

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

FORM 8-K

CURRENT REPORT PURSUANT TO
SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) August 6, 2019

BECTON, DICKINSON AND COMPANY

(Exact Name of Registrant as Specified in Its Charter)

New Jersey

(State or Other Jurisdiction of Incorporation)

001-4802

(Commission File Number)

22-0760120

(IRS Employer Identification No.)

1 Becton Drive, Franklin Lakes, New Jersey

(Address of Principal Executive Offices)

07417-1880

(Zip Code)

(201) 847-6800

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K Filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$1.00	BDX	New York Stock Exchange
Depository Shares, each representing 1/20th of a share of 6.125% Cumulative Preferred Stock Series A	BDXA	New York Stock Exchange
1.000% Notes due December 15, 2022	BDX22A	New York Stock Exchange
1.900% Notes due December 15, 2026	BDX26	New York Stock Exchange
1.401% Notes due May 24, 2023	BDX23A	New York Stock Exchange
3.020% Notes due May 24, 2025	BDX25	New York Stock Exchange
0.174% Notes due June 4, 2021	BDX/21	New York Stock Exchange
0.632% Notes due June 4, 2023	BDX/23A	New York Stock Exchange
1.208% Notes due June 4, 2026	BDX/26A	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On August 6, 2019, Becton, Dickinson and Company ("BD") issued a press release announcing its financial results for its third fiscal quarter ending June 30, 2019. A copy of the press release is furnished as Exhibit 99.1 to this report.

The press release furnished as Exhibit 99.1 contains certain financial measures that differ from those presented in accordance with U.S. generally accepted accounting principles ("non-GAAP measures"), as follows:

- **Currency-Neutral Revenue Growth.** We present revenue growth rates for the third quarter and the first nine months of fiscal year 2019 over the corresponding prior periods, and our estimated revenue growth for fiscal year 2019, after eliminating the effect of foreign currency translation, which can fluctuate from period to period. Management believes these adjustments help investors to better understand the underlying performance (and anticipated performance) of BD and evaluate our performance in comparison to the prior periods.
- **Comparable Revenue Growth.** We present revenue growth for the third quarter and the first nine months of fiscal year 2019, and our estimated revenue growth for fiscal year 2019, on a "comparable", currency-neutral basis, which includes the results of C.R. Bard, Inc. ("Bard") in the prior year period, with adjustments to (1) eliminate revenues relating to divestitures, (2) reflect cumulative customer rebate and incentive fees relating to fiscal year 2018, (3) account for the reclassification of certain royalties previously reported by Bard as revenues; and (4) eliminate intercompany revenues. We believe these measures help investors better understand and evaluate the performance of the combined company following the Bard acquisition, as well as better evaluate our results by adjusting for items that effect year-to-year comparability.

Adjusted comparable revenues are presented for illustrative purposes only, and are not necessarily indicative of the operating results or financial position that would have occurred if the Bard acquisition had been consummated at the beginning of our 2018 fiscal year, nor is the information necessarily indicative of the results of operations that may be expected for any future period or date. BD and Bard may have performed differently had they actually been combined during the periods presented and such differences may be material.

- **Adjusted Earnings Per Share.** We present diluted earnings per share ("EPS") for the third quarter and the first nine months of fiscal year 2019, and the corresponding prior periods, after eliminating items that we believe are not part of our ordinary operations and affect the comparability of the periods presented ("adjusted EPS"). We also present adjusted EPS for the full 2018 fiscal year. Adjusted EPS includes adjustments for, as applicable, purchase accounting adjustments, acquisition-related transaction, integration and restructuring costs, hurricane recovery costs, the impact of the extinguishment of certain long-term debt, gains from the sale of a business and an investment, certain litigation and recall charges and costs, certain asset impairments, certain regulatory costs, and the financing impacts associated with, and the dilutive impact of shares issued to fund, the Bard acquisition. We believe adjustments for these items allow investors to better understand the underlying operating results of BD and facilitate comparisons between the periods shown. We also show the growth in adjusted EPS compared to the prior year period after eliminating the impact of foreign currency translation, which can fluctuate from period to period, to further enable investors to evaluate BD's underlying earnings performance compared to the prior periods.

We also present our estimated adjusted EPS for fiscal year 2019, and our estimated growth in adjusted EPS for fiscal year 2019, after further adjusting for the anticipated impact of foreign currency translation. Management believes that these adjustments allow investors to better evaluate BD's anticipated underlying earnings performance for fiscal year 2019 in relation to our underlying fiscal year 2018 performance.

BD's management uses each of these non-GAAP measures in its own evaluation of BD's performance, particularly when comparing performance to past periods and to the performance of peer companies. Management also uses the non-GAAP results for budget planning purposes on a quarterly and annual basis.

BD provides non-GAAP measures to investors on a supplemental basis in addition to our GAAP results, as they provide additional insight into BD's financial results. Management believes the non-GAAP results provide a reasonable measure of BD's underlying performance before the effects of items that are considered by management to be outside of BD's underlying operational results or that affect period to period comparability. However, non-GAAP results should not be considered in isolation and are not in accordance with, or a substitute for, GAAP results. Also, our non-GAAP results may differ from similar measures used by other companies, even if similar terms are used to identify such measures. 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. Investors should also consider these limitations when evaluating BD's results.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

[Exhibit 99.1](#) Press release dated August 6, 2019, which is furnished pursuant to Item 2.02

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BECTON, DICKINSON AND COMPANY
(Registrant)

By: /s/ Gary DeFazio
Gary DeFazio
Senior Vice President and Corporate Secretary

Date: August 6, 2019

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Franklin Lakes, NJ 07417
www.bd.com



Contact:

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**BD ANNOUNCES RESULTS FOR 2019 THIRD FISCAL QUARTER;
REAFFIRMS FISCAL 2019 GUIDANCE**

- As reported, revenues of \$4.350 billion increased 1.7 percent.
- On a comparable, currency-neutral basis, revenues increased 5.7 percent.
- As reported, diluted earnings per share of \$1.51 decreased 25.6 percent.
- As adjusted, diluted earnings per share of \$3.08 increased 5.8 percent, or 14.8 percent on a currency-neutral basis.
- The company reaffirms its full fiscal year 2019 revenue and adjusted diluted earnings per share guidance.

Franklin Lakes, NJ (August 6, 2019) - BD (Becton, Dickinson and Company) (NYSE: BDX), a leading global medical technology company, today reported quarterly revenues of \$4.350 billion for the third fiscal quarter ended June 30, 2019. This represents an increase of 1.7 percent over the prior-year period. On a comparable, currency-neutral basis, revenues increased 5.7 percent over the prior-year period.

“Third quarter performance was strong. Our revenues highlight the breadth and diversity of the growth drivers in our portfolio, and we are seeing strength across all three segments,” said Vincent A. Forlenza, chairman and CEO. “As anticipated, our performance has accelerated and we expect this momentum to continue. We remain confident in our outlook for fiscal year 2019 and our ability to deliver value to customers and shareholders.”

Third Quarter and Nine-Month Fiscal 2019 Operating Results

As reported, diluted earnings per share for the third quarter were \$1.51, compared with \$2.03 in the prior-year period. This represents a decrease of 25.6 percent. Adjusted diluted earnings per share were \$3.08, compared with \$2.91 in the prior-year period. This represents an increase in adjusted diluted earnings per share of 5.8 percent, or 14.8 percent on a currency-neutral basis.

For the nine-month period ended June 30, 2019, as reported, diluted earnings per share were \$3.49, compared with \$1.27 in the prior-year period. This represents an increase of 174.8 percent. Adjusted diluted earnings per share were \$8.37, compared with \$8.08 in the prior-year period. This represents an increase in adjusted diluted earnings per share of 3.6 percent, or 11.6 percent on a currency-neutral basis.

Segment Results

In the BD Medical segment, as reported, worldwide revenues for the quarter of \$2.311 billion increased 2.9 percent over the prior-year period, or 6.0 percent on a currency-neutral basis. The segment's results were driven by performance in the Medication Management Solutions, Medication Delivery Solutions and Pharmaceutical Systems units.

For the nine-month period ended June 30, 2019, BD Medical revenues were \$6.626 billion as reported, which represents an increase of 5.7 percent over the prior-year period. On a comparable, currency-neutral basis, BD Medical revenues increased 5.0 percent.

In the BD Life Sciences segment, as reported, worldwide revenues for the quarter of \$1.058 billion decreased 2.0 percent from the prior-year period. On a comparable, currency-neutral basis, revenues increased 5.4 percent. Revenue growth was driven by performance across the Diagnostic Systems, Preanalytical Systems and Biosciences units.

For the nine-month period ended June 30, 2019, BD Life Sciences revenues were \$3.166 billion as reported, which represents a decrease of 1.7 percent from the prior-year period. On a comparable, currency-neutral basis, BD Life Sciences revenues of \$3.157 billion increased 4.3 percent.

In the BD Interventional segment, as reported, worldwide revenues for the quarter of \$0.981 billion increased 2.9 percent over the prior-year period, or 5.2 percent on a currency-neutral basis. The segment's results were driven by performance in the Urology and Critical Care and Surgery units.

For the nine-month period ended June 30, 2019, BD Interventional revenues were \$2.914 billion as reported, which represents an increase of 39.5 percent over the prior-year period. On a comparable, currency-neutral basis, BD Interventional revenues increased 4.8 percent.

Geographic Results

As reported, third quarter revenues in the U.S. of \$2.440 billion increased 4.4 percent over the prior-year period. On a comparable basis, U.S. revenues increased 5.0 percent over the prior-year period. Growth in the U.S. was driven by performance in the BD Medical and BD Interventional segments.

As reported, revenues outside of the U.S. of \$1.910 billion decreased 1.6 percent from the prior-year period. On a comparable, currency-neutral basis, revenues outside of the U.S. increased 6.5 percent over the prior-year period. International revenue growth was driven by strong performance in China and EMA.

For the nine-month period ended June 30, 2019, U.S. revenues were \$7.168 billion as reported, which represents an increase of 13.4 percent over the prior-year period. On a comparable basis, U.S. revenues of \$7.164 billion increased 4.4 percent over the prior-year period. As reported, revenues outside of the U.S. of \$5.538 billion increased 5.3 percent over the prior-year period. On a comparable, currency-neutral basis, revenues outside the U.S. of \$5.533 billion increased 5.2 percent over the prior-year period.

Fiscal 2019 Outlook for Full Year

The company reaffirms its full fiscal year 2019 revenue and adjusted diluted earnings per share guidance.

As reported, the company continues to expect full fiscal year 2019 revenues to increase 8.0 to 9.0 percent. The company continues to estimate full fiscal year 2019 revenues will increase 5.0 to 6.0 percent on a comparable, currency-neutral basis.

The company continues to expect adjusted diluted earnings per share to be between \$11.65 and \$11.75. This represents growth of approximately 12.0 percent on a currency-neutral basis over fiscal 2018 adjusted diluted earnings per share of \$11.01, or growth of approximately 6.0 to 7.0 percent including the estimated unfavorable impact of foreign currency.

Adjusted diluted earnings per share for fiscal 2019 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, and certain tax matters. BD does not attempt to provide reconciliations of forward-looking non-GAAP earnings 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.

Conference Call Information

A conference call regarding BD's third quarter results will be broadcast live on BD's website, www.bd.com/investors, along with related slides, at 8:00 a.m. (ET) **Tuesday, August 6, 2019**. The conference call will be available for replay on BD's website, www.bd.com/investors, or at 1-800-585-8367 (domestic) and 1-404-537-3406 (international) through the close of business on Tuesday, August 13, 2019, confirmation number 1475284.

Non-GAAP Financial Measures/Financial Tables

This news release contains certain non-GAAP financial measures. Reconciliations of these and other non-GAAP measures to the comparable GAAP measures are included in the attached financial tables. Within the attached financial tables presented, 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.

All "comparable" basis revenue growth rates relating to fiscal year 2019 presented throughout this release include, where applicable, the results of C. R. Bard, Inc. ("Bard") in the prior-year period, and also include adjustments for certain items as detailed in the attached tables. Beginning in the second quarter of fiscal year 2018, the Company's organizational structure was based upon three principal business segments: BD Medical ("Medical"), BD Life Sciences ("Life Sciences") and BD Interventional ("Interventional"). The Interventional segment was added upon the Company's completion of its acquisition of Bard, and this new segment includes the majority of Bard's product offerings and certain product offerings that were previously reported in the Medical segment. Certain of Bard's product offerings are included under the Company's Medical segment, specifically within the new Medication Delivery Solutions unit, which was formerly the Medical segment's Medication and Procedural Solutions unit. 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; transactional and product related impacts; and the loss on debt extinguishment. We also provide these measures 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 tables at the end of this release.

About BD

BD is one of the largest global medical technology companies in the world and is advancing the world of health by improving medical discovery, diagnostics and the delivery of care. The company supports the heroes on the frontlines of health care by developing innovative technology, services and solutions that help advance both clinical therapy for patients and clinical process for health care providers. BD and its 65,000 employees have a passion and commitment to help enhance the safety and efficiency of clinicians' care delivery process, enable laboratory scientists to accurately detect disease and advance researchers' capabilities to develop the next generation of diagnostics and therapeutics. BD has a presence in virtually every country and partners with organizations around the world to address some of the most challenging global health issues. By working in close collaboration with customers, BD can help enhance outcomes, lower costs, increase efficiencies, improve safety and expand access to health care. For more information on BD, please visit bd.com.

This press release, including the section entitled "Fiscal 2019 Outlook for Full Year", contains certain estimates and other forward-looking statements (as defined under Federal securities laws) regarding BD's performance, including future revenues and earnings per share. 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. With respect to forward-looking statements contained herein, a number of factors could cause actual results to vary materially. These factors include, but are not limited to: risks relating to the integration of the C.R. Bard operations, products and employees into BD and the possibility that the anticipated synergies and other benefits of the proposed acquisition will not be realized or will not be realized within the expected timeframe; new or changing laws and regulations impacting our business (including the imposition of tariffs or changes in laws impacting international trade) or changes in enforcement practices with respect to such laws; fluctuations in costs and availability of raw materials and in BD's ability to maintain favorable supplier arrangements and relationships; legislative or regulatory changes to the U.S. healthcare system, potential cuts in governmental healthcare spending or measures to contain healthcare costs, each of which could result in reduced demand for our products or downward pricing pressure; changes in interest or foreign currency exchange rates; adverse changes in regional, national or foreign economic conditions, particularly in emerging markets, including any impact on our ability to access credit markets and finance our operations, the demand for our products and services, or our suppliers' ability to provide products needed for our operations; the adverse impact of cyber-attacks on our information systems or products; competitive factors including technological advances and new products introduced by competitors; interruptions in our supply chain or manufacturing processes; pricing and market pressures; difficulties inherent in product

development, delays in product introductions and uncertainty of market acceptance of new products; adverse changes in geopolitical conditions; increases in energy costs and their effect on, among other things, the cost of producing BD's products; product efficacy or safety concerns resulting in product recalls or actions being taken by the FDA or other regulators (including the potential impact of the recent FDA letter on the use of drug-coated balloons); our ability to successfully integrate any businesses we acquire; uncertainties of litigation (as described in BD's filings with the Securities and Exchange Commission); future healthcare reform outside the U.S., including changes in government pricing and reimbursement policies or other cost containment reforms; and issuance of new or revised accounting standards, as well as other factors discussed in BD's filings with the Securities and Exchange Commission. We do not intend to update any forward-looking statements to reflect events or circumstances after the date hereof except as required by applicable laws or regulations.

BECTON DICKINSON AND COMPANY
CONSOLIDATED INCOME STATEMENTS
(Unaudited; Amounts in millions, except share and per share data)

	Three Months Ended June 30,		
	2019	2018	% Change
REVENUES	\$ 4,350	\$ 4,278	1.7
Cost of products sold	2,276	2,262	0.6
Selling and administrative expense	1,076	1,086	(0.9)
Research and development expense	282	277	2.1
Acquisitions and other restructurings	90	142	(37.1)
TOTAL OPERATING COSTS AND EXPENSES	3,725	3,767	(1.1)
OPERATING INCOME	626	512	22.2
Interest expense	(156)	(182)	(14.2)
Interest income	2	8	(73.8)
Other (expense) income, net	(11)	310	(103.7)
INCOME BEFORE INCOME TAXES	460	647	(28.9)
Income tax provision	9	53	(82.7)
NET INCOME	451	594	(24.1)
Preferred stock dividends	(38)	(38)	—
NET INCOME APPLICABLE TO COMMON SHAREHOLDERS	\$ 413	\$ 556	(25.7)
EARNINGS PER SHARE			
Basic Earnings per Share	\$ 1.53	\$ 2.08	(26.4)
Diluted Earnings per Share	\$ 1.51	\$ 2.03	(25.6)
AVERAGE SHARES OUTSTANDING (in thousands)			
Basic	270,249	267,836	
Diluted	274,336	273,925	

BECTON DICKINSON AND COMPANY
CONSOLIDATED INCOME STATEMENTS
(Unaudited; Amounts in millions, except share and per share data)

	Nine Months Ended June 30,		
	2019	2018	% Change
REVENUES	\$ 12,706	\$ 11,581	9.7
Cost of products sold	6,684	6,405	4.4
Selling and administrative expense	3,238	2,915	11.1
Research and development expense	792	727	8.9
Acquisitions and other restructurings	281	600	(53.2)
Other operating expense, net	61	—	100.0
TOTAL OPERATING COSTS AND EXPENSES	11,056	10,647	3.8
OPERATING INCOME	1,649	933	76.7
Interest expense	(498)	(525)	(5.1)
Interest income	8	55	(86.0)
Other income, net	19	295	(93.7)
INCOME BEFORE INCOME TAXES	1,178	759	55.3
Income tax provision	107	313	(65.7)
NET INCOME	1,071	446	140.2
Preferred stock dividends	(114)	(114)	—
NET INCOME APPLICABLE TO COMMON SHAREHOLDERS	\$ 957	\$ 332	188.2
EARNINGS PER SHARE			
Basic Earnings per Share	\$ 3.55	\$ 1.30	173.1
Diluted Earnings per Share	\$ 3.49	\$ 1.27	174.8
AVERAGE SHARES OUTSTANDING (in thousands)			
Basic	269,719	254,934	
Diluted	274,510	260,860	

BECTON DICKINSON AND COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in millions)

	June 30, 2019	September 30, 2018
	(Unaudited)	
ASSETS		
Cash and equivalents	\$ 523	\$ 1,140
Restricted cash	71	96
Short-term investments	12	17
Trade receivables, net	2,220	2,319
Inventories	2,629	2,451
Assets held for sale	—	137
Prepaid expenses and other	1,326	1,251
TOTAL CURRENT ASSETS	6,781	7,411
Property, plant and equipment, net	5,550	5,375
Goodwill and other intangibles, net	38,840	40,041
Other Assets	1,063	1,078
TOTAL ASSETS	\$ 52,233	\$ 53,904
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	\$ 2,168	\$ 2,601
Other current liabilities	4,069	4,615
Long-term debt	18,016	18,894
Long-term employee benefit obligations	862	1,056
Deferred income taxes and other	5,621	5,743
Shareholders' equity	21,497	20,994
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 52,233	\$ 53,904

BECTON DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; Amounts in millions)

	Nine Months Ended June 30,	
	2019	2018
OPERATING ACTIVITIES		
Net income	\$ 1,071	\$ 446
Depreciation and amortization	1,700	1,412
Change in operating assets and liabilities and other, net	(812)	(299)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,959	1,559
INVESTING ACTIVITIES		
Capital expenditures	(599)	(588)
Acquisitions of businesses, net of cash acquired	—	(14,998)
Proceeds from divestitures, net	477	534
Other, net	(178)	(120)
NET CASH USED FOR INVESTING ACTIVITIES	(300)	(15,173)
FINANCING ACTIVITIES		
Change in credit facility borrowings	300	200
Proceeds from long-term debt and term loans	2,224	4,335
Payments of debt and term loans	(3,882)	(2,723)
Dividends paid	(737)	(687)
Other, net	(204)	(176)
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	(2,300)	949
Effect of exchange rate changes on cash and equivalents and restricted cash	(1)	(5)
NET DECREASE IN CASH AND EQUIVALENTS AND RESTRICTED CASH	(642)	(12,670)
OPENING CASH AND EQUIVALENTS AND RESTRICTED CASH	1,236	14,179
CLOSING CASH AND EQUIVALENTS AND RESTRICTED CASH	\$ 594	\$ 1,509

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL REVENUE INFORMATION
REVENUES BY BUSINESS SEGMENTS AND UNITS - UNITED STATES
Three Months Ended June 30,
(Unaudited; Amounts in millions)

	A	B	C=(A-B)/B
	2019	2018	% Change
<u>BD MEDICAL</u>			
Medication Delivery Solutions	\$ 524	\$ 505	3.7
Medication Management Solutions	528	483	9.3
Diabetes Care	139	138	0.7
Pharmaceutical Systems	108	103	4.6
TOTAL	\$ 1,299	\$ 1,230	5.7
<u>BD LIFE SCIENCES</u>			
Preanalytical Systems	\$ 203	\$ 199	1.9
Diagnostic Systems	155	151	3.0
Biosciences	117	126	(7.2)
TOTAL	\$ 475	\$ 476	(0.2)
<u>BD INTERVENTIONAL</u>			
Surgery	\$ 273	\$ 259	5.7
Peripheral Intervention	195	195	(0.2)
Urology and Critical Care	198	178	10.9
TOTAL	\$ 666	\$ 632	5.3
TOTAL UNITED STATES	\$ 2,440	\$ 2,338	4.4

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL REVENUE INFORMATION
REVENUES BY BUSINESS SEGMENTS AND UNITS - INTERNATIONAL
Three Months Ended June 30, (continued)
(Unaudited; Amounts in millions)

	A	B	C	D=(A-B)/B E=(A-B-C)/B	
	2019	2018	FX Impact	% Change	
				Reported	FXN
<u>BD MEDICAL</u>					
Medication Delivery Solutions	\$ 460	\$ 471	\$ (33)	(2.4)	4.5
Medication Management Solutions	129	127	(9)	1.7	8.8
Diabetes Care	136	138	(9)	(1.5)	5.0
Pharmaceutical Systems	286	279	(18)	2.5	9.0
TOTAL	\$ 1,011	\$ 1,016	\$ (69)	(0.4)	6.4
<u>BD LIFE SCIENCES</u>					
Preanalytical Systems	\$ 204	\$ 205	\$ (16)	(0.4)	7.5
Diagnostic Systems	212	211	(14)	0.7	7.5
Biosciences	167	188	(9)	(11.1)	(6.3)
TOTAL	\$ 583	\$ 603	\$ (40)	(3.4)	3.2
<u>BD INTERVENTIONAL</u>					
Surgery	\$ 76	\$ 77	\$ (5)	(2.0)	4.7
Peripheral Intervention	155	157	(11)	(1.5)	5.5
Urology and Critical Care	85	87	(5)	(2.4)	3.6
TOTAL	\$ 316	\$ 322	\$ (21)	(1.9)	4.8
TOTAL INTERNATIONAL	\$ 1,910	\$ 1,941	\$ (130)	(1.6)	5.1

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL REVENUE INFORMATION
REVENUES BY BUSINESS SEGMENTS AND UNITS - TOTAL
Three Months Ended June 30, (continued)
(Unaudited; Amounts in millions)

	A	B	C	D=(A-B)/B	E=(A-B-C)/B
	2019	2018	FX Impact	% Change	
				Reported	FXN
<u>BD MEDICAL</u>					
Medication Delivery Solutions	\$ 984	\$ 977	\$ (33)	0.8	4.1
Medication Management Solutions	658	610	(9)	7.7	9.2
Diabetes Care	275	276	(9)	(0.4)	2.9
Pharmaceutical Systems	394	383	(18)	3.1	7.8
TOTAL	\$ 2,311	\$ 2,246	\$ (69)	2.9	6.0
<u>BD LIFE SCIENCES</u>					
Preanalytical Systems	\$ 407	\$ 404	\$ (16)	0.7	4.7
Diagnostic Systems	368	362	(14)	1.7	5.6
Biosciences	284	314	(9)	(9.6)	(6.7)
TOTAL	\$ 1,058	\$ 1,079	\$ (40)	(2.0)	1.7
<u>BD INTERVENTIONAL</u>					
Surgery	\$ 349	\$ 336	\$ (5)	3.9	5.4
Peripheral Intervention	350	353	(11)	(0.8)	2.3
Urology and Critical Care	283	265	(5)	6.5	8.5
TOTAL	\$ 981	\$ 954	\$ (21)	2.9	5.2
TOTAL REVENUES	\$ 4,350	\$ 4,278	\$ (130)	1.7	4.7

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL REVENUE INFORMATION
REVENUES BY BUSINESS SEGMENTS AND UNITS - UNITED STATES
Nine Months Ended June 30,
(Unaudited; Amounts in millions)

	A	B	C=(A-B)/B
	2019	2018	% Change
<u>BD MEDICAL</u>			
Medication Delivery Solutions	\$ 1,528	\$ 1,379	10.8
Medication Management Solutions	1,531	1,415	8.3
Diabetes Care	421	415	1.6
Pharmaceutical Systems	269	239	12.4
TOTAL	<u>\$ 3,750</u>	<u>\$ 3,448</u>	<u>8.7</u>
<u>BD LIFE SCIENCES</u>			
Preanalytical Systems	\$ 574	\$ 565	1.7
Diagnostic Systems	510	518	(1.5)
Biosciences	345	350	(1.4)
TOTAL	<u>\$ 1,430</u>	<u>\$ 1,433</u>	<u>(0.2)</u>
<u>BD INTERVENTIONAL</u>			
Surgery	\$ 819	\$ 687	19.2
Peripheral Intervention	580	393	47.5
Urology and Critical Care	590	358	65.0
TOTAL	<u>\$ 1,989</u>	<u>\$ 1,438</u>	<u>38.3</u>
TOTAL UNITED STATES	<u>\$ 7,168</u>	<u>\$ 6,319</u>	<u>13.4</u>

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL REVENUE INFORMATION
REVENUES BY BUSINESS SEGMENTS AND UNITS - INTERNATIONAL
Nine Months Ended June 30, (continued)
(Unaudited; Amounts in millions)

	A	B	C	D=(A-B)/B E=(A-B-C)/B	
				% Change	
				2019	2018
<u>BD MEDICAL</u>					
Medication Delivery Solutions	\$ 1,344	\$ 1,298	\$ (83)	3.5	10.0
Medication Management Solutions	365	364	(20)	0.3	5.9
Diabetes Care	397	405	(23)	(2.0)	3.7
Pharmaceutical Systems	771	755	(37)	2.1	7.0
TOTAL	\$ 2,877	\$ 2,822	\$ (163)	2.0	7.7
<u>BD LIFE SCIENCES</u>					
Preanalytical Systems	\$ 591	\$ 595	\$ (40)	(0.7)	5.9
Diagnostic Systems	628	634	(34)	(0.9)	4.4
Biosciences	517	559	(23)	(7.6)	(3.4)
TOTAL	\$ 1,736	\$ 1,789	\$ (97)	(2.9)	2.5
<u>BD INTERVENTIONAL</u>					
Surgery	\$ 223	\$ 177	\$ (11)	26.5	33.0
Peripheral Intervention	449	303	(25)	47.9	56.2
Urology and Critical Care	253	171	(11)	47.7	54.2
TOTAL	\$ 925	\$ 651	\$ (47)	42.1	49.4
TOTAL INTERNATIONAL	\$ 5,538	\$ 5,261	\$ (307)	5.3	11.1

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL REVENUE INFORMATION
REVENUES BY BUSINESS SEGMENTS AND UNITS - TOTAL
Nine Months Ended June 30, (continued)
(Unaudited; Amounts in millions)

	A	B	C	E=(A-B- D=(A-B)/B C)/B	
				% Change	
				Reported	FXN
BD MEDICAL					
Medication Delivery Solutions	\$ 2,871	\$ 2,677	\$ (83)	7.3	10.4
Medication Management Solutions	1,896	1,778	(20)	6.6	7.8
Diabetes Care	819	820	(23)	(0.2)	2.6
Pharmaceutical Systems	1,040	994	(37)	4.6	8.3
TOTAL	\$ 6,626	\$ 6,270	\$ (163)	5.7	8.3
BD LIFE SCIENCES					
Preanalytical Systems	\$ 1,165	\$ 1,160	\$ (40)	0.4	3.9
Diagnostic Systems	1,138	1,152	(34)	(1.2)	1.7
Biosciences	862	910	(23)	(5.2)	(2.7)
TOTAL	\$ 3,166	\$ 3,222	\$ (97)	(1.7)	1.3
BD INTERVENTIONAL					
Surgery	\$ 1,042	\$ 864	\$ (11)	20.7	22.0
Peripheral Intervention	1,029	697	(25)	47.7	51.3
Urology and Critical Care	843	529	(11)	59.4	61.5
TOTAL	\$ 2,914	\$ 2,089	\$ (47)	39.5	41.7
TOTAL REVENUES	\$ 12,706	\$ 11,581	\$ (307)	9.7	12.4

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED REVENUE CHANGE TO COMPARABLE REVENUE CHANGE - UNITED STATES
Three Months Ended June 30,
(Unaudited; Amounts in millions)

	A	B	C	D=B+C	E=(A-D)/D
	BD Reported	BD Reported	Divestiture and Other Adjustments	Comparable	Comparable % Change
	2019	2018	(a)	2018	
<u>BD MEDICAL</u>					
Medication Delivery Solutions	\$ 524	\$ 505	\$ —	\$ 505	3.7
Medication Management Solutions	528	483	—	483	9.3
Diabetes Care	139	138	—	138	0.7
Pharmaceutical Systems	108	103	—	103	4.6
TOTAL	\$ 1,299	\$ 1,230	\$ —	\$ 1,230	5.7
<u>BD LIFE SCIENCES</u>					
Preanalytical Systems	\$ 203	\$ 199	\$ —	\$ 199	1.9
Diagnostic Systems	155	151	—	151	3.0
Biosciences	117	126	(14)	112	4.7
TOTAL	\$ 475	\$ 476	\$ (14)	\$ 462	2.9
<u>BD INTERVENTIONAL</u>					
Surgery	\$ 273	\$ 259	\$ —	\$ 259	5.7
Peripheral Intervention	195	195	—	195	(0.2)
Urology and Critical Care	198	178	—	178	10.9
TOTAL	\$ 666	\$ 632	\$ —	\$ 632	5.3
TOTAL UNITED STATES	\$ 2,440	\$ 2,338	\$ (14)	\$ 2,323	5.0

(a) Amounts include adjustments for BD's divestiture of its Advanced Bioprocessing business.

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED REVENUE CHANGE TO COMPARABLE REVENUE CHANGE - INTERNATIONAL
Three Months Ended June 30, (continued)
(Unaudited; Amounts in millions)

	A	B	C	D=B+C	E	F=(A-D-E)/D
	BD Reported 2019	BD Reported 2018	Divestiture Adjustments (a)	Comparable 2018	FX Impact (b)	FXN % Change
BD MEDICAL						
Medication Delivery Solutions	\$ 460	\$ 471	\$ —	\$ 471	\$ (33)	4.7
Medication Management Solutions	129	127	—	127	(9)	8.8
Diabetes Care	136	138	—	138	(9)	5.3
Pharmaceutical Systems	286	279	—	279	(18)	9.0
TOTAL	\$ 1,011	\$ 1,016	\$ —	\$ 1,016	\$ (70)	6.5
BD LIFE SCIENCES						
Preanalytical Systems	\$ 204	\$ 205	\$ —	\$ 205	\$ (18)	8.1
Diagnostic Systems	212	211	—	211	(16)	8.2
Biosciences	167	188	(20)	167	(10)	5.3
TOTAL	\$ 583	\$ 603	\$ (20)	\$ 583	\$ (43)	7.4
BD INTERVENTIONAL						
Surgery	\$ 76	\$ 77	\$ —	\$ 77	\$ (5)	4.7
Peripheral Intervention	155	157	—	157	(11)	5.5
Urology and Critical Care	85	87	—	87	(5)	3.6
TOTAL	\$ 316	\$ 322	\$ —	\$ 322	\$ (21)	4.8
TOTAL INTERNATIONAL	\$ 1,910	\$ 1,941	\$ (20)	\$ 1,920	\$ (135)	6.5

(a) Amounts include adjustments for BD's divestiture of its Advanced Bioprocessing business.

(b) Under U.S. generally accepted accounting principles and as a result of Argentina's highly inflationary economy, the functional currency of the Company's operations in Argentina was the U.S. dollar for the quarter ended June 30, 2019. The total foreign currency translation impact above includes \$5 million that was calculated by comparing local currency revenues in Argentina for the quarter ended June 30, 2019, translated using the prior-period exchange rate, to the reported U.S. dollar revenues for this same period.

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED REVENUE CHANGE TO COMPARABLE REVENUE CHANGE - TOTAL
Three Months Ended June 30, (continued)
(Unaudited; Amounts in millions)

	A	B	C	D=B+C	E	F=(A-D- E)/D
	BD Reported	BD Reported	Divestiture and Other Adjustments	Comparable	FX Impact	FXN % Change
	2019	2018	(a)	2018	(b)	
<u>BD MEDICAL</u>						
Medication Delivery Solutions	\$ 984	\$ 977	\$ —	\$ 977	\$ (33)	4.2
Medication Management Solutions	658	610	—	610	(9)	9.2
Diabetes Care	275	276	—	276	(9)	3.0
Pharmaceutical Systems	394	383	—	383	(18)	7.8
TOTAL	\$ 2,311	\$ 2,246	\$ —	\$ 2,246	\$ (70)	6.0
<u>BD LIFE SCIENCES</u>						
Preanalytical Systems	\$ 407	\$ 404	\$ —	\$ 404	\$ (18)	5.0
Diagnostic Systems	368	362	—	362	(16)	6.0
Biosciences	284	314	(35)	279	(10)	5.1
TOTAL	\$ 1,058	\$ 1,079	\$ (35)	\$ 1,045	\$ (43)	5.4
<u>BD INTERVENTIONAL</u>						
Surgery	\$ 349	\$ 336	\$ —	\$ 336	\$ (5)	5.4
Peripheral Intervention	350	353	—	353	(11)	2.3
Urology and Critical Care	283	265	—	265	(5)	8.5
TOTAL	\$ 981	\$ 954	\$ —	\$ 954	\$ (21)	5.2
TOTAL REVENUES	\$ 4,350	\$ 4,278	\$ (35)	\$ 4,244	\$ (135)	5.7

(a) Amounts include adjustments for BD's divestiture of its Advanced Bioprocessing business.

(b) Under U.S. generally accepted accounting principles and as a result of Argentina's highly inflationary economy, the functional currency of the Company's operations in Argentina was the U.S. dollar for the quarter ended June 30, 2019. The total foreign currency translation impact above includes \$5 million that was calculated by comparing local currency revenues in Argentina for the quarter ended June 30, 2019, translated using the prior-period exchange rate, to the reported U.S. dollar revenues for this same period.

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED REVENUE CHANGE TO COMPARABLE REVENUE CHANGE - UNITED STATES
Nine Months Ended June 30,
(Unaudited; Amounts in millions)

	A	B	C=A+B	D	E	F	G	H=D+E+F+G	I=(C-H)/H
	BD Reported	Divestiture Adjustments (a)	Comparable	BD Reported	Bard Q1 (b)	Intercompany Adjustment (c)	Divestiture and Other Adjustments (a)	Comparable	Comparable % Change
	2019		2019	2018	2018			2018	
BD MEDICAL									
Medication Delivery Solutions	\$ 1,528	\$ —	\$ 1,528	\$ 1,379	\$ 145	\$ (3)	\$ (9)	\$ 1,512	1.0
Medication Management Solutions	1,531	—	1,531	1,415	—	—	—	1,415	8.3
Diabetes Care	421	—	421	415	—	—	—	415	1.6
Pharmaceutical Systems	269	—	269	239	—	—	—	239	12.4
TOTAL	\$ 3,750	\$ —	\$ 3,750	\$ 3,448	\$ 145	\$ (3)	\$ (9)	\$ 3,581	4.7
BD LIFE SCIENCES									
Preanalytical Systems	\$ 574	\$ —	\$ 574	\$ 565	\$ —	\$ —	\$ (12)	\$ 553	3.9
Diagnostic Systems	510	—	510	518	—	—	—	518	(1.5)
Biosciences	345	(4)	342	350	—	—	(34)	317	7.9
TOTAL	\$ 1,430	\$ (4)	\$ 1,426	\$ 1,433	\$ —	\$ —	\$ (46)	\$ 1,388	2.8
BD INTERVENTIONAL									
Surgery	\$ 819	\$ —	\$ 819	\$ 687	\$ 105	\$ —	\$ (15)	\$ 777	5.4
Peripheral Intervention	580	—	580	393	188	—	—	581	(0.3)
Urology and Critical Care	590	—	590	358	177	—	—	535	10.4
TOTAL	\$ 1,989	\$ —	\$ 1,989	\$ 1,438	\$ 470	\$ —	\$ (15)	\$ 1,893	5.0
TOTAL UNITED STATES	\$ 7,168	\$ (4)	\$ 7,164	\$ 6,319	\$ 614	\$ (3)	\$ (69)	\$ 6,862	4.4

- (a) The amounts for the nine months ended June 30, 2019 and 2018 include adjustments for BD's divestiture of its Advanced Bioprocessing business. The amounts for the nine months ended June 30, 2018 also include adjustments for BD's divestitures of its soft tissue core needle biopsy product line and Bard's divestiture of its Aspira® product line. Additionally, Medication Delivery Solutions and Preanalytical Systems results for the nine months ended June 30, 2019 included a total of \$21 million in cumulative customer rebate and incentive fees relating to fiscal year 2018. Accordingly, to ensure comparability of revenue growth, the results for the nine months ended June 30, 2018 have been adjusted to reflect these cumulative fees. The Company records rebate and customer incentive fees as a reduction to revenue.
- (b) Amounts represent revenues for the quarter ended December 31, 2017. BD reported a Gore royalty amount, which was previously reported as revenues by Bard, as non-operating income in the current-year period.
- (c) 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 current-year period.

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED REVENUE CHANGE TO COMPARABLE REVENUE CHANGE - INTERNATIONAL
Nine Months Ended June 30, (continued)
(Unaudited; Amounts in millions)

	A	B	C=A+B	D	E	F	G=D+E+F	H	I=(C-G- H)/G
	BD Reported	Divestiture Adjustments	Comparable	BD Reported	Bard Q1 (b)	Divestiture Adjustments	Comparable	FX Impact	FXN % Change
	2019	(a)	2019	2018	2018	(a)	2018	(c)	
BD MEDICAL									
Medication Delivery Solutions	\$ 1,344	\$ —	\$ 1,344	\$ 1,298	\$ 68	\$ —	\$ 1,366	\$ (87)	4.7
Medication Management Solutions	365	—	365	364	—	—	364	(20)	5.9
Diabetes Care	397	—	397	405	—	—	405	(24)	4.0
Pharmaceutical Systems	771	—	771	755	—	—	755	(37)	7.0
TOTAL	\$ 2,877	\$ —	\$ 2,877	\$ 2,822	\$ 68	\$ —	\$ 2,890	\$ (168)	5.4
BD LIFE SCIENCES									
Preanalytical Systems	\$ 591	\$ —	\$ 591	\$ 595	\$ —	\$ —	\$ 595	\$ (45)	6.8
Diagnostic Systems	628	—	628	634	—	—	634	(39)	5.3
Biosciences	517	(5)	512	559	—	(43)	516	(26)	4.2
TOTAL	\$ 1,736	\$ (5)	\$ 1,731	\$ 1,789	\$ —	\$ (43)	\$ 1,746	\$ (110)	5.5
BD INTERVENTIONAL									
Surgery	\$ 223	\$ —	\$ 223	\$ 177	\$ 49	\$ (3)	\$ 222	\$ (11)	5.7
Peripheral Intervention	449	—	449	303	146	—	449	(25)	5.5
Urology and Critical Care	253	—	253	171	90	—	261	(11)	0.9
TOTAL	\$ 925	\$ —	\$ 925	\$ 651	\$ 285	\$ (3)	\$ 933	\$ (47)	4.2
TOTAL INTERNATIONAL	\$ 5,538	\$ (5)	\$ 5,533	\$ 5,261	\$ 353	\$ (46)	\$ 5,568	\$ (325)	5.2

- (a) The amounts for the nine months ended June 30, 2019 and 2018 include adjustments for BD's divestiture of its Advanced Bioprocessing business. The amounts for the nine months ended June 30, 2018 also include adjustments for BD's divestitures of its soft tissue core needle biopsy product line and Bard's divestiture of its Aspira® product line.
- (b) Amounts represent revenues for the quarter ended December 31, 2017.
- (c) Under U.S. generally accepted accounting principles and as a result of Argentina's highly inflationary economy, the functional currency of the Company's operations in Argentina was the U.S. dollar for the nine months ended June 30, 2019. The total foreign currency translation impact above includes \$18 million that was calculated by comparing local currency revenues in Argentina for the nine months ended June 30, 2019, translated using the prior-period exchange rate, to the reported U.S. dollar revenues for this same period.

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED REVENUE CHANGE TO COMPARABLE REVENUE CHANGE - TOTAL
Nine Months Ended June 30, (continued)
(Unaudited; Amounts in millions)

	A	B	C=A+B	D	E	F	G	H=D+E+F+G	I	J=(C-H-I)/H
	BD Reported	Divestiture Adjustments	Comparable	BD Reported	Bard Q1 (b)	Intercompany Adjustment (c)	Divestiture and Other Adjustments	Comparable	FX Impact	FXN % Change
	2019	(a)	2019	2018	2018		(a)	2018	(d)	
BD MEDICAL										
Medication Delivery Solutions	\$ 2,871	\$ —	\$ 2,871	\$ 2,677	\$ 213	\$ (3)	\$ (9)	\$ 2,878	\$ (87)	2.8
Medication Management Solutions	1,896	—	1,896	1,778	—	—	—	1,778	(20)	7.8
Diabetes Care	819	—	819	820	—	—	—	820	(24)	2.8
Pharmaceutical Systems	1,040	—	1,040	994	—	—	—	994	(37)	8.3
TOTAL	\$ 6,626	\$ —	\$ 6,626	\$ 6,270	\$ 213	\$ (3)	\$ (9)	\$ 6,471	\$ (168)	5.0
BD LIFE SCIENCES										
Prenalytical Systems	\$ 1,165	\$ —	\$ 1,165	\$ 1,160	\$ —	\$ —	\$ (12)	\$ 1,148	\$ (45)	5.4
Diagnostic Systems	1,138	—	1,138	1,152	—	—	—	1,152	(39)	2.2
Biosciences	862	(9)	854	910	—	—	(77)	833	(26)	5.6
TOTAL	\$ 3,166	\$ (9)	\$ 3,157	\$ 3,222	\$ —	\$ —	\$ (89)	\$ 3,133	\$ (110)	4.3
BD INTERVENTIONAL										
Surgery	\$ 1,042	\$ —	\$ 1,042	\$ 864	\$ 153	\$ —	\$ (18)	\$ 999	\$ (11)	5.4
Peripheral Intervention	1,029	—	1,029	697	334	—	—	1,030	(25)	2.2
Urology and Critical Care	843	—	843	529	267	—	—	796	(11)	7.3
TOTAL	\$ 2,914	\$ —	\$ 2,914	\$ 2,089	\$ 755	\$ —	\$ (18)	\$ 2,826	\$ (47)	4.8
TOTAL REVENUES	\$ 12,706	\$ (9)	\$ 12,697	\$ 11,581	\$ 968	\$ (3)	\$ (115)	\$ 12,430	\$ (325)	4.8

- (a) The amounts for the nine months ended June 30, 2019 and 2018 include adjustments for BD's divestiture of its Advanced Bioprocessing business. The amounts for the nine months ended June 30, 2018 also include adjustments for BD's divestitures of its soft tissue core needle biopsy product line and Bard's divestiture of its Aspira® product line. Additionally, Medication Delivery Solutions and Prenalytical Systems results for the nine months ended June 30, 2019 included a total of \$21 million in cumulative customer rebate and incentive fees relating to fiscal year 2018. Accordingly, to ensure comparability of revenue growth, the results for the nine months ended June 30, 2018 have been adjusted to reflect these cumulative fees. The Company records rebate and customer incentive fees as a reduction to revenue.
- (b) Amounts represent revenues for the quarter ended December 31, 2017. BD reported a Gore royalty amount, which was previously reported as revenues by Bard, as non-operating income in the current-year period.
- (c) 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 current-year period.
- (d) Under U.S. generally accepted accounting principles and as a result of Argentina's highly inflationary economy, the functional currency of the Company's operations in Argentina was the U.S. dollar for the nine months ended June 30, 2019. The total foreign currency translation impact above includes \$18 million that was calculated by comparing local currency revenues in Argentina for the nine months ended June 30, 2019, translated using the prior-period exchange rate, to the reported U.S. dollar revenues for this same period.

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED DILUTED EPS TO ADJUSTED DILUTED EPS
(Unaudited)

	Three Months Ended June 30,						
	2019	2018	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 1.51	\$ 2.03	\$(0.52)	\$ (0.25)	\$ (0.27)	(25.6)%	(13.3)%
Purchase accounting adjustments (\$378 million and \$433 million pre-tax, respectively) ⁽¹⁾	1.38	1.58		(0.01)			
Restructuring costs (\$27 million and \$33 million pre-tax, respectively) ⁽²⁾	0.10	0.12		—			
Integration costs (\$63 million and \$103 million pre-tax, respectively) ⁽²⁾	0.23	0.37		—			
Impacts of debt extinguishment (\$52 million and \$3 million pre-tax, respectively) ⁽³⁾	0.19	0.01		—			
Net impact of gain on sale of investment and asset impairments (\$30 million and \$(214) million pre-tax, respectively) ⁽⁴⁾	0.11	(0.78)		—			
European regulatory initiative-related costs (\$14 million pre-tax) ⁽⁵⁾	0.05	—		—			
Hurricane-related (insurance proceeds) recovery costs (\$10 million and \$3 million pre-tax, respectively)	(0.04)	0.01		—			
Transaction costs (\$11 million pre-tax) ⁽²⁾	—	0.04		—			
Income tax benefit of special items and impact of tax reform (\$120 million and \$130 million, respectively)	(0.44)	(0.48)		—			
Adjusted Diluted Earnings per Share	\$ 3.08	\$ 2.91	\$ 0.17	\$ (0.26)	\$ 0.43	5.8 %	14.8 %

- (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 \$56 million recorded relative to Bard's inventory on the acquisition date.
- (2) Represents restructuring, integration and transaction costs associated with acquisitions.
- (3) Represents the impacts recognized upon the extinguishment of certain long-term senior notes.
- (4) The amount in 2019 represented a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit. The amount in 2018 included 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.
- (5) 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").

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED DILUTED EPS TO ADJUSTED DILUTED EPS
(Unaudited)

	Nine Months Ended June 30,						
	2019	2018	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 3.49	\$ 1.27	\$ 2.22	\$ (0.64)	\$ 2.86	174.8%	225.2%
Purchase accounting adjustments (\$1.135 billion and \$1.358 billion pre-tax, respectively) ⁽¹⁾	4.14	5.21		(0.01)			
Restructuring costs (\$99 million and \$288 million pre-tax, respectively) ⁽²⁾	0.36	1.10		—			
Integration costs (\$206 million and \$255 million pre-tax, respectively) ⁽²⁾	0.75	0.98		—			
Transaction gain/loss and product-related matters (\$61 million pre-tax) ⁽³⁾	0.22	—		—			
Impacts of debt extinguishment (\$53 million and \$16 million pre-tax, respectively) ⁽⁴⁾	0.19	0.06		—			
Net impact of gain on sale of investment and asset impairments (\$30 million and \$(214) million pre-tax, respectively) ⁽⁵⁾	0.11	(0.82)		—			
European regulatory initiative-related costs (\$29 million pre-tax) ⁽⁶⁾	0.11	—		—			
Hurricane-related (insurance proceeds) recovery costs (\$(10) million and \$15 million pre-tax, respectively)	(0.04)	0.06		—			
Transaction costs (\$1 million and \$61 million pre-tax, respectively) ⁽²⁾	—	0.23		—			
Financing impacts (\$49 million pre-tax) ⁽⁷⁾	—	0.19		—			
Dilutive Impact ⁽⁸⁾	—	0.31		—			
Income tax benefit of special items and impact of tax reform (\$263 million and \$133 million, respectively) ⁽⁹⁾	(0.96)	(0.51)		—			
Adjusted Diluted Earnings per Share	\$ 8.37	\$ 8.08	\$ 0.29	\$ (0.65)	\$ 0.94	3.6%	11.6%

- (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, integration and transaction costs associated with acquisitions.
- (3) Includes amounts recorded to *Other operating expense, net* to record product liability reserves of \$331 million and the estimated cumulative costs of a product recall of \$65 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) The amount in 2019 represented a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit. The amount in 2018 included 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.
- (6) Represents initial costs required to develop processes and systems to comply with emerging regulations such as the EUMDR and GDPR.
- (7) Represents financing impacts associated with the Bard acquisition.
- (8) 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 255,697.
- (9) The amounts for the nine months ended June 30, 2019 and 2018 included additional tax (benefit) expense, net, of \$(54) million and \$275 million, respectively, relating to new U.S. tax legislation.

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
FY 2019 OUTLOOK RECONCILIATION

	FY2018	FY2019 Outlook		
	Revenues	% Change	FX Impact	% Change FXN
BDX Revenue	\$ 15,983	8.0% to 9.0%	~2.5%	10.5% to 11.5%

Comparable Revenue Growth

	BD Including Bard	FY2019 Outlook
	FY2018	% Change FXN Comparable
	Revenues	
BDX As Reported Revenue	\$ 15,983	
Bard Q1	968	
Intercompany Adjustment	(3)	
Rebate Adjustment	(21)	
Divestiture Adjustment ⁽¹⁾⁽²⁾	(124)	
BDX NewCo Comparable Revenue	\$ 16,803	5.0% to 6.0%

FXN - Foreign Currency Neutral

BECTON DICKINSON AND COMPANY
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FY 2019 OUTLOOK RECONCILIATION
(continued)

	<u>FY2018</u>	<u>FY2019 Outlook</u>
	Revenues	% Change FXN Comparable
BD Medical As Reported Revenue	\$ 8,616	
Bard Q1	213	
Intercompany Adjustment	(3)	
Rebate Adjustment	(9)	
BD Medical Comparable Revenue	<u>8,817</u>	<u>5.0% to 6.0%</u>
BD Life Sciences As Reported Revenue	\$ 4,330	
Rebate Adjustment	(12)	
Divestiture Adjustment ⁽¹⁾	(106)	
BD Life Sciences Comparable Revenue	<u>\$ 4,212</u>	<u>4.0% to 5.0%</u>
BD Interventional as Reported Revenue	\$ 3,037	
Bard Q1	755	
Divestiture Adjustment ⁽²⁾	(18)	
BD Interventional Comparable Revenue	<u>\$ 3,774</u>	<u>4.5% to 5.5%</u>

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.

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(continued)

	Full Year FY2018	FY2019 Outlook	
		Full Year FY2019 Outlook	% Increase
Reported Fully Diluted Earnings per Share	\$ 0.60		
Purchase accounting adjustments (\$1.733 billion pre-tax) ⁽¹⁾	6.55		
Restructuring costs (\$344 million pre-tax) ⁽²⁾	1.30		
Integration costs (\$344 million pre-tax) ⁽²⁾	1.30		
Transaction costs (\$56 million pre-tax) ⁽³⁾	0.21		
Financing impacts (\$49 million pre-tax) ⁽⁴⁾	0.19		
Hurricane recovery costs (\$17 million pre-tax)	0.07		
Losses on debt extinguishment (\$16 million pre-tax) ⁽⁵⁾	0.06		
Net impact of gain on sale of investment and asset impairments (\$151 million pre-tax) ⁽⁶⁾	(0.57)		
Dilutive Impact ⁽⁷⁾	0.30		
Impact of tax reform and income tax benefit of special items (\$265 million) ⁽⁸⁾	1.00		
Adjusted Fully Diluted Earnings per Share	\$ 11.01	\$11.65 to 11.75	6.0% to 7.0%
Estimated FX Impact			~5.5%
Adjusted FXN Growth			~12.0%
FXN - Foreign Currency Neutral			

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