(1,400 bps)	(1.6%)
		% growth	(11.4%)	(2.9%)
 Margin Expansion	Q3 operating margins impacted by rich decremental margins of lost COVID revenues as expected	Adjusted OIBT ⁽¹⁾	\$773	\$2,837
		% of revenues	+20.1%	+23.0%
		Margin expansion (FXN)	(480 bps)	(150 bps)
 Capital Deployment	Retired \$1.9B term-loan and \$695M outstanding balance on revolver	Adjusted EPS ⁽¹⁾	\$2.20	\$7.41
		FXN % growth	(25.0%)	(9.7%)
		% growth	(28.6%)	(11.5%)

Note: COVID impact represents BD's estimate of the net financial impact of the global COVID-19 pandemic on the Company's results. Revenue growth rates are not adjusted to reflect the impact of COVID-19.

Net COVID impact of (~\$600M) in Q3 FY 2020

**Q3 COVID
headwinds of
(~\$800M)
driven by:**

- **Reduced elective procedure** impacting Surgery & PI
- **Reduced hospital admissions resulting in lower procedure volumes**, impacting medical device consumables in MDS and MMS
 - Consequently, saw distributor inventory levels re-balance down after surge increases in March/April
- **Lower non-COVID diagnostic testing** impacting DS and PAS and **lower research activity** impacting BIO
- Some **delays in capital instrument installations** across the businesses (e.g. MMS, DS, BIO)
- Pleased to see **sequential monthly improvement from May to June in the COVID impact** related to acute care admissions / procedures (MDS) and Non-COVID testing (IDS), and sequentially throughout the quarter in elective procedures (Surgery and PI)

**Q3 COVID
tailwinds of
~\$200M
driven by:**

- **COVID-19 testing** on BD MAX and **global infusion pump demand**
 - ~\$100M from **BD MAX™** in Q3
 - Majority of Alaris **medical necessity demand occurred in April** as expected

Medical segment revenue

 **Q3**

\$2,122

(6.0%) FXN

COVID impact: ~ (600 bps)

(8.2%) Growth

YTD

\$6,362

(2.5%) FXN

(4.0%) Growth



Medication Delivery Solutions: \$781

Q3	(17.8%)	YTD	(6.4%)
	(20.3%)		(8.1%)

Reduced hospital admissions due to COVID-19 leading to lower demand across the portfolio. Additionally, lower volumes in China due to the tendering process
Q3 COVID impact: ~ (2,000 bps)



Medication Management Solutions: \$677

Q3	+3.9%	YTD	(3.6%)
	+2.5%		(4.4%)

Strong demand for infusion pumps in the U.S. under 'medical necessity' in April, as well as strong International growth of pumps. Partial offsets include delayed capital installations of Dispensing systems and lower demand of infusion sets
Q3 COVID impact: ~1,000 bps



Pharmaceutical Systems: \$403

Q3	+4.4%	YTD	+8.1%
	+2.3%		+6.0%

Growth driven by pre-fillable syringes and also reflects timing of customer orders that occurred in the first half of the year



Diabetes Care: \$260

Q3	(2.9%)	YTD	+0.1%
	(5.5%)		(1.5%)

Distributors and retailers reduced inventory, as expected, after increasing inventory in March due to COVID-19
Q3 COVID impact: ~ (400 bps)

FXN % growth

% growth

Note: COVID impact represents BD's estimate of the net financial impact of the global COVID-19 pandemic on the Company's results. Revenue growth rates are not adjusted to reflect the impact of COVID-19.

Life sciences segment revenue



Q3

\$951

(7.8%) FXN

COVID impact: ~ (1,700 bps)

(10.1%) Growth

YTD

\$3,187

+2.2% FXN

+0.7% Growth



Diagnostic Systems: \$402

Q3	+12.1%	YTD	+10.4%
	+9.3%		+8.7%

Performance driven by increased demand for COVID-19 related testing on BD MAX™ partially offset by a significant decline in non-COVID-19 diagnostic testing
Q3 COVID impact: ~ (100 bps)



Preanalytical Systems: \$312

Q3	(21.0%)	YTD	(3.1%)
	(23.3%)		(4.8%)

Significant decline in routine specimen collections due to COVID-19
Q3 COVID impact: ~ (2,500 bps)



Biosciences: \$237

Q3	(14.7%)	YTD	(1.4%)
	(16.4%)		(2.6%)

Reduced demand for instruments and reagents as research and clinical lab activity slowed due to COVID-19
Q3 COVID impact: ~ (2,500 bps)

FXN % growth

% growth

Note: COVID impact represents BD's estimate of the net financial impact of the global COVID-19 pandemic on the Company's results. Revenue growth rates are not adjusted to reflect the impact of COVID-19.

Interventional segment revenue



\$782

(19.2%) FXN

COVID Impact: ~ (3,000 bps)

(20.3%) Growth

YTD

\$2,784

(3.7%) FXN

(4.4%) Growth

FXN % growth

% growth



Peripheral Intervention: \$318

Q3	(18.2%)	YTD	(3.4%)
	(19.8%)		(4.6%)

COVID-19 negatively impacted demand for elective procedures in Oncology within the U.S., Europe and China and ESKD and PAD in the U.S. and Europe. Sequential improvement seen across all platforms during the quarter.

Q3 COVID-19 impact: ~ (2,800 bps)



Surgery: \$197

Q3	(35.8%)	YTD	(9.5%)
	(36.5%)		(10.0%)

COVID-19 negatively impacted demand for hernia repair and infection prevention in the U.S. and Europe as well as biosurgery in the U.S.

Q3 COVID-19 impact: ~ (4,200 bps)



Urology & Critical Care: \$268

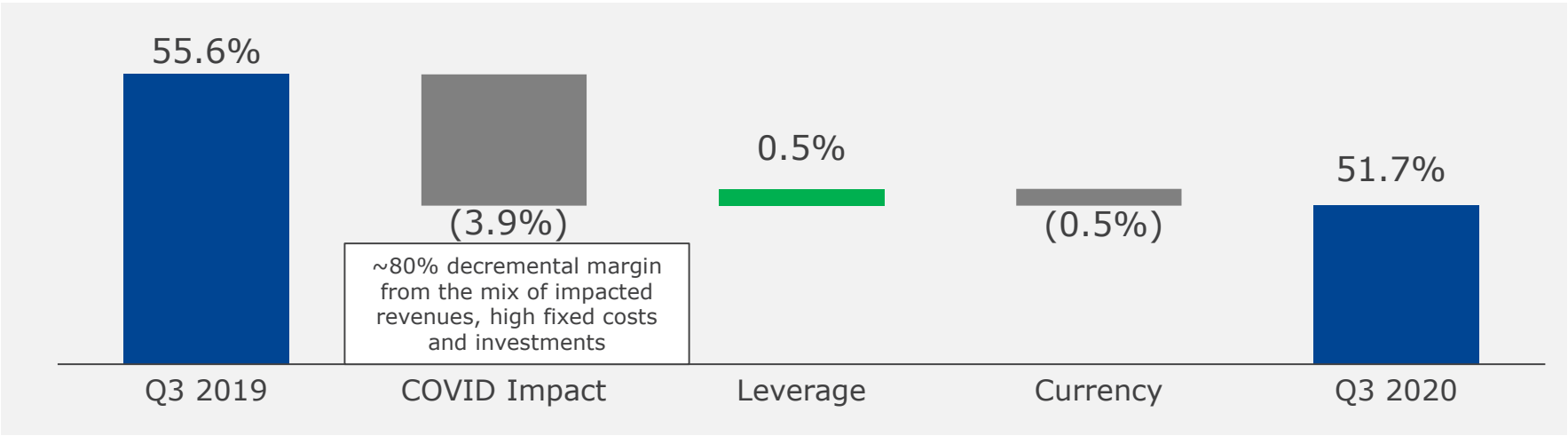
Q3	(2.0%)	YTD	+2.4%
	(3.0%)		+2.0%

Impact of COVID-19 seen in acute urology due to lower hospital utilization partially offset by solid performance in TTM and Home Care

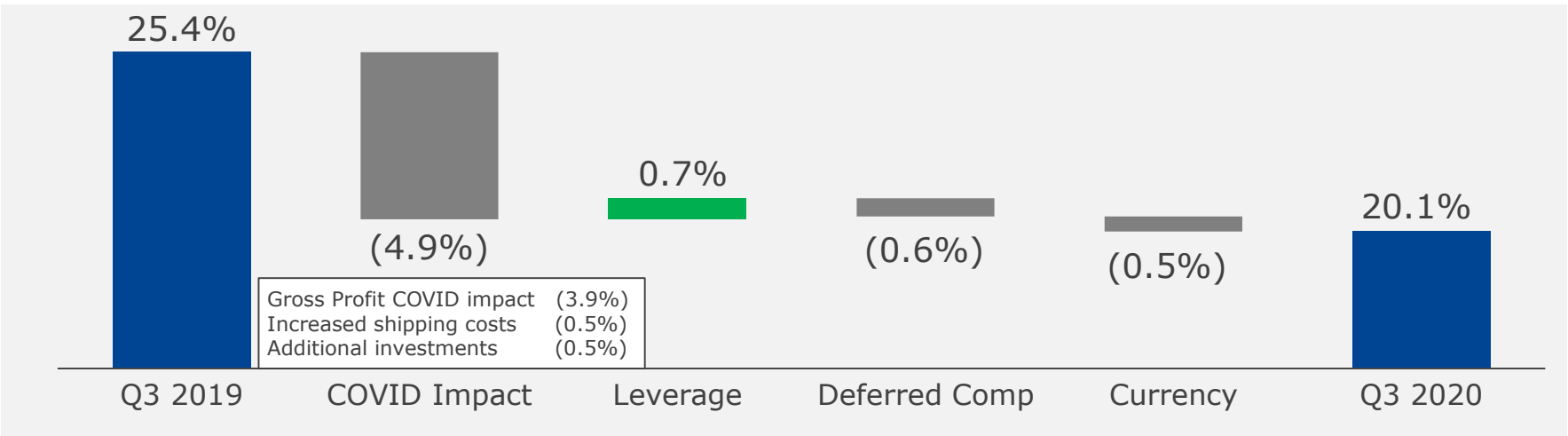
Q3 COVID-19 impact: ~ (1,800 bps)

Adjusted gross and operating margins: Q3 FY 2020

Adjusted Gross margin



Adjusted Operating margin



Adjusted income statement: Q3 FY 2020

As Adjusted ⁽¹⁾	Q3 FY 2020	% Growth	% FXN Growth
Revenues	\$3,855	(11.4%)	(9.4%)
Gross Profit <i>% of revenues</i>	1,993 51.7%	(17.6%)	(15.1%)
SSG&A <i>% of revenues</i>	979 25.4%	8.8%	6.7%
R&D <i>% of revenues</i>	241 6.3%	0.3%	(0.2%)
Operating Income <i>% of revenues</i>	773 20.1%	(30.0%)	(26.6%)
Interest/Other, Net	97		
Tax Rate	5.0%		
Net Income	642	(27.4%)	(23.6%)
Preferred Dividend	9		
Share Count	291.5		
Adjusted EPS <i>Gore royalty impact</i>	\$2.20	(28.6%) <i>(580 bps)</i>	(25.0%)

Note: Above figures reflects favorable / (unfavorable) performance versus last year.
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Macro view of COVID-19 impact as of August 6th and key considerations looking forward

Macro view of COVID-19 impact

- Varying degrees of the COVID-19 pandemic around the world, including infection levels, recovery and resurgence, and the ongoing uncertainty in general healthcare utilization levels
- Expect a weaker global macroeconomic environment will pressure healthcare systems
- Pace of elective procedure return will depend on several factors including disease condition and acuity, COVID-19 testing availability, varying status of “reopening” of countries around the world and patient willingness to seek care
- Timing, effectiveness and rollout of a potential COVID-19 vaccine around the world and the resulting impact on surveillance testing

Looking forward

Elective Procedures	Acute Care / Non-Acute	Diagnostic Testing	Research & Clinical Labs
SURG, PI	MDS, MMS, UCC	IDS (DS & PAS)	BIO
<ul style="list-style-type: none"> • Variability to timing of return to pre-COVID procedure levels • Closely watching the ongoing COVID resurgence in the U.S. 	<ul style="list-style-type: none"> • Monitoring hospital admission and utilization levels, for both COVID and non-COVID patient care • Watching for shift of care to non-acute settings • Demand for Alaris infusion pumps in the U.S. under medical necessity not expected to continue at the same level 	<ul style="list-style-type: none"> • Monitoring COVID and non-COVID testing volumes globally • Impact on capital equipment purchases • Demand for our COVID-19 testing on BD Veritor™ and BD MAX™ 	<ul style="list-style-type: none"> • Levels of research activity and clinical testing, including timing of when research institutions will resume and scale up to normal operations, along with capital spending

COVID-19 impact on Q3 revenues and key observations

Note: Dollar and growth percentages reflect estimated COVID-19 revenue impact vs. pre-COVID expectations (Does not reflect year-over-year growth.)

Elective Procedures	Acute / Non-Acute Care	Diagnostic Testing	Research & Clinical Labs
SURG (~\$130M) PI (~\$110M)	MMS +~\$65M MDS (~\$200M); UCC (~\$50M)	IDS (DS & PAS) (~\$105M)	BIO (~\$70M)
<ul style="list-style-type: none"> • Procedure declines due to deferrals with sequential improvement during Q3; Overall procedure decline better than expected • Varies by category: Impact across PI and Surgery platforms ranged from (↓~25%) to (↓~40%) • Around the world: Surgery/PI procedures impacting US/Europe revenues (↓~35%); China Surgery/PI revenues (↓~15%) 	<ul style="list-style-type: none"> • Procedure declines and lower volumes impacting WW MDS revenues across the world, primarily U.S. and China (US ↓25%, China ↓30%, and Europe ↓5%; all with volumes improving sequentially in June) • Demand for infusion pumps <ul style="list-style-type: none"> • In U.S. under 'medical necessity', which slowed in May/June after initial April surge demand, as expected • Strong demand surge of pumps outside U.S. • Q3 delays in instrument installations (Pyxis, ROWA) 	<ul style="list-style-type: none"> • High demand for BD COVID tests (BD MAX™ testing plus transport media and lancets) • Decreased non-COVID 19 BD diagnostic testing and specimen collection revenues (↓~30%), driven by U.S., Europe and Asia • Q3 delays in large capital installations (Kiestra) 	<ul style="list-style-type: none"> • Decrease in research activity due to lab closures and reduced clinical testing revenues (↓~25%) • Q3 delays in instrument installations

Estimate (~\$600M) COVID-19 impact to Q3 BDX revenues



Preliminary July observations

Saw sequential improvement in recovery to pre-COVID levels

- **Elective procedure volumes** improved from ~80% in June to ~85% in July
- The impact from lower **U.S. hospital admissions** improved from ~80% in June to ~85% in July
- Non-COVID-19 **diagnostic testing and specimen collection** improved from ~75% in June to ~80% in July

COVID-19 testing demand

- **Continued demand for COVID-19 tests on BD MAX™ and transport media**
- **Early strong demand of Veritor antigen test for rapid detection of COVID-19**

Other observations

- Small amount of Alaris **medical necessity demand as expected**
- Continued **delays in large capital installations as expected**

Q4 and FY 2020 guidance

	Revenue	Adjusted EPS ⁽¹⁾
Q4	FXN and reported revenue expected to be down low-single digits	Adjusted EPS expected to be \$2.40 to \$2.60
Full-year	FXN %: (2.0%) to (1.5%) FX Impact: (~1%) Reported %: (3.0%) to (2.5%)	Adjusted EPS: \$9.80 to \$10.00 Adjusted FXN %: (~14.5%) to (~12.5%) Adjusted EPS %: (~16.0%) to (~14.0%)

Key takeaways

Continue to be uniquely positioned to respond to COVID-19 by leveraging our core capabilities across research, diagnosis and patient care

.....

Third quarter results reflect **encouraging trends in June**

.....

Establishing guidance for fiscal fourth quarter and full-year as we have improved near-term visibility

.....

Remain **focused on executing our long-term strategy** and delivering value for customers, patients and shareholders



BD

Advancing the
world of health

Advancing our long-term strategy to emerge strong and better positioned for value creation



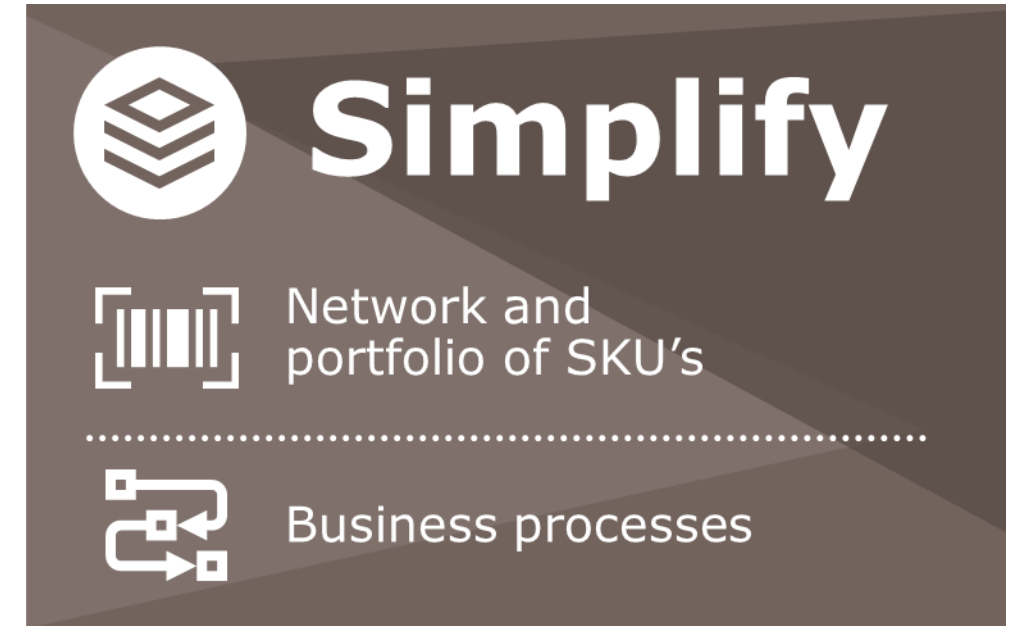
Grow

 **Grow**


 Category innovation


 Customer outcomes


 Globalization



Simplify

 **Simplify**

 Network and portfolio of SKU's

 Business processes



Empower

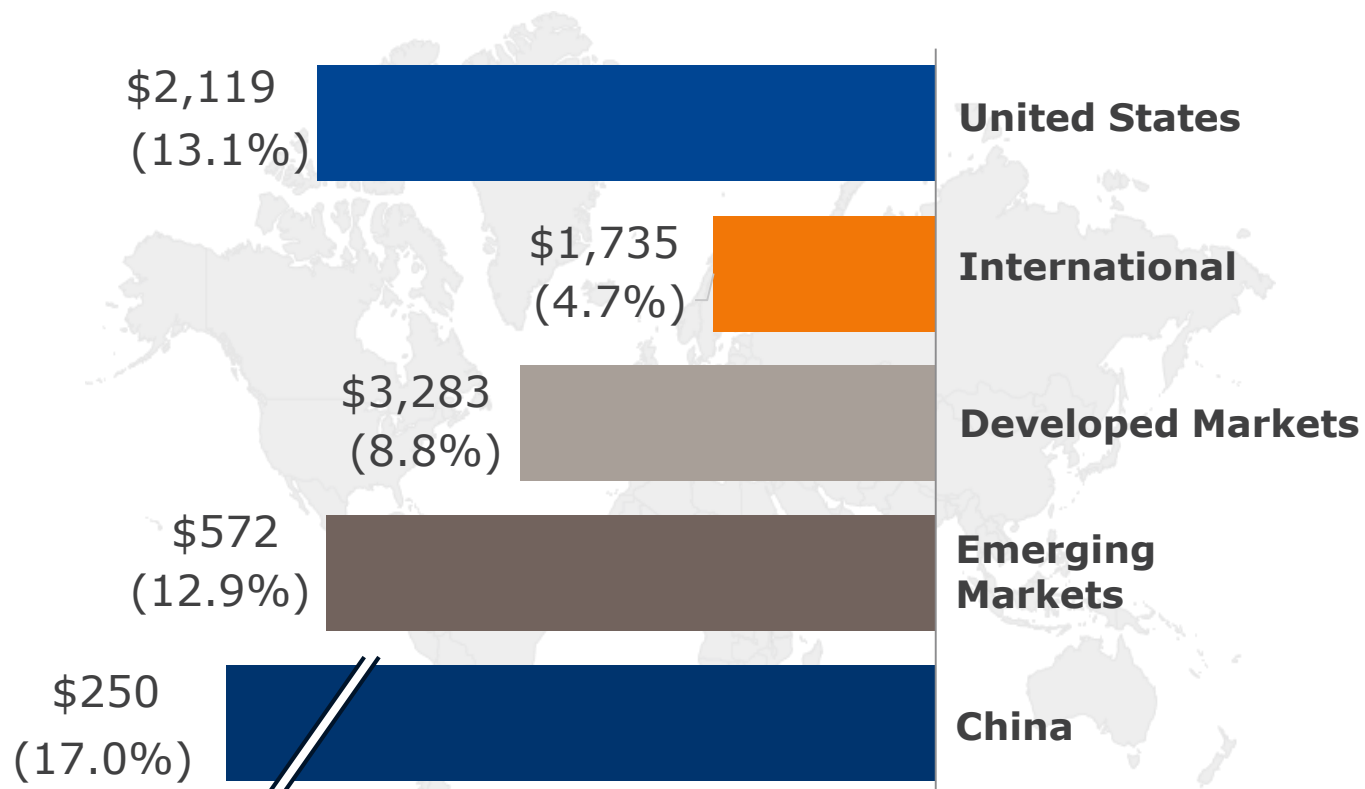
 **Empower**

 Digitalization

 Strong teams

Geographic revenue highlights

Q3 revenue \$ and FXN growth



Q3 COVID Impact

~(15%) / ~(\$370M)

~(12%) / ~(\$230M)

~(12%) / ~(\$450M)

~(21%) / ~(\$150M)

~(22%) / ~(\$70M)

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Impact: Delivering long-term value for all stakeholders

Management Approach

Q3 Update

Grow



INNOVATION

Develop and maintain a strong portfolio of **leading products and solutions that address significant unmet clinical needs**, improve outcomes, and reduce costs



- BD introduced the Halo One™ Thin-Walled Guiding Sheath which reduces the size of the arteriotomy compared to standard sheaths of equivalent French size, which is designed to help minimize access site complications.



ACCESS

Leverage our global scale to expand our reach in **providing access to affordable medical technologies** around the world



- BD deployed the BD Bactec FX™ and other IDAST platforms across 25 labs in Sub-Saharan Africa and Asia as part of the Fleming Fund and UK Aid Award to address the global AMR challenge

Simplify



EFFICIENCY

Work across our supply chain to minimize environmental impacts and **create more resilient operations**, including an enterprise-wide renewable energy strategy



- BD reported* progress against our 2020 Sustainability goals in July, achieving our targets to reduce Scope 1 & 2 GHG emissions and water consumption ahead of schedule. In support of the recommendations of the Task Force on Climate-related Financial Disclosures, our Climate Management report will be available late summer.

*See appendix.

Empower



EMPOWERMENT

Foster a purpose-driven culture with **a focus on positive impact to all stakeholders** – customers, patients, employees and communities



- BDs partnership with Planet Water continued, funding the installation of water towers in Mexico. These towers will provide clean and safe water for students in two communities.

Looking forward to sharing our 2030+ impact goals later in 2020

FY 2019 Sustainability Report



BD launched its FY 2019 Sustainability Report in July 2020.

Highlights from this year's report include:

Innovation: In FY 2019 BD launched 25 major products across the company, each of which moved our innovation goals forward. The report highlights a number of these products.

Access: BD was recognized by Forbes Magazine, naming us to its "Change the World List" for the company's extensive efforts in helping combat the threat of antimicrobial resistance (AMR).

Efficiency: BD has continued to reducing its impact on the environment through reduced greenhouse gas emissions and water consumption and remains committed to waste reduction and increasing use of renewable energy.

Empowerment: BD received recognition from a number of organizations for its work towards fostering an environment that welcomes and empowers an inclusive and diverse workforce.

Access the report at www.bd.com/sustainability



Estimated COVID-19 impact on preliminary April revenue results and key observations

Elective Procedures	Acute / Non-Acute Care	Diagnostic Testing	Research & Clinical Labs
SURG (~\$60M) PI (~\$50M)	MMS +~\$70M MDS (~\$50M); UCC (~\$20M)	IDS (DS & PAS) (~\$40M)	BIO (~\$20M)
<p>↓ Significant procedure declines due to mandates to defer elective procedures and 'stay at home' orders</p> <p>↓ Varies by category: Decrease in hernia and other elective procedures impacting Surgery revenue (↓50-70%), and slowdown in Oncology, ESKD & PAD procedures impacting PI revenue (↓30-40%)</p> <p>↓ Around the world: China Surgery revenues tracking to ~50% of pre-COVID expectations; and Surgery and PI procedures impacting revenue (↓60 to 90%) in US/Europe</p>	<p>↑ Demand for infusion pumps under 'medical necessity'; not expected to continue at same pace</p> <p>↓ Delays of instrument installations (Pyxis, ROWA)</p> <p>↓ Significant procedure declines impacting US MDS revenue (↓15-20% vs. pre-COVID expectations)</p> <p>↓ China utilization: hospital volumes broadly returning, but still ~30% to 40% below pre-COVID expectations</p> <p>↑ Europe: some COVID surge demand continued; revenue ~↑5% above pre-COVID expectations</p>	<p>↓ Decreased non-COVID 19 BD diagnostic testing and specimen collection revenue (↓20-30%), largest impact in the U.S.</p> <p>↑ High demand for BD COVID tests (Molecular and Serology, transport media and lancets)</p> <p>↓ Expect delays in large capital installations (Kiestra)</p>	<p>↓ Decrease in research activity due to lab closures and reduced clinical testing revenue (↓20-30%); expect slightly larger impact in coming months</p> <p>↓ Expect impact on capital spending</p>

Estimate (~\$240M) COVID-19 impact to our preliminary April BDX revenues, partially offset by ~\$70M positive impact in MMS

Note: April revenue results are preliminary and unaudited, and are uncertain and subject to change when we prepare our consolidated financial statements for the three and nine months ended June 30, 2020. Actual results may differ materially from the revenue results discussed herein. Revenue dollar and growth percentages reflect estimated performance vs. pre-COVID expectations.



Q3 FY 2020 & Q3 FY 2019 Adjustment Reconciliations

Three Months Ended Jun 30, 2020												
	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
Reported \$ for Three Months Ended Jun 30, 2020	\$ 3,855	\$ 1,659	\$ 980	\$ 262	\$ 74	\$ (15)	\$ 358	\$ (133)	\$ 23	\$ (38)	\$ 286	\$ 0.97
<i>Reported % of Revenues</i>		43.1%	25.4%	6.8%			9.3%				7.4%	
<i>Reported effective tax rate</i>										-15.4%		
Specified items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	343	(1)	3	-	15	326	(1)	-	-	325	1.14
Integration costs pre-tax ⁽²⁾	-	-	-	-	(46)	-	46	-	-	-	46	0.16
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(28)	-	28	-	-	-	28	0.10
Transaction gain/loss and product-related matters pre-tax ⁽³⁾	-	(18)	-	-	-	-	(18)	-	8	-	(10)	(0.04)
European regulatory initiatives-related costs pre-tax ⁽⁴⁾	-	9	-	(24)	-	-	33	-	-	-	33	0.12
Investment gains/losses and asset impairments pre-tax ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Impacts of debt extinguishment pre-tax	-	-	-	-	-	-	-	-	6	-	6	0.02
Dilutive impact ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	-	(0.02)
Income tax benefit of special items and impact of tax reform	-	-	-	-	-	-	-	-	-	72	(72)	(0.25)
Adjusted \$ for Three Months Ended Jun 30, 2020	\$ 3,855	\$ 1,993	\$ 979	\$ 241	\$ -	\$ -	\$ 773	\$ (135)	\$ 37	\$ 34	\$ 642	\$ 2.20
<i>Adjusted % of Adjusted Revenues</i>		51.7%	25.4%	6.3%			20.1%			5.0%	16.7%	
<i>Adjusted effective tax rate</i>												
Three Months Ended Jun 30, 2019												
	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
Reported \$ for Three Months Ended Jun 30, 2019	\$ 4,350	\$ 2,074	\$ 1,076	\$ 282	\$ 90	\$ -	\$ 626	\$ (154)	\$ (11)	\$ 9	\$ 451	\$ 1.51
<i>Reported % of Revenues</i>		47.7%	24.7%	6.5%			14.4%				10.4%	
<i>Reported effective tax rate</i>										2.0%		
Specified items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	343	(2)	-	-	-	346	(1)	33	-	378	1.38
Integration costs pre-tax ⁽²⁾	-	-	-	-	(63)	-	63	-	-	-	63	0.23
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(27)	-	27	-	-	-	27	0.10
European regulatory initiative-related costs pre-tax ⁽³⁾	-	3	-	(10)	-	-	14	-	-	-	14	0.05
Investment gains/losses and asset impairments pre-tax ⁽⁵⁾	-	-	-	(30)	-	-	30	-	-	-	30	0.11
Impacts of debt extinguishment pre-tax	-	-	-	-	-	-	-	(5)	57	-	52	0.19
Hurricane-related (insurance proceeds) recovery costs pre-tax	-	-	-	-	-	-	-	-	(10)	-	(10)	(0.04)
Income tax benefit of special items and impact of tax reform	-	-	-	-	-	-	-	-	-	120	(120)	(0.44)
Adjusted \$ for Three Months Ended Jun 30, 2019	\$ 4,350	\$ 2,421	\$ 1,074	\$ 242	\$ -	\$ -	\$ 1,105	\$ (160)	\$ 69	\$ 130	\$ 883	\$ 3.08
<i>Adjusted % of Revenues</i>		55.6%	24.7%	5.6%			25.4%			12.8%	20.3%	
<i>Adjusted effective tax rate</i>												
Three Months Ended Jun 30, 2020 versus Jun 30, 2019												
Adjusted \$ change	C=A-B	\$ (496)	\$ (427)	\$ 95	\$ 1	\$ -	\$ (332)	\$ 25	\$ (31)	\$ 96	\$ (242)	\$ (0.88)
Adjusted % change	D=C/B	(11.4%)	(17.6%)	8.8%	0.3%	-	(30.0%)	15.9%	(45.9%)	73.9%	(27.4%)	(28.6%)
Foreign currency translation impact	E	\$ (85)	\$ (62)	\$ 23	\$ 1	\$ -	\$ (38)	\$ -	\$ (1)	\$ 6	\$ (33)	\$ (0.11)
Adjusted foreign currency neutral \$ change	F=C-E	\$ (410)	\$ (365)	\$ 72	\$ -	\$ -	\$ (294)	\$ 25	\$ (31)	\$ 90	\$ (209)	\$ (0.77)
Adjusted foreign currency neutral % change	G=F/B	(9.4%)	(15.1%)	6.7%	(0.2%)	-	(26.6%)	15.9%	(45.1%)	69.6%	(23.6%)	(25.0%)

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

(2) Represents integration and restructuring costs associated with acquisitions.

(3) Includes an adjustment to the probable estimate of future costs associated with incremental product remediation efforts which was recorded in Cost of products sold as well as costs related to another product matter which were recorded in Other income (expense), net.

(4) Represents initial costs required to develop processes and systems to comply with emerging regulations such as the European Union Medical Device Regulation ("EUMDR") and General Data Protection Regulation ("GDPR").

(5) Represents a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.

(6) Represents the dilutive impact of BD shares issued in May 2020. The adjusted diluted average shares outstanding (in thousands) in 2020 were 291,476.



YTD Q3 FY 2020 & YTD Q3 FY 2019 Adjustment Reconciliations

Nine Months Ended Jun 30, 2020												
	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
Reported \$ for Nine Months Ended Jun 30, 2020	\$ 12,333	\$ 5,372	\$ 3,126	\$ 797	\$ 235	\$ (15)	\$ 1,229	\$ (400)	\$ 12	\$ 96	\$ 746	\$ 2.38
<i>Reported % of Revenues</i>		43.6%	25.3%	6.5%			10.0%				6.1%	
<i>Reported effective tax rate</i>										11.4%		
Specified Items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	1,033	2	-	-	15	1,016	(4)	-	-	1,012	3.63
Integration costs pre-tax ⁽²⁾	-	-	-	-	(165)	-	165	-	-	-	165	0.59
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(69)	-	69	-	-	-	69	0.25
Transaction gain/loss and product liability-related matters ⁽³⁾	-	240	-	-	-	-	240	-	8	-	248	0.89
European regulatory initiatives-related costs pre-tax ⁽⁴⁾	-	22	-	(55)	-	-	77	-	-	-	77	0.28
Investment gains/losses and asset impairments pre-tax ⁽⁵⁾	-	39	-	-	-	-	39	-	1	-	41	0.15
Impacts of debt extinguishment pre-tax	-	-	-	-	-	-	-	-	6	-	6	0.02
Income tax benefit of special items and impact of tax reform	-	-	-	-	-	-	-	-	-	218	(218)	(0.78)
Adjusted \$ for Nine Months Ended Jun 30, 2020	A \$ 12,333	\$ 6,706	\$ 3,128	\$ 742	\$ -	\$ -	\$ 2,837	\$ (404)	\$ 28	\$ 314	\$ 2,147	\$ 7.41
<i>Adjusted % of Revenues</i>		54.4%	25.4%	6.0%			23.0%			12.8%	17.4%	
<i>Adjusted effective tax rate</i>												
Nine Months Ended Jun 30, 2019												
	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
Reported \$ for Nine Months Ended Jun 30, 2019	\$ 12,706	\$ 6,021	\$ 3,238	\$ 792	\$ 281	\$ 61	\$ 1,649	\$ (490)	\$ 19	\$ 107	\$ 1,071	\$ 3.49
<i>Reported % of Revenues</i>		47.4%	25.5%	6.2%			13.0%			9.1%	8.4%	
<i>Reported effective tax rate</i>												
Specified Items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	1,031	(7)	-	-	-	1,039	(4)	100	-	1,135	4.14
Integration costs pre-tax ⁽²⁾	-	25	-	-	(181)	-	206	-	-	-	206	0.75
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(99)	-	99	-	-	-	99	0.36
Transaction gain/loss and product liability-related matters pre-tax ⁽³⁾	-	-	-	-	-	(61)	61	-	-	-	61	0.22
European regulatory initiatives-related costs pre-tax ⁽⁴⁾	-	8	-	(20)	-	-	29	-	-	-	29	0.11
Investment gains/losses and asset impairments pre-tax ⁽⁵⁾	-	-	-	(30)	-	-	30	-	-	-	30	0.11
Impacts of debt extinguishment pre-tax	-	-	-	-	-	-	-	(5)	58	-	53	0.19
Hurricane-related (insurance proceeds) recovery costs pre-tax	-	-	-	-	-	-	-	-	(10)	-	(10)	(0.04)
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(1)	-	1	-	-	-	1	-
Income tax benefit of special items and impact of tax reform ⁽⁶⁾	-	-	-	-	-	-	-	-	-	263	(263)	(0.96)
Adjusted \$ for Nine Months Ended Jun 30, 2019	B \$ 12,706	\$ 7,086	\$ 3,230	\$ 742	\$ -	\$ -	\$ 3,114	\$ (499)	\$ 167	\$ 371	\$ 2,411	\$ 8.37
<i>Adjusted % of Revenues</i>		55.8%	25.4%	5.8%			24.5%			13.3%	19.0%	
<i>Adjusted effective tax rate</i>												
Nine Months Ended Jun 30, 2020 versus Jun 30, 2019												
Adjusted \$ change	C=A-B	\$ (373)	\$ (379)	\$ 102	\$ -	\$ -	\$ (277)	\$ 95	\$ (139)	\$ 57	\$ (264)	\$ (0.96)
Adjusted % change	D=C/B	(2.9%)	(5.4%)	3.2%	0.0%	-	(8.9%)	19.1%	(83.2%)	15.3%	(10.9%)	(11.5%)
Foreign currency translation impact	E	\$ (167)	\$ (89)	\$ 43	\$ 3	\$ -	\$ (43)	\$ 1	\$ (5)	\$ 7	\$ (41)	\$ (0.15)
Adjusted foreign currency neutral \$ change	F=C-E	\$ (205)	\$ (290)	\$ 60	\$ (3)	\$ -	\$ (234)	\$ 94	\$ (133)	\$ 50	\$ (223)	\$ (0.81)
Adjusted foreign currency neutral % change	G=F/B	(1.6%)	(4.1%)	1.8%	(0.4%)	-	(7.5%)	18.9%	(80.1%)	13.4%	(9.2%)	(9.7%)

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

(2) Represents integration and restructuring costs associated with acquisitions.

(3) The current-period amount represents a probable estimate of future costs associated with incremental product remediation efforts which were recorded in Cost of products sold, as well as costs related to another product matter which were recorded in Other income (expense), net. The prior-period amount includes amounts recorded to Other operating (income) expense, net to record product liability reserves of \$331 million and the estimated cumulative costs of a product recall of \$65 million, as well as the pre-tax gain of \$336 million related to BD's sale of its Advanced Bioprocessing business.

(4) Represents initial costs required to develop processes and systems to comply with emerging regulations such as the European Union Medical Device Regulation ("EUMDR") and General Data Protection Regulation ("GDPR").

(5) Represents a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.

(6) The amount for the nine months ended June 30, 2019 included additional tax benefit, net, of \$54 million relating to new U.S. tax legislation.

Q3 FY 2020 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

	Three Months Ended June 30,						
	2020	2019	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 0.97	\$ 1.51	\$ (0.54)	\$ (0.11)	\$ (0.43)	(35.8)%	(28.5)%
Purchase accounting adjustments (\$325 million and \$378 million pre-tax, respectively) ⁽¹⁾	1.14	1.38		—			
Integration costs (\$46 million and \$63 million pre-tax, respectively) ⁽²⁾	0.16	0.23		—			
Restructuring costs (\$28 million and \$27 million pre-tax, respectively) ⁽²⁾	0.10	0.10		—			
Transaction gain/loss and product-related matters (\$10 million pre-tax) ⁽³⁾	(0.03)	—		—			
European regulatory initiative-related costs (\$33 million and \$14 million pre-tax, respectively) ⁽⁴⁾	0.12	0.05		—			
Investment gains/losses and asset impairments (\$30 million pre-tax) ⁽⁵⁾	—	0.11		—			
Impacts of debt extinguishment (\$6 million and \$52 million pre-tax, respectively)	0.02	0.19		—			
Hurricane-related insurance proceeds (\$10 million pre-tax)	—	(0.04)		—			
Dilutive Impact ⁽⁶⁾	(0.02)	—		—			
Income tax benefit of special items and impact of tax reform (\$72 million and \$(120) million, respectively)	(0.25)	(0.44)		—			
Adjusted Diluted Earnings per Share	\$ 2.20	\$ 3.08	\$ (0.88)	\$ (0.11)	\$ (0.77)	(28.6)%	(25.0)%

- (1) Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt.
- (2) Represents integration and restructuring costs associated with acquisitions.
- (3) Includes an adjustment to the probable estimate of future costs associated with product remediation efforts which was recorded in *Cost of products sold* as well as costs related to another product matter which were recorded in *Other income (expense), net*.
- (4) Represents costs required to develop processes and systems to comply with emerging regulations such as the European Union Medical Device Regulation ("EUMDR") and General Data Protection Regulation ("GDPR").
- (5) Represents a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.
- (6) Represents the dilutive impact of BD shares issued in May 2020. The adjusted diluted average shares outstanding (in thousands) in 2020 were 291,476.

YTD Q3 FY 2020 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

	Nine Months Ended June 30,						
	2020	2019	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 2.38	\$ 3.49	\$ (1.11)	\$ (0.14)	\$ (0.97)	(31.8)%	(27.8)%
Purchase accounting adjustments (\$1.012 billion and \$1.135 billion pre-tax, respectively) ⁽¹⁾	3.63	4.14	—	—	—	—	—
Integration costs (\$165 million and \$206 million pre-tax, respectively) ⁽²⁾	0.59	0.75	—	—	—	—	—
Restructuring costs (\$69 million and \$99 million pre-tax, respectively) ⁽²⁾	0.25	0.36	—	—	—	—	—
Transaction gain/loss and product-related matters (\$248 million and \$61 million pre-tax, respectively) ⁽³⁾	0.89	0.22	—	—	—	—	—
European regulatory initiative-related costs (\$77 million and \$29 million pre-tax, respectively) ⁽⁴⁾	0.28	0.11	—	—	—	—	—
Investment gains/losses and asset impairments (\$41 million and \$30 million pre-tax, respectively) ⁽⁵⁾	0.15	0.11	—	—	—	—	—
Impacts of debt extinguishment (\$6 million and \$53 million pre-tax, respectively)	0.02	0.19	—	—	—	—	—
Transaction costs (\$1 million pre-tax) ⁽²⁾	—	—	—	—	—	—	—
Hurricane-related insurance proceeds (\$10 million pre-tax)	—	(0.04)	—	—	—	—	—
Income tax benefit of special items and impact of tax reform (\$218 million and \$(263) million, respectively) ⁽⁶⁾	(0.78)	(0.96)	—	—	—	—	—
Adjusted Diluted Earnings per Share	\$ 7.41	\$ 8.37	\$ (0.96)	\$ (0.15)	\$ (0.81)	(11.5)%	(9.7)%

- (1) Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt.
- (2) Represents integration, restructuring and transaction costs associated with acquisitions.
- (3) The current-period amount represents a probable estimate of future costs associated with product remediation efforts which was recorded in *Cost of products sold*, as well as costs related to another product matter which were recorded in *Other income (expense), net*. The prior-period amount includes amounts recorded to *Other operating (income) expense, net* to record product liability reserves of \$331 million and the estimated cumulative costs of a product recall of \$65 million, as well as the pre-tax gain of \$336 million related to BD's sale of its Advanced Bioprocessing business.
- (4) Represents costs required to develop processes and systems to comply with emerging regulations such as the EUMDR and GDPR.
- (5) The current-period amount primarily represents a charge recorded to write down the carrying value of certain intangible assets in the Biosciences unit. The prior-period amount represented a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.
- (6) The amount for the nine months ended June 30, 2019 included additional tax benefit, net, of \$54 million relating to new U.S. tax legislation.

Q3 and YTD FY 2020 Reconciliation – FX Impact Emerging, Developed Markets & China

	<u>A</u>	<u>B</u>	<u>C=(A-B)/B</u>	<u>D</u>	<u>E=(A-B-D)/B</u>
	<u>BD</u>	<u>BD</u>			
	<u>Reported</u>	<u>Reported</u>	<u>% Rptd</u>	<u>FX Impact</u>	<u>FXN %</u>
	<u>2020</u>	<u>2019</u>	<u>Change</u>		<u>Change</u>
Three Months Ended Jun 30,					
DEVELOPED MARKETS	3,283	3,647	-10.0	(45)	-8.8
EMERGING MARKETS	572	703	-18.7	(40)	-12.9
CHINA	250	312	-19.9	(9)	-17.0
Nine Months Ended Jun 30,					
DEVELOPED MARKETS	10,539	10,733	-1.8	(97)	-0.9
EMERGING MARKETS	1,795	1,973	-9.1	(70)	-5.5
CHINA	741	871	-14.9	(18)	-12.8

FY 2020 Revenue & EPS Outlook Reconciliation

	FY2019	FY2020 Outlook		
	Revenues	% Change	FX Impact	% Change FXN
BDX	\$ 17,290	(3.0%) to (2.5%)	~1.0%	(2.0%) to (1.5%)

	Full Year FY2019	FY2020 Outlook	
		Full Year FY2020 Outlook	% Change
Reported Diluted Earnings per Share	\$ 3.94		
Purchase accounting adjustments (\$1.499 billion pre-tax) ⁽¹⁾	5.46		
Restructuring costs (\$180 million pre-tax) ⁽²⁾	0.66		
Integration costs (\$323 million pre-tax) ⁽²⁾	1.18		
Transaction gain/loss and product-related matters (\$646 million pre-tax) ⁽³⁾	2.35		
Impacts of debt extinguishment (\$54 million pre-tax) ⁽⁴⁾	0.20		
European regulatory initiative-related costs (\$51 million pre-tax) ⁽⁵⁾	0.19		
Investment gains/losses and asset impairments (\$17 million pre-tax) ⁽⁶⁾	0.06		
Hurricane-related insurance proceeds (\$(24) million pre-tax)	(0.09)		
Income tax benefit of special items and impact of tax reform (\$(622) million)	(2.26)		
Adjusted Diluted Earnings per Share	\$ 11.68	\$9.80 to 10.00	(16.0%) to (14.0%)
Estimated FX Impact			~1.5%
Adjusted FXN Growth			(14.5%) to (12.5%)

FXN - Foreign Currency Neutral

- (1) Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt.
- (2) Represents restructuring, integration and transaction costs associated with acquisitions.
- (3) Includes amounts recorded to *Other operating expense, net* to record product liability reserves, including related legal defense costs, of \$914 million and the estimated cumulative costs of a product recall of \$75 million. Also includes the pre-tax gain of \$336 million recognized in *Other operating expense, net* related to BD's sale of its Advanced Bioprocessing business.
- (4) Represents the impacts recognized upon the extinguishment of certain long-term senior notes.
- (5) Represents costs required to develop processes and systems to comply with emerging regulations such as the EUMDR and GDPR.
- (6) Includes an unrealized gain recorded within *Other income (expense), net* relating to an investment and a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.

YTD Q3 FY 2020 Operating Cash Flow Reconciliation

(Unaudited, Amounts in billions)

Reported Operating Cash Flow	\$	2.1
Adjustments (excludes non-cash items)		
Restructuring costs		0.0
Integration costs		0.2
Transaction gain/loss and product-related matters		0.2
Other		0.4
Tax impact related to items above		(0.1)
Adjusted Operating Cash Flow	\$	2.8