

# Q3 FY24 Earnings Presentation

August 1, 2024



Advancing the  
world of health™

# Caution Concerning Forward-Looking Statements

This presentation and accompanying audio webcast contain certain estimates and other forward-looking statements (as defined under federal securities laws) regarding BD's future prospects and performance, including, but not limited to, future revenues, margins, earnings per share, leverage targets and capital deployment. All such statements are based upon current expectations of BD and involve a number of business risks and uncertainties. Actual results could vary materially from anticipated results described, implied or projected in any forward-looking statement. For a discussion of certain factors that could cause our actual results to differ from our expectations in any forward-looking statements see our August 1, 2024 earnings press release and our latest Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. BD expressly disclaims any undertaking to update or revise any forward-looking statements set forth herein to reflect events or circumstances after the date hereof, except as required by applicable laws or regulations. The guidance in this presentation is only effective as of the date given, August 1, 2024 and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance. Distribution or reference of this deck following August 1, 2024 does not constitute BD re-affirming guidance.

# Caution Concerning Non-GAAP Financial Measures

To supplement financial measures prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), we use financial measures not prepared in accordance with GAAP, including adjusted revenue, revenue growth rates on a currency-neutral, adjusted and organic basis, adjusted diluted earnings per share, adjusted operating margin, adjusted gross margin, net leverage, free cash flow and free cash flow conversion. BD management believes that the use of non-GAAP measures to adjust for items that are considered by management to be outside of BD's underlying operational results or that affect period to period comparability helps investors to gain a better understanding of our performance compared to prior periods, to analyze underlying trends in our businesses, to analyze our operating results, and to understand future prospects. Management uses these non-GAAP financial measures to measure and forecast the company's performance, especially when comparing such results to previous periods or forecasts. We believe presenting such adjusted metrics provides investors with greater transparency to the information used by BD management for its operational decision-making and for comparison for other companies within the medical technology industry. Although BD's management believes non-GAAP results are useful in evaluating the performance of its business, its reliance on these measures is limited since items excluded from such measures may have a material impact on BD's net income, earnings per share or cash flows calculated in accordance with GAAP. Therefore, management typically uses non-GAAP results in conjunction with GAAP results to address these limitations. BD strongly encourages investors to review its consolidated financial statements and publicly filed reports in their entirety and cautions investors that the non-GAAP measures used by BD may differ from similar measures used by other companies, even when similar terms are used to identify such measures. Non-GAAP measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures.

Reconciliations of these and other non-GAAP measures to the comparable GAAP measures are included in the financial tables at the end of this presentation and in our August 1, 2024 earnings press release. Within these financial tables, certain columns and rows may not add due to the use of rounded numbers. Percentages and earnings per share amounts presented are calculated from the underlying amounts. Current and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments, integration and restructuring costs, transaction and financing costs, spin-off related costs, certain regulatory costs, certain product remediation costs, certain legal matters, certain investment gains and losses, certain asset impairment charges, and certain pension settlement costs.

We also provide these measures, as well as revenue growth rates, on a currency-neutral basis after eliminating the effect of foreign currency translation, where applicable. We calculate foreign currency-neutral percentages by converting our current-period local currency financial results using the prior period foreign currency exchange rates and comparing these adjusted amounts to our current-period results. Reconciliations of these amounts to the most directly comparable GAAP measures are included in the financial tables at the end of this presentation and in our August 1, 2024 earnings press release.

# Basis of Presentation

All dollar amounts presented are USD (\$) in millions, unless otherwise indicated, except per share figures. FXN denotes currency-neutral basis. Revenue and adjusted revenue year-over-year change comparisons are on an FXN basis unless otherwise noted.

Adjusted Revenues excludes the recognition of accruals resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to the current fiscal year.

Organic Revenue growth denotes foreign currency neutral Adjusted Revenues further adjusted for the incremental revenue attributable to acquisitions and the revenue decline attributable to divestitures during the first 12 months post-acquisition/divestiture.

# Guidance Considerations

Guidance does not contemplate a more significant escalation of macro complexity. Effective tax rate guidance assumes no major legislative or regulatory changes; it is not unusual for the rate to fluctuate quarterly given timing of discrete items. Estimated full year foreign currency impact reflects actual rates to date and current spot rates for the remainder of the year.

The company's expected adjusted diluted EPS for fiscal 2024 excludes potential charges or gains that may be recorded during the fiscal year, such as, among other things, the non-cash amortization of intangible assets, acquisition-related charges, spin-related costs, and certain tax matters. BD does not attempt to provide reconciliations of forward-looking adjusted diluted non-GAAP EPS guidance to the comparable GAAP measure because the impact and timing of these potential charges or gains is inherently uncertain and difficult to predict and is unavailable without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of BD's financial performance. We also present our estimated organic revenue growth for our 2024 fiscal year after adjusting for the illustrative impact of foreign currency translation. BD believes that this adjustment allows investors to better evaluate BD's anticipated underlying earnings performance for our 2024 fiscal year in relation to our underlying 2023 fiscal year performance.

## Q3 results reflect strong execution of our BD 2025 strategy

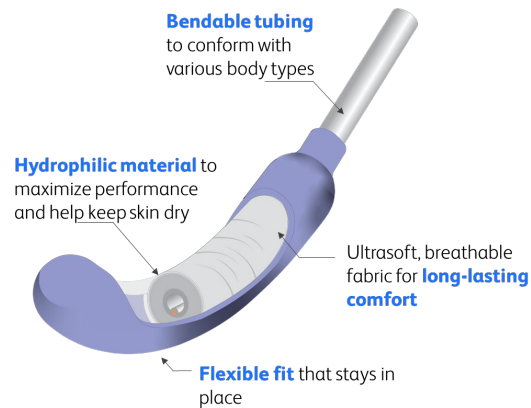
- ✓ Broad-based organic revenue growth of 5.2% reflects **strong volume growth and share gains** across portfolio
- ✓ **BD Alaris™ now at historical quarterly run rate of ~\$100M**, with healthy committed contract backlog and momentum into FY25
- ✓ **BD Excellence enabling strong margin improvement and cash flow**, ahead of expectations
- ✓ **Free cash flow (FCF) more than doubled** year-to-date driving **80%+ FCF conversion**
- ✓ **Increasing adjusted EPS guidance** at the midpoint driven by strength of margin performance and updated full-year margin outlook

*“It’s never been clearer that our teams are transforming BD into the innovative MedTech leader we set out to be when we launched our BD 2025 strategy, and our focused efforts have positioned us well to achieve our increased fiscal 2024 earnings guidance and deliver on our long-term goals.”*

Tom Polen  
BD Chairman, CEO and President

# Innovation in high-growth PureWick™ franchise driving \$1B opportunity by 2030

## Launched Next-gen PureWick™ Female External Catheter



### BD PureWick™ Flex Female External Catheter

- Launched in Acute Care in June 2024
- On track for Home Care launch in 1H FY25
- Enhanced performance, comfort and capture rate
- Bendable to fit a large range of body types

## Expanding PureWick™ Male addressable market into the home



### BD PureWick™ Male External Catheter

- Launched in Home Care in July 2024
- Non-invasive option for urine management in men

## Expanding care through increased user mobility options



### BD PureWick™ Portable

- On track for launch in 2H FY25
- Supporting consumers with functional incontinence and mobility issues

# Enabling new discoveries with continued cadence of innovation

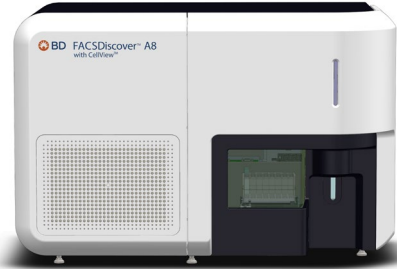
## Expanding access to new-to-world technologies for discovery



FACSDiscover™ S8 Cell Sorter 3- and 4-laser configurations

- Launched in April 2024
- Brings the power of BD SpectralFX™ and BD CellView™ technologies to a broader range of scientists in cell biology, cancer research and immunology

## Increasing lab productivity and resolving complex biology



FACSDiscover™ A8 Cell Analyzer

- On track for FY25 launch
- Brings the power of BD SpectralFX™ and BD CellView™ technologies to the analyzer segment

## Breaking performance barriers in flow cytometry



RealBlue™ and RealYellow™ Flow Cytometry Reagents

- Launched 2 new dyes in Q3 FY24
- Extends leadership in research reagents innovation with 9 total next generation dyes launched
- World's first published 50-color flow cytometry experiment enabled by BD RealBlue™ and BD RealYellow™ reagents along with FACSDiscover™ S8

# Biologics and GLP-1 drug therapies – a significant growth catalyst for FY25+

GLP-1 drug delivery a potential \$1B product category by 2030 driven by our strategy to enhance innovation leadership, expand manufacturing scale and prioritize quality excellence

- **Majority of biologics** using a prefillable syringe (PFS) have and continue to be launched in a BD device
- Since 2023, BD has been the **chosen partner for 19 out of 23 new biologic drug approvals** that use a PFS
- Device contracts with **multiple novel GLP-1 therapies** advancing through clinical trials
- **40+ signed GLP-1 biosimilar agreements** across our pen, autoinjector and syringe platforms
- **Multiple customers** testing biologics pipeline molecules with our **wearable solutions**, and have **provided product to support their clinical trials**

## Prefillable Syringes



BD Hypak SCF™  
Glass Prefillable syringe



BD Neopak™  
Glass Prefillable syringe

## Self-Administered Injection Systems



BD Vystra™  
Disposable Pen



BD Libertas™  
Wearable Injector



BD Physioject™  
Disposable Autoinjector



BD Evolve™  
On-Body Injector

# Corporate sustainability: Together We Advance

## Meeting our 2030+ sustainability goals



### FY23 Corporate Sustainability Report highlights compared to FY19 baseline:

- Reduced Scope 1 and 2 greenhouse gas emissions 18%, surpassing 13% goal
- Doubled number of sites using green electric power and solar power
- Reduced water usage by 21% and waste by 18%



# Q3 FY24 Consolidated Performance Summary

Adj. Revenue

**\$5.1B**

+5.2% Organic

Adj. Operating Margin

**25.2%**

+220 bps YoY

Adj. EPS

**\$3.50**

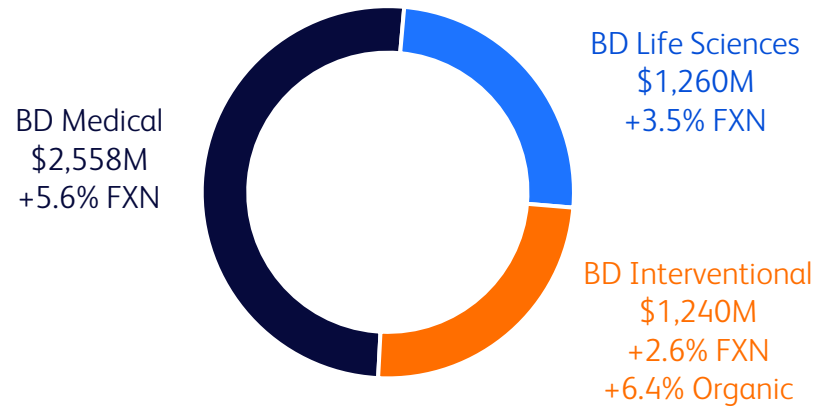
+18.2% YoY

Operating Cash Flow

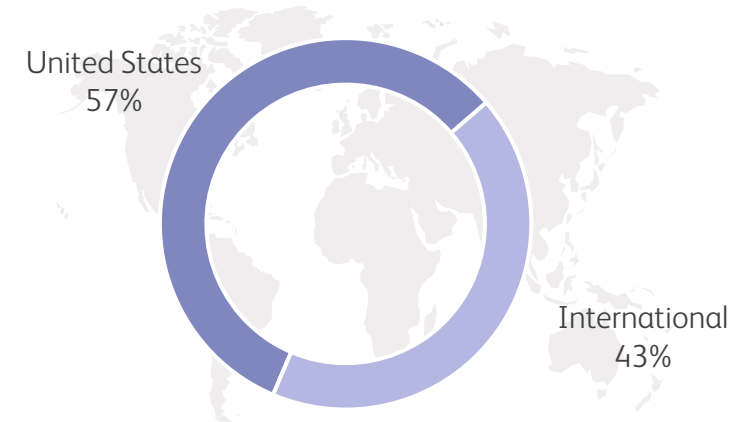
**\$2.7B**

YTD

Revenue by segment

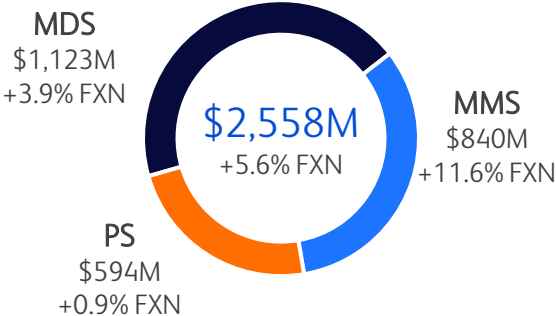


Adj. Revenue by geography



# Q3 FY24 Segment Revenue and Key Highlights

## BD Medical



### Medication Delivery Solutions

Strong volume growth across the portfolio with increased market position in Vascular Access Management and hypodermic products, partially offset by market dynamics in China

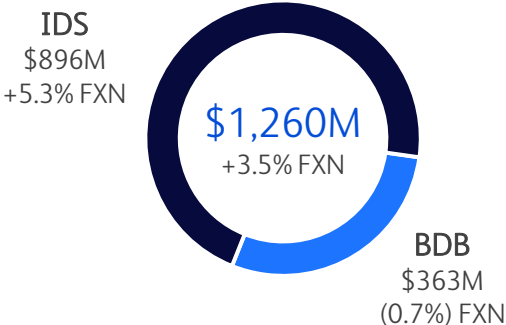
### Medication Management Solutions

High double-digit growth in Infusion driven by BD Alaris™ and higher utilization of infusion sets, partially offset by prior-year comparison in Dispensing Solutions

### Pharmaceutical Systems

Strong double-digit growth in Biologics and GLP-1s was offset by expected transitory market dynamics including customer inventory de-stocking in anti-coagulants and vaccines

## BD Life Sciences



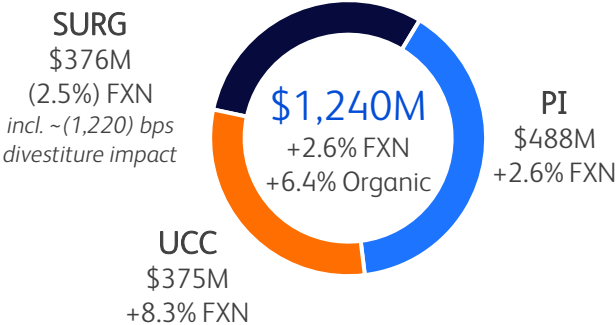
### Integrated Diagnostic Solutions

High-single digit growth in Specimen Management driven by broad volume strength across the BD Vacutainer™ portfolio and customer upgrades to higher value products

### Biosciences

Transitory market dynamics resulted in lower market demand for instruments, partially offset by growth in Clinical Reagents

## BD Interventional



### Surgery

Double-digit growth across all three major platforms: Advanced Repair & Reconstruction, Infection Prevention, and Biosurgery

### Peripheral Intervention

Double-digit growth in Peripheral Vascular Disease partially offset by a decline in Oncology, primarily driven by market dynamics in China

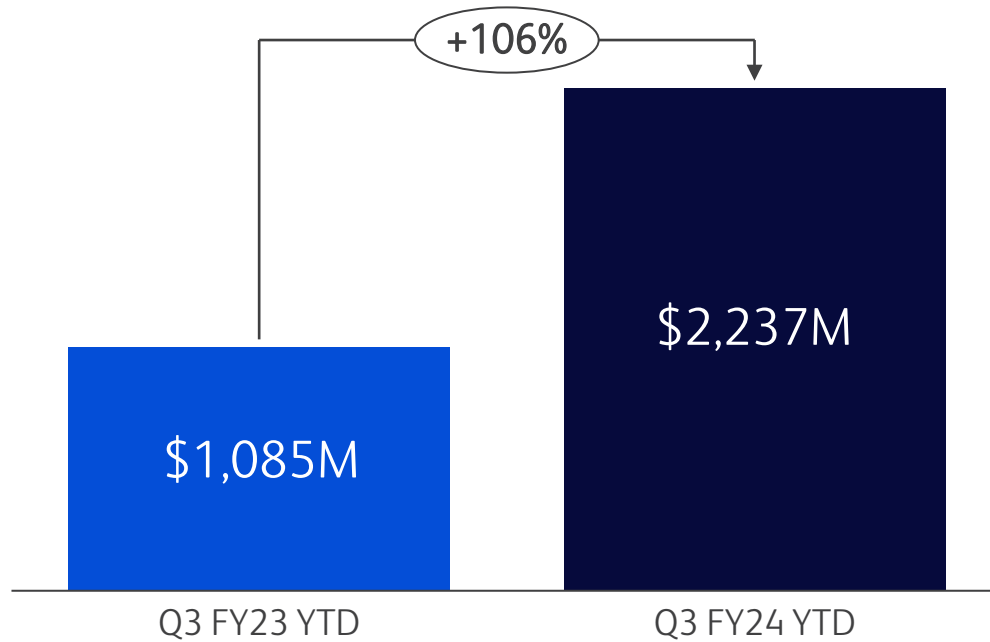
### Urology and Critical Care

Strong double-digit growth in PureWick™ franchise with continued adoption of Male and Female portfolios

# Q3 FY24 Adjusted Income Statement

(As adjusted) \$ in millions, except per share data	Q3 FY24	Q3 FY23	Y/Y Δ
Adj. Revenues	\$5,057	\$4,878	3.7%*
<i>Organic revenue growth</i>			5.2%
Gross Profit	\$2,745	\$2,567	6.9%
Gross margin	54.3%	52.6%	170 bps
SSG&A	\$1,191	\$1,189	0.2%
% of revenues	23.6%	24.4%	(80) bps
R&D	\$283	\$287	(1.1%)
% of revenues	5.6%	5.9%	(30) bps
Other Operating (Income) expense, net	(\$6)	(\$29)	77.6%
Operating Income	\$1,276	\$1,120	14.0%
Operating margin	25.2%	23.0%	220 bps
Interest / Other, net	(\$114)	(\$91)	25.3%
Tax Rate	12.6%	15.7%	(310) bps
Net Income	\$1,016	\$868	17.1%
Preferred Dividend	---	\$15	
Net Income Applicable to Common Shareholders	\$1,016	\$853	
Average diluted common shares	290	288	
Adjusted Earnings per Share	\$3.50	\$2.96	18.2%

# Q3 FY24 YTD Free Cash Flow



- **BD Excellence operating system** yielding strong results including improved inventory and capital expenditure efficiency
- **80%+ YTD** free cash flow conversion
- **Returned over \$1B of capital YTD to shareholders** through dividends and share repurchases
- Balance sheet in a strong position with **net leverage of 2.4x**

# FY24 Guidance Summary

	August 1, 2024	May 2, 2024	Comments
Organic revenue growth (FXN)	<b>5.0% to 5.25%</b> Midpoint of <b>5.125%</b>	5.5% to 6.25% Midpoint of 5.875%	<ul style="list-style-type: none"> <li>Segment growth expectations relative to BDX organic growth range:                             <ul style="list-style-type: none"> <li>Medical in-line, Life Sciences below and Interventional above</li> </ul> </li> </ul>
Adj. revenue growth (FXN)	<b>4.25% to 4.5%</b> Midpoint of <b>4.375%</b>	N/A	<ul style="list-style-type: none"> <li>Includes ~(75 bps) impact from sale of Surgical Instrumentation platform</li> </ul>
Estimated total company adj. revenue	~\$20.1B to <b>\$20.2B</b>	N/A	<ul style="list-style-type: none"> <li>Includes estimated FX impact of ~(35 bps) based on current spot rates and currency mix (Euro = 1.08 USD for rest of year)</li> </ul>
Adj. operating margin	<b>Over 50 bps</b> improvement <i>vs. 23.5% in FY23</i>	At least 50 bps improvement <i>vs. 23.5% in FY23</i>	
Interest / Other	~(\$480M) to (\$500M) <i>for the full year</i>	~(\$480M) to (\$500M) <i>for the full year</i>	
Effective tax rate	13% to <b>14%</b> <i>vs. 12.9% in FY23</i>	13% to 14.5% <i>vs. 12.9% in FY23</i>	
Adj. EPS	<b>\$13.05</b> to \$13.15 <b>+5¢ at midpoint to \$13.10</b>	\$12.95 to \$13.15 +11¢ at midpoint to \$13.05	<ul style="list-style-type: none"> <li>Includes ~(75 bps) from sale of Surgical Instrumentation platform</li> </ul>

Note: indicates a change in guidance

# Appendix

# Our innovation pipeline - Over 100 new product launches expected by FY25<sup>(1)</sup>

BD Medical

BD Life Sciences

BD Interventional

## Recent innovation driving growth



BD Alaris™  
Infusion System



Site-Rite™ 9  
Ultrasound



BD Pyxis™  
ES1.7 / C2Safe



BD Intellivault™



BD PreVue™ II



BD Effivax™



PIVO™ Pro + BD Nexiva™  
with NearPort™ IV Access

## Near and mid-term catalysts



EU Next Gen  
Infusion Pump



Parata Max® 2  
Central Fill



BD Libertas™ 5mL



BD Neopak™  
XtraFlow™

## Select pipeline products



BD Intelliport™  
System



Next Gen Pyxis™  
ADC Solution



Next Gen  
Blister  
Inspection



BD Libertas™  
10mL



BD Evolve™



U.S. Next  
Gen  
Infusion  
Pump



FACSDiscover™ S8  
Cell Sorter



FACSDuet™  
Premium



BD COR™ MX Module &  
BD COR™ Assays

- Onclarity HPV / ext genotyping
- CT/GC/TV2
- Respiratory Panel
- Vaginal Panel



BD Horizon™  
Reagents



BD Rhapsody™  
HT Xpress



Next Gen Kiestra™  
Total Lab Automation



BD MiniDraw™



BD FACSDiscover™ S8  
Cell Sorter 3 and 4  
Laser Configurations



Additional  
RealBlue™ &  
RealYellow™ Dyes



Synapsys™ ID/AST




BD Elience™  
POC Molecular



FACSDiscover™ A8  
Analyzer



Next Gen BACTEC™



BD MAX™ assays

- STI
- Enteric



BD COR™ Assays / capabilities

- RVP
- Enteric Panels
- Self / home collection (HPV)



Aspirex™



PureWick™ Male



Venovo™ Venous  
Stent China



BD Trek™  
Bone Biopsy



Highlander™ 014  
PTA Balloon



BD Aprta™



PureWick™ Flex Female  
External Catheter



Phasix™ ST  
Umbilical Hernia



PureWick™ Portable



Multi-  
Modality  
VAB



BD Arctic Sun™ Intelligen™  
System with new ArcticGel  
Smart™ Pads



Low Profile Arterial  
Stent Graft



BD Scionix™  
Sirolimus DCB



Rotarex™ Small Vessel



Prophylactic mesh  
placement for Incisional  
Hernia Prevention



Global  
Intermittent  
Self Catheter  
Premium



IO Bead



BD Liberty™ TIPS  
Stent Graft



Robotic Optimized  
Ventral Mesh



(1) As presented at November 2021 investor day.

Note: Blue text denotes products with potential to generate \$50M+ revenue per year based on estimated 5th year sales post launch, which may occur after FY25.

# Glossary

ADC	Automated Dispensing Cabinets	HT	High Throughput	RVP	Respiratory Viral Panel
Adj.	Adjusted	ID/AST	Identification & Antibiotic Susceptibility Testing	SCF	Sterile, Clean, Ready to Fill
B	Billion	IDS	Integrated Diagnostics Solutions	SSG&A	Shipping, Selling, General and Administrative
BDB	Biosciences	IO	Intraosseous	ST	Sepra Technology
BPS	Basis Points	IV	Intravenous	STI	Sexually Transmitted Infection
CEO	Chief Executive Officer	M	Million	SURG	Surgery
CT/GC/TV2	Chlamydia/Gonorrhea/Trichomonas	MDS	Medication Delivery Solutions	TIPS	Transjugular Intrahepatic Portosystemic Shunt
DCB	Drug Coated Balloon	mL	Milliliter	TSA/LSA	Transitional Service Agreement/Logistics Services Agreement
EBITDA	Earnings Before Interest, Taxes, Depreciation, Amortization	MMS	Medication Management Solutions	UCC	Urology & Critical Care
EPS	Earnings Per Share	PFS	Prefillable Syringe	USD	United States Dollar
ES	Enterprise Server	PI	Peripheral Intervention	VAB	Vacuum Assisted Biopsy
EU	European Union	POC	Point of Care	YoY or Y/Y	Year over Year
FCF	Free Cash Flow	PS	Pharmaceutical Systems	YTD	Year To Date
FY	Fiscal Year	PTA	Percutaneous Transluminal Angioplasty	1H	1 <sup>st</sup> Half of Fiscal Year
GLP-1	Glucagon-Like Peptide-1	Q	Quarter	2H	2 <sup>nd</sup> Half of Fiscal Year
HPV	Human Papillomavirus	R&D	Research and Development		



# Supplemental Reconciliation – Revenues by Business Segments and Units

For the Three Months Ended June 30,  
(Unaudited; \$ in millions)

	A	B	C	D=(A-B)/B	E=(A-B-C)/B
				% Change	
	2024	2023	FX Impact	Reported	FXN
<b>BD MEDICAL</b>					
Medication Delivery Solutions	\$ 1,123	\$ 1,086	\$ (6)	3.4	3.9
Medication Management Solutions	840	754	(1)	11.5	11.6
Pharmaceutical Systems	594	594	(4)	0.1	0.9
<b>TOTAL</b>	<b>\$ 2,558</b>	<b>\$ 2,434</b>	<b>\$ (12)</b>	<b>5.1</b>	<b>5.6</b>
<b>BD LIFE SCIENCES</b>					
Integrated Diagnostic Solutions	\$ 896	\$ 858	\$ (7)	4.5	5.3
Biosciences	363	368	(2)	(1.4)	(0.7)
<b>TOTAL</b>	<b>\$ 1,260</b>	<b>\$ 1,226</b>	<b>\$ (9)</b>	<b>2.7</b>	<b>3.5</b>
<b>BD INTERVENTIONAL</b>					
Surgery	\$ 376	\$ 388	\$ (2)	(3.0)	(2.5)
Peripheral Intervention	488	481	(5)	1.5	2.6
Urology and Critical Care	375	349	(3)	7.4	8.3
<b>TOTAL</b>	<b>\$ 1,240</b>	<b>\$ 1,218</b>	<b>\$ (10)</b>	<b>1.8</b>	<b>2.6</b>
Other <sup>(1)</sup>	\$ (67)	—	—	(100.0)	(100.0)
<b>TOTAL REVENUES</b>	<b>\$ 4,990</b>	<b>\$ 4,878</b>	<b>\$ (31)</b>	<b>2.3</b>	<b>2.9</b>

(1) Represents the recognition of accruals resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to the current fiscal year. Such amounts were not allocated to our reportable segments.

# Supplemental Reconciliation – Reported Geographic Revenue to Adjusted Revenue

For the Three Months Ended June 30,  
(Unaudited; \$ in millions)

				D=(A-B)/B	E=(A-B-C)/B
	A	B	C	% Change	
	2024	2023	FX Impact	Reported	FXN
UNITED STATES REVENUES	\$ 2,891	\$ 2,772	\$ —	4.3	4.3
Add: Reduction for legal matters <sup>(1)</sup>	6	—	—	100.0	100.0
Adjusted United States Revenues	\$ 2,897	\$ 2,772	\$ —	4.5	4.5
INTERNATIONAL REVENUES	\$ 2,098	\$ 2,106	\$ (31)	(0.3)	1.1
Add: Reduction for government legislative matters <sup>(1)</sup>	62	—	—	100.0	100.0
Adjusted International Revenues	\$ 2,160	\$ 2,106	\$ (31)	2.6	4.0
Total Revenues	\$ 4,990	\$ 4,878	\$ (31)	2.3	2.9
Add: Reduction for government legislative and legal matters <sup>(1)</sup>	67	—	—	100.0	100.0
Adjusted Total Revenues	\$ 5,057	\$ 4,878	\$ (31)	3.7	4.3

(1) Represents the recognition of accruals resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to the current fiscal year.

# Supplemental Reconciliation – Reported Revenue to Organic Revenue

For the Three Months Ended June 30,  
(Unaudited; \$ in millions)

	A	B	C	D=(A-B)/B	E=(A-B-C)/B
				% Change	
	2024	2023	FX Impact	Reported	FXN
<b>TOTAL REVENUES</b>	\$4,990	\$4,878	(31)	2.3%	2.9%
Add: Reduction for government legislative and legal matters <sup>(1)</sup>	\$67	—	—	100.0	100.0
<b>Adjusted Revenues</b>	\$5,057	\$4,878	(31)	3.7%	4.3%
Less: Inorganic revenue adjustment <sup>(2)</sup>	—	\$43	—	(100.0)	(100.0)
<b>Organic Revenue</b>	\$5,057	\$4,835	(31)	4.6%	5.2%
Less: China Revenue	\$313	\$355	(11)	(11.7%)	(8.6%)
Organic Revenue excluding China	\$4,744	\$4,480	(20)	5.9%	6.3%
<b>BD INTERVENTIONAL REVENUES</b>	\$1,240	\$1,218	(10)	1.8%	2.6%
Less: Inorganic revenue adjustment <sup>(2)</sup>	—	\$43	—	(100.0)	(100.0)
<b>BD Interventional Organic Revenue</b>	\$1,240	\$1,175	(10)	5.5%	6.4%

- (1) Represents the recognition of accruals resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to the current fiscal year.
- (2) Inorganic revenue adjustment is defined as the amount of incremental revenue attributable to acquisitions and the revenue decline attributable to divestitures during the first 12 months post-acquisition/divestiture. Divestitures include: the sale of the Surgical Instrumentation platform in the Interventional segment.

# Supplemental Reconciliation – Reported Diluted EPS to Adjusted Diluted EPS

For the Three Months Ended June 30,  
(Unaudited)

	Three Months Ended June 30,						
	2024	2023	Change	FX Impact	FXN Change	Change %	FXN Change %
Reported Diluted Earnings per Share	\$ 1.68	\$ 1.36	\$ 0.32	\$ (0.13)	\$ 0.45	23.5%	33.1%
Purchase accounting adjustments (\$352 million and \$362 million pre-tax, respectively) <sup>(1)</sup>	1.21	1.26	—	—	—	—	—
Integration costs (\$7 million and \$8 million pre-tax, respectively) <sup>(2)</sup>	0.03	0.03	—	—	—	—	—
Restructuring costs (\$95 million and \$62 million pre-tax, respectively) <sup>(2)</sup>	0.33	0.21	—	—	—	—	—
Transaction Costs (\$10 million pre-tax) <sup>(3)</sup>	0.03	—	—	—	—	—	—
Financing Costs ((\$2) million pre-tax) <sup>(3)</sup>	(0.01)	—	—	—	—	—	—
European regulatory initiative-related costs (\$25 million and \$33 million pre-tax, respectively) <sup>(4)</sup>	0.09	0.12	—	—	—	—	—
Product, litigation, and other items (\$174 million and \$93 million pre-tax, respectively) <sup>(5)</sup>	0.60	0.32	—	—	—	—	—
Tax impact of specified items and other tax related ((\$133) million and (\$98) million, respectively)	(0.46)	(0.34)	—	—	—	—	—
Adjusted Diluted Earnings per Share	\$ 3.50	\$ 2.96	\$ 0.54	\$ (0.13)	\$ 0.67	18.2%	22.6%

(1) Includes amortization and other adjustments related to the purchase accounting for acquisitions.

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

(3) Represents transaction costs and financing impacts associated with the agreement to acquire Edwards Lifesciences' Critical Care Product Group. The transaction costs are recorded in *Integration, restructuring and transaction expense* and the financing impacts are recorded in *Interest income* and *Interest expense*.

(4) Represents costs incurred to develop processes and systems to establish initial compliance with the European Union Medical Device Regulation and the European Union In Vitro Diagnostic Medical Device Regulation, which represent a significant, unusual change to the existing regulatory framework. We consider these costs to be duplicative of previously incurred costs and/or one-off costs, which are limited to a specific period of time. These expenses, which are recorded in *Cost of products sold* and *Research and development expense*, include the cost of labor, other services and consulting (in particular, research and development and clinical trials) and supplies, travel and other miscellaneous costs.

(5) Includes certain (income) expense items which are not part of ordinary operations and affect the comparability of the periods presented. Such items may include certain product remediation costs, certain legal matters, certain investment gains and losses, certain asset impairment charges, and certain pension settlement costs. The amount in 2024 reflects the recognition of \$67 million in accruals as an impact to *Revenues* resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to our current fiscal year, as well as charges to *Other operating expense (income), net* related to legal matters, including a \$50 million charge to accrue an estimated liability for the SEC investigation with respect to, among other things, certain reporting issues involving BD Alaris™ infusion pumps included in SEC disclosures prior to 2021, based on discussions with the SEC with respect to the potential for resolving this matter. The Company cannot anticipate the timing, scope, outcome or ultimate impact of the SEC investigation, financial or otherwise, including but not limited to what actions the SEC might pursue against the Company and/or individuals. As a result, the ultimate resolution is unknown at this time, and it is possible that the amount of the Company's liability could significantly exceed its currently accrued amount. The amount in 2023 includes a charge to *Cost of products sold* of \$90 million to adjust the estimate of future product remediation costs.

# Supplemental Reconciliation

For the Three Months ended June 30, 2024  
(Unaudited; \$ in millions, except per share data)

	Reported (GAAP)	Purchase accounting adjustments	Integration costs	Restructuring costs	Transaction costs	Financing Costs	Separation - related items	European Regulatory	Product, litigation, and other items	TSA / LSA total	Income tax benefit of special items	(A) Adjusted (Non- GAAP)	Notes for Non- GAAP Adjustment <sup>(1)</sup>
Revenues	\$ 4,990	-	-	-	-	-	-	-	\$ 67	-	-	\$ 5,057	5
Gross Profit	\$ 2,307	\$ 356	-	-	-	-	-	\$ 9	\$ 72	-	-	\$ 2,745	1,4,5
% Revenues	46.2%											54.3%	
SSG&A	\$ 1,196	\$ 3	-	-	-	-	-	-	\$ (7)	-	-	\$ 1,191	1,5
% Revenues	24.0%											23.6%	
R&D	\$ 299	-	-	-	-	-	-	\$ (15)	-	-	-	\$ 283	4
% Revenues	6.0%											5.6%	
Integration, restructuring and transaction expense	\$ 112	-	\$ (7)	\$ (95)	\$ (10)	-	-	-	-	-	-	-	2,3
% Revenues	2.2%											0.0%	
Other Operating Expense (Income), net	\$ 98	-	-	-	-	-	\$ (1)	-	\$ (101)	\$ (3)	-	\$ (6)	5
% Revenues	2.0%											(0.1%)	
Operating Income	\$ 602	\$ 353	\$ 7	\$ 95	\$ 10	-	\$ 1	\$ 25	\$ 180	\$ 3	-	\$ 1,276	1,2,3,4,5
Operating Margin	12.1%											25.2%	
Net interest expense	\$ (89)	\$ (1)	-	-	-	\$ (2)	-	-	-	-	-	\$ (92)	1,3
Other Income (Expense), Net	\$ (13)	-	-	-	-	-	-	-	\$ (6)	\$ (3)	-	\$ (22)	5
Income Tax Provision	\$ 13										\$ 133	\$ 146	
Effective Tax Rate	2.6%											12.6%	
Net Income	\$ 487	\$ 352	\$ 7	\$ 95	\$ 10	\$ (2)	\$ 1	\$ 25	\$ 174	-	\$ (133)	\$ 1,016	1,2,3,4,5
% Revenues	9.8%											20.1%	
Diluted Earnings per Share	\$ 1.68	\$ 1.21	\$ 0.03	\$ 0.33	\$ 0.03	\$ (0.01)	-	\$ 0.09	\$ 0.60	-	\$ (0.46)	\$ 3.50	1,2,3,4,5

# Supplemental Reconciliation

For the Three Months ended June 30, 2023  
(Unaudited; \$ in millions, except per share data)

	Reported (GAAP)	Purchase accounting adjustments	Integration costs	Restructuring costs	European Regulatory	Product, litigation, and other items	TSA / LSA total	Income tax benefit of special items	(B) Adjusted (Non- GAAP)	Notes for Non- GAAP Adjustment <sup>(1)</sup>
Revenues	\$ 4,878	-	-	-	-	-	-	-	\$ 4,878	
Gross Profit	\$ 2,100	\$ 363	-	-	\$ 14	\$ 90	-	-	\$ 2,567	1,4,5
% Revenues	43.1%								52.6%	
SSG&A	\$ 1,190	-	-	-	\$ (1)	-	-	-	\$ 1,189	4
% Revenues	24.4%								24.4%	
R&D	\$ 306	-	-	-	\$ (19)	-	-	-	\$ 287	4
% Revenues	6.3%								5.9%	
Integration, restructuring and transaction expense	\$ 70	-	\$ (8)	\$ (62)	-	-	-	-	-	2
% Revenues	1.4%								0.0%	
Other Operating (Income)/Expense, net	\$ (13)	-	-	-	-	-	\$ (15)	-	\$ (29)	
% Revenues	(0.3%)								(0.6%)	
Operating Income	\$ 549	\$ 363	\$ 8	\$ 62	\$ 33	\$ 90	\$ 15	-	\$ 1,120	1,2,4,5
Operating Margin	11.2%								23.0%	
Net interest expense	\$ (95)	\$ (1)	-	-	-	-	-	-	\$ (96)	1
Other Income (Expense), Net	\$ 17	-	-	-	-	\$ 3	\$ (15)	-	\$ 5	5
Income Tax Provision	\$ 64							\$ 98	\$ 162	
Effective Tax Rate	13.6%								15.7%	
Net Income	\$ 407	\$ 362	\$ 8	\$ 62	\$ 33	\$ 93	-	\$ (98)	\$ 868	1,2,4,5
% Revenues	8.3%								17.8%	
Diluted Earnings per Share	\$ 1.36	\$ 1.26	\$ 0.03	\$ 0.21	\$ 0.12	\$ 0.32	-	\$ (0.34)	\$ 2.96	1,2,4,5

# Supplemental Reconciliation

Change in Three Months Ended June 30, 2024 Compared With Three Months Ended June 30, 2023  
(Unaudited; \$ in millions, except per share data)

	(A)	(B)	(C) = (A) - (B)	(D) = (C) / (B)
	Adjusted (Non-GAAP)	Adjusted (Non-GAAP)	Adjusted \$ Change	Adjusted % Change
Revenues	\$ 5,057	\$ 4,878	\$ 179	3.7%
Gross Profit	\$ 2,745	\$ 2,567	\$ 177	6.9%
% Revenues	54.3%	52.6%		
SSG&A	\$ 1,191	\$ 1,189	\$ 2	0.2%
% Revenues	23.6%	24.4%		
R&D	\$ 283	\$ 287	\$ (3)	(1.1%)
% Revenues	5.6%	5.9%		
Other Operating (Income)/Expense, net	\$ (6)	\$ (29)	\$ 22	77.6%
% Revenues	(0.1%)	(0.6%)		
Operating Income	\$ 1,276	\$ 1,120	\$ 156	14.0%
Operating Margin	25.2%	23.0%		
Net interest expense	\$ (92)	\$ (96)	\$ 4	(3.8%)
Other Income (Expense), Net	\$ (22)	\$ 5	\$ (27)	(522.6%)
Income Tax Provision	\$ 146	\$ 162	\$ (15)	(9.4%)
Effective Tax Rate	12.6%	15.7%		
Net Income	\$ 1,016	\$ 868	\$ 148	17.1%
% Revenues	20.1%	17.8%		
Diluted Earnings per Share	\$ 3.50	\$ 2.96	\$ 0.54	18.2%

# Supplemental Reconciliation – Net Leverage

Last Twelve Months Ended June 30, 2024

(Unaudited; Amounts in millions)

Reported GAAP net income from continuing operations	\$	1,459
Adjusted for:		
Depreciation, amortization and other	\$	2,278
Interest expense	\$	487
Income taxes	\$	213
Share-based compensation	\$	254
Integration costs, pre-tax <sup>(1)</sup>	\$	29
Restructuring costs, pre-tax <sup>(1)</sup>	\$	381
Transaction costs, pre-tax <sup>(2)</sup>	\$	10
Separation-related items, pre-tax <sup>(3)</sup>	\$	12
European regulatory initiative-related costs, pre-tax <sup>(4)</sup>	\$	108
Product, litigation, and other items, pre-tax <sup>(5)</sup>	\$	627
Adjusted EBITDA	\$	5,857
Short-Term Debt	\$	1,192
Long-Term Debt	\$	18,131
Less: Cash, Cash Equivalents and Short-Term Investments	\$	(5,309)
Net Debt	\$	14,014
Net Leverage <sup>(6)</sup>		2.4x

(1) Represents costs associated with integration and restructuring activities, as well as costs associated with simplification and cost saving initiatives.

(2) Represents transaction costs associated with the agreement to acquire Edwards Lifesciences' Critical Care Product Group. The transaction costs are recorded in *Integration, restructuring and transaction expense*.

(3) Represents costs recorded to *Other operating (income) expense, net* incurred in connection with separation of BD's former Diabetes Care business.

(4) Represents costs incurred to develop processes and systems to establish initial compliance with the European Union Medical Device Regulation and the European Union In Vitro Diagnostic Medical Device Regulation, which represent a significant, unusual change to the existing regulatory framework. We consider these costs to be duplicative of previously incurred costs and/or one-off costs, which are limited to a specific period of time. These expenses, which are recorded in *Cost of products sold* and *Research and development expense*, include the cost of labor, other services and consulting (in particular, research and development and clinical trials) and supplies, travel and other miscellaneous costs.

(5) Includes certain (income) expense items which are not part of ordinary operations and affect the comparability of the periods presented. Such items may include certain product remediation costs, certain legal matters, certain investment gains and losses, certain asset impairment charges, and certain pension settlement costs. The amount reflects the recognition of \$67 million in accruals as an impact to *Revenues* during the quarter ended June 30, 2024 resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to our current fiscal year, as well as charges to *Other operating expense (income), net* related to legal matters, including a \$50 million charge during the quarter ended June 30, 2024 to accrue an estimated liability for the SEC investigation with respect to, among other things, certain reporting issues involving BD Alaris™ infusion pumps included in SEC disclosures prior to 2021, based on discussion with the SEC with respect to the potential for resolving this matter. The Company cannot anticipate the timing, scope, outcome or ultimate impact of the SEC investigation, financial or otherwise, including but not limited to what actions the SEC might pursue against the Company and/or individuals. As a result, the ultimate resolution is unknown at this time, and it is possible that the amount of the Company's liability could significantly exceed its currently accrued amount. The amount also includes amounts recorded during the quarter ended September 30, 2023 related to charges of \$563 million to adjust the estimate of future product remediation costs to *Cost of products sold* and of \$55 million related to pension settlement costs to *Other expense, net*, and a gain of \$268 million related to the sale of our Surgical Instrumentation platform recorded to *Other operating (income) expense, net*.

(6) Net Leverage is calculated by dividing Net Debt by Adjusted EBITDA.



# Supplemental Reconciliation – Free Cash Flow and Free Cash Flow Conversion

For the Nine Months Ended June 30, 2024

(Unaudited; Amounts in millions)

	2024
Reported GAAP Net Income	\$1,305
Purchase Accounting, pre-tax <sup>(1)</sup>	\$1,076
Integration Costs, pre-tax <sup>(2)</sup>	\$17
Restructuring Costs, pre-tax <sup>(2)</sup>	\$262
Transaction Costs, pre-tax <sup>(3)</sup>	\$9
Financing Costs, pre-tax <sup>(3)</sup>	(\$2)
Separation-related items, pre-tax <sup>(4)</sup>	\$7
European Regulatory, pre-tax <sup>(5)</sup>	\$72
Product, Litigation, and other items, pre-tax <sup>(6)</sup>	\$169
Income tax benefit of special items	(\$197)
Adjusted Net Income	\$2,718
<b>Free Cash Flow Conversion</b>	<b>82%</b>

	A	B	C=A-B	D=C/B
	2024	2023	Change	% Change
Net Cash Provided by Continuing Operating Activities	\$2,666	\$1,665	\$1,001	60.1%
Less: Capital Expenditures	(\$429)	(\$580)	\$151	(26.0%)
Free Cash Flow	\$2,237	\$1,085	\$1,152	106.2%

(1) Includes amortization and other adjustments related to the purchase accounting for acquisitions.

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

(3) Represents transaction costs and financing impacts associated with the agreement to acquire Edwards Lifesciences' Critical Care Product Group. The transaction costs are recorded in *Integration, restructuring and transaction expense* and the financing impacts are recorded in *Interest income* and *Interest expense*.

(4) Represents costs recorded to *Other operating expense (income), net* incurred in connection with the separation of BD's former Diabetes Care business.

(5) Represents costs incurred to develop processes and systems to establish initial compliance with the European Union Medical Device Regulation and the European Union In Vitro Diagnostic Medical Device Regulation, which represent a significant, unusual change to the existing regulatory framework. We consider these costs to be duplicative of previously incurred costs and/or one-off costs, which are limited to a specific period of time. These expenses, which are recorded in *Cost of products sold* and *Research and development expense*, include the cost of labor, other services and consulting (in particular, research and development and clinical trials) and supplies, travel and other miscellaneous costs.

(6) Includes certain (income) expense items which are not part of ordinary operations and affect the comparability of the periods presented. Such items may include certain product remediation costs, certain legal matters, certain investment gains and losses, certain asset impairment charges, and certain pension settlement costs. The amount in 2024 reflects the recognition of \$67 million in accruals as an impact to *Revenues* resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to our current fiscal year, as well as charges to *Other operating expense (income), net* related to legal matters, including a \$50 million charge to accrue an estimated liability for the SEC investigation with respect to, among other things, certain reporting issues involving BD Alaris™ infusion pumps included in SEC disclosures prior to 2021, based on discussions with the SEC with respect to the potential for resolving this matter. The Company cannot anticipate the timing, scope, outcome or ultimate impact of the SEC investigation, financial or otherwise, including but not limited to what actions the SEC might pursue against the Company and/or individuals. As a result, the ultimate resolution is unknown at this time, and it is possible that the amount of the Company's liability could significantly exceed its currently accrued amount. The amount in 2023 includes a charge to *Cost of products sold* of \$90 million to adjust the estimate of future product remediation costs.

# FY2024 Outlook Reconciliation

	Full Year FY2023	Full Year FY2024 Outlook	
	(\$ in millions)	% Change	Revenues
BDX Reported Revenues	\$ 19,372		
FY2024 Reported Revenue Growth		~3.7%	
Revenue Adjustment Impact		(~35) basis points	
Illustrative Foreign Currency (FX) Impact		(~35) basis points	
FY2024 Revenue Growth (adjusted)(FXN)		+4.25% to 4.5%	
FY2024 Inorganic Impact to Revenue Growth		(~75) basis points	
FY2024 Organic Revenue Growth(FXN)		+5.0% to +5.25%	
Total FY 2024 Revenues			~\$20.1 billion
Revenue Adjustment Impact			\$0.067 billion
Total FY 2024 Revenues (adjusted)			~\$20.1 to \$20.2 billion

Notes:

- Revenue Adjustment Impact reflects the recognition of accruals resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to the current fiscal year.
- Inorganic Impact to Revenue Growth reflects the revenue decline attributable to divestitures for the first 12 months post-divestiture.

# FY2024 Outlook Reconciliation

	Full Year FY2023 from Continuing Operations	<u>Full Year FY2024 Outlook</u> Total Company
<b>Reported Diluted Earnings per Share</b>	\$ 5.10	
Purchase accounting adjustments (\$1.434 billion pre-tax) <sup>(1)</sup>	4.97	
Integration costs (\$67 million pre-tax) <sup>(2)</sup>	0.23	
Restructuring costs (\$239 million pre-tax) <sup>(2)</sup>	0.83	
Separation-related items (\$14 million pre-tax) <sup>(3)</sup>	0.05	
European regulatory initiative-related costs (\$139 million pre-tax) <sup>(4)</sup>	0.48	
Product, litigation, and other items (\$554 million pre-tax) <sup>(5)</sup>	1.92	
Income tax benefit of special items ((\$399) million)	(1.38)	
<b>Adjusted Diluted Earnings per Share</b>	<u>\$ 12.21</u>	<u>\$13.05 to \$13.15</u>
<b>Adjusted Diluted Earnings per Share Percentage Change</b>		+6.9% to +7.7%
<b>Illustrative Foreign Currency (FX) Impact, based on FX spot rates</b>		(~460) basis points

(1) Includes amortization and other adjustments related to the purchase accounting for acquisitions.

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

(3) Represents costs recorded to *Other operating (income) expense, net* incurred in connection with the separation of BD's former Diabetes Care business.

(4) Represents costs incurred to develop processes and systems to establish initial compliance with the European Union Medical Device Regulation and the European Union In Vitro Diagnostic Medical Device Regulation, which represent a significant, unusual change to the existing regulatory framework. We consider these costs to be duplicative of previously incurred costs and/or one-off costs, which are limited to a specific period of time. These expenses, which are recorded in *Cost of products sold* and *Research and development expense*, include the cost of labor, other services and consulting (in particular, research and development and clinical trials) and supplies, travel and other miscellaneous costs.

(5) Includes certain (income) expense items which are not part of ordinary operations and affect the comparability of the periods presented. Such items may include certain product remediation costs, certain product liability and legal defense costs, certain investment gains and losses, certain asset impairment charges, and certain pension settlement costs. The amount in 2023 includes a charge of \$653 million to adjust the estimate of future product remediation costs to *Cost of products sold* and a charge of \$57 million related to pension settlement costs to *Other expense, net*. The amount in 2023 also includes a gain of \$268 million related to the sale of our Surgical Instrumentation platform recorded to *Other operating (income) expense, net*.