

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) April 14, 2022

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 230.425)
- 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(e) under the Exchange Act (17 CFR 240.13e-4(e))

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 a 1/20th interest in a share of 6.00% Mandatory Convertible Preferred Stock, Series B	BDXB	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
0.632% Notes due June 4, 2023	BDX/23A	New York Stock Exchange
1.208% Notes due June 4, 2026	BDX/26A	New York Stock Exchange
1.213% Notes due February 12, 2036	BDX/36	New York Stock Exchange
0.000% Notes due August 13, 2023	BDX23B	New York Stock Exchange
0.034% Notes due August 13, 2025	BDX25A	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.

As previously disclosed, on April 1, 2022, Becton, Dickinson and Company ("BD") completed the separation and distribution of Embecta Corp. ("embecta"), formerly BD's Diabetes Care business, into a separate, publicly-traded company. In order to assist investors, BD has furnished as Exhibit 99.1 recast historical financial information which reflects the presentation of BD's former Diabetes Care business as discontinued operations to provide a historical baseline of BD's standalone operating results from continuing operations and excluding specified items.

Also included in Exhibit 99.1 are certain financial measures that differ from those presented in accordance with U.S. generally accepted accounting principles ("non-GAAP measures"). These non-GAAP measures include adjustments ("specified items") to certain line items in the attached recast historical financial information to adjust for purchase accounting adjustments, integration and restructuring costs, transaction gains and losses, product and other litigation-related matters, investment gains/losses and asset impairments, European regulatory initiative-related costs, impacts of debt extinguishment, hurricane-related insurance proceeds, the dilutive impact of transactions which affect the comparability of period-over-period calculations of diluted earnings per share, and the income tax benefit of these specified items. These adjustments are consistent with the adjustments made by BD when it reported its operating results for the periods presented. In particular, prior and current-year adjusted results exclude European regulatory initiative-related costs, which represent 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 (collectively, the "New EU Medical Devices Regulations"), which represent a significant, unusual change to the existing regulatory framework. We consider the excluded European regulatory initiative-related costs to be duplicative of previously incurred costs and/or one-off costs related to establishing initial compliance with such regulatory regimes, and in each case are limited to a specific period of time. These expenses relate to establishing initial compliance with the New EU Medical Devices Regulations and include the cost of labor, other services and consulting (in particular, research and development and clinical trials) and supplies, travel and other miscellaneous costs. These costs were recorded in Cost of products sold and Research and development expense.

Details regarding these adjustments can be found in the footnotes included in Exhibit 99.1.

BD's 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 year-over-year, to analyze underlying trends in our businesses, to analyze our base operating results, and 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.

The information contained in this Current Report on Form 8-K and Exhibit 99.1 hereto shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit [99.1](#) BD Unaudited Recast Financial Information, which is furnished pursuant to Item 2.02.

Exhibit 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: April 14, 2022

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

	Fiscal Year 2022		Fiscal Year 2021				Fiscal Year 2020	Fiscal Year 2019
	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Three Months Ended March 31, 2021	Three Months Ended June 30, 2021	Three Months Ended September 30, 2021	Twelve Months Ended September 30, 2021	Twelve Months Ended September 30, 2020	Twelve Months Ended September 30, 2019
REVENUES	\$ 4,718	\$ 5,041	\$ 4,634	\$ 4,607	\$ 4,849	\$ 19,131	\$ 16,074	\$ 16,218
Cost of products sold	2,498	2,505	2,584	2,649	2,763	10,500	9,276	8,720
Selling and administrative expense	1,185	1,119	1,115	1,200	1,285	4,719	4,185	4,185
Research and development expense	314	278	304	330	368	1,279	1,039	1,004
Acquisitions and other restructurings	34	50	47	24	58	179	299	480
Other operating (income) expense, net	(4)	—	296	(88)	(5)	203	363	654
TOTAL OPERATING COSTS AND EXPENSES	4,027	3,953	4,345	4,114	4,469	16,881	15,161	15,043
OPERATING INCOME	692	1,088	289	492	380	2,250	912	1,175
Interest expense	(98)	(118)	(124)	(115)	(111)	(469)	(528)	(639)
Interest income	2	2	2	2	2	9	7	12
Other income (expense), net	4	33	(10)	(1)	(120)	(99)	23	43
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	600	1,005	158	378	151	1,692	414	591
Income tax provision (benefit)	32	135	(15)	(28)	(4)	88	62	(141)
NET INCOME FROM CONTINUING OPERATIONS	568	870	173	407	154	1,604	352	733
Income from discontinued operations, net of tax	109	133	127	118	110	488	522	500
NET INCOME	677	1,003	299	525	265	2,092	874	1,233
Preferred stock dividends	(23)	(23)	(23)	(23)	(23)	(90)	(107)	(152)
NET INCOME APPLICABLE TO COMMON SHAREHOLDERS	\$ 655	\$ 981	\$ 277	\$ 502	\$ 242	\$ 2,002	\$ 767	\$ 1,082
BASIC EARNINGS PER SHARE								
Income from Continuing Operations	\$ 1.92	\$ 2.92	\$ 0.52	\$ 1.33	\$ 0.46	\$ 5.23	\$ 0.88	\$ 2.15
Income from Discontinued Operations	0.38	0.46	0.43	0.41	0.39	1.69	1.87	1.85
Basic Earnings per Share	\$ 2.30	\$ 3.38	\$ 0.95	\$ 1.73	\$ 0.85	\$ 6.92	\$ 2.75	\$ 4.01
DILUTED EARNINGS PER SHARE								
Income from Continuing Operations	\$ 1.90	\$ 2.89	\$ 0.51	\$ 1.32	\$ 0.46	\$ 5.18	\$ 0.87	\$ 2.11
Income from Discontinued Operations	0.38	0.45	0.43	0.40	0.38	1.67	1.85	1.82
Diluted Earnings per Share	\$ 2.28	\$ 3.35	\$ 0.94	\$ 1.72	\$ 0.84	\$ 6.85	\$ 2.71	\$ 3.94
AVERAGE SHARES OUTSTANDING (in thousands)								
Basic	284,685	290,590	291,095	289,522	285,985	289,288	278,971	269,943
Diluted	286,723	293,112	293,547	291,897	288,598	292,089	282,402	274,775

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED RESULTS TO ADJUSTED RESULTS
(Unaudited; Amounts in millions, except per share data)

Three Months Ended December 31, 2021

	Reported (GAAP)	Purchase accounting adjustments (A)	Integration costs (B)	Restructuring costs (B)	Transaction gain/loss, product and other litigation- related matters (C)	European regulatory initiative- related costs (D)	Investment gains/losses and asset impairments (E)	Income tax benefit of special items	Adjusted (Non-GAAP)
REVENUES	\$ 4,718	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,718
Gross margin	2,221	358	—	—	—	10	—	—	2,588
Selling and administrative expense	1,185	(7)	—	—	—	(1)	—	—	1,177
Research and development expense	314	—	—	—	—	(21)	—	—	293
OPERATING INCOME	692	365	17	17	—	31	—	—	1,122
Net interest expense	(96)	(1)	—	—	—	—	—	—	(97)
Other income (expense), net	4	—	—	—	5	—	17	—	26
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	600	364	17	17	5	31	17	—	1,050
Income tax provision	32	—	—	—	—	—	—	86	118
NET INCOME FROM CONTINUING OPERATIONS	\$ 568	\$ 364	\$ 17	\$ 17	\$ 5	\$ 31	\$ 17	\$(86)	\$ 933
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 1.90	\$ 1.27	\$ 0.06	\$ 0.06	\$ 0.02	\$ 0.11	\$ 0.06	\$(0.30)	\$ 3.17

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED RESULTS TO ADJUSTED RESULTS
(Unaudited; Amounts in millions, except per share data)

Twelve Months Ended September 30, 2021

	Reported (GAAP)	Purchase accounting adjustments (A)	Integration costs (B)	Restructuring costs (B)	Transaction gain/loss, product and other litigation- related matters (C)	European regulatory initiative- related costs (D)	Investment gains/losses and asset impairments (E)	Impacts of debt extinguishment (F)	Income tax benefit of special items	Adjusted (Non- GAAP)
	See Footnotes on Page 10									
REVENUES	\$ 19,131	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 19,131
Gross margin	8,630	1,398	—	—	63	41	—	—	—	10,132
Selling and administrative expense	4,719	(11)	—	—	—	(1)	—	—	—	4,707
Research and development expense	1,279	(7)	—	—	—	(92)	—	—	—	1,181
OPERATING INCOME	2,250	1,416	135	44	266	134	—	—	—	4,244
Net interest expense	(460)	(7)	—	—	—	—	—	6	—	(460)
Other (expense) income, net	(99)	(5)	—	—	6	—	(46)	178	—	36
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	1,692	1,405	135	44	272	134	(46)	185	—	3,820
Income tax provision	88	—	—	—	—	—	—	—	348	435
NET INCOME FROM CONTINUING OPERATIONS	\$ 1,604	\$ 1,405	\$ 135	\$ 44	\$ 272	\$ 134	\$ (46)	\$ 185	\$ (348)	\$ 3,384
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 5.18	\$ 4.81	\$ 0.46	\$ 0.15	\$ 0.93	\$ 0.46	\$ (0.16)	\$ 0.63	\$ (1.19)	\$ 11.28

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED RESULTS TO ADJUSTED RESULTS
(Unaudited; Amounts in millions, except per share data)

Three Months Ended December 31, 2020

	Reported (GAAP)	Purchase accounting (A)	Integration costs (B)	Restructuring costs (B)	Transaction gain/loss, product and other litigation- related matters (C)	European regulatory initiative- related costs (D)	Impacts of debt extinguishment (F)	Dilutive impact (H)	Income tax benefit of special items	Adjusted (Non- GAAP)
REVENUES	\$ 5,041	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,041
Gross margin	2,536	347	—	—	8	9	—	—	—	2,899
Selling and administrative expense	1,119	(2)	—	—	—	—	—	—	—	1,117
Research and development expense	278	(5)	—	—	—	(18)	—	—	—	255
OPERATING INCOME	1,088	355	33	17	8	26	—	—	—	1,527
Net interest expense	(116)	(2)	—	—	—	—	—	—	—	(118)
Other income (expense), net	33	—	—	—	(12)	—	10	—	—	31
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	1,005	352	33	17	(5)	26	11	—	—	1,440
Income tax provision	135	—	—	—	—	—	—	—	79	213
NET INCOME FROM CONTINUING OPERATIONS	\$ 870	\$ 352	\$ 33	\$ 17	\$ (5)	\$ 26	\$ 11	\$ —	\$ (79)	\$ 1,227
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 2.89	\$ 1.20	\$ 0.11	\$ 0.06	\$ (0.02)	\$ 0.09	\$ 0.04	\$ (0.01)	\$ (0.27)	\$ 4.10

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED RESULTS TO ADJUSTED RESULTS
(Unaudited; Amounts in millions, except per share data)

Three Months Ended March 31, 2021

	Reported (GAAP)	Purchase accounting adjustments (A)	Integration costs (B)	Restructuring costs (B)	Transaction gain/loss, product and other litigation- related matters (C)	European regulatory initiative- related costs (D)	Impacts of debt extinguishment (F)	Income tax benefit of special items	Adjusted (Non-GAAP)
					See Footnotes on Page 10				
REVENUES	\$ 4,634	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,634
Gross margin	2,050	348	—	—	37	11	—	—	2,446
Selling and administrative expense	1,115	(1)	—	—	—	—	—	—	1,113
Research and development expense	304	—	—	—	—	(21)	—	—	282
OPERATING INCOME	289	349	33	14	333	32	—	—	1,050
Net interest expense	(122)	(1)	—	—	—	—	4	—	(119)
Other (expense) income, net	(10)	—	—	—	—	—	15	—	6
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	158	348	33	14	333	32	20	—	937
Income tax provision	(15)	—	—	—	—	—	—	124	110
NET INCOME FROM CONTINUING OPERATIONS	\$ 173	\$ 348	\$ 33	\$ 14	\$ 333	\$ 32	\$ 20	\$ (124)	\$ 827
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.51	\$ 1.18	\$ 0.11	\$ 0.05	\$ 1.13	\$ 0.11	\$ 0.07	\$ (0.42)	\$ 2.74

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED RESULTS TO ADJUSTED RESULTS
(Unaudited; Amounts in millions, except per share data)

Three Months Ended September 30, 2021

	Reported (GAAP)	Purchase accounting adjustments (A)	Integration costs (B)	Restructuring costs (B)	Transaction gain/loss, product and other litigation- related matters (C)	European regulatory initiative- related costs (D)	Investment gains/losses and asset impairments (E)	Impacts of debt extinguishment (F)	Income tax benefit of special items	Adjusted (Non- GAAP)
	See Footnotes on Page 10									
REVENUES	\$ 4,849	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,849
Gross margin	2,086	354	—	—	18	12	—	—	—	2,470
Selling and administrative expense	1,285	(1)	—	—	—	—	—	—	—	1,283
Research and development expense	368	—	—	—	—	(31)	—	—	—	337
OPERATING INCOME	380	356	41	17	13	43	—	—	—	850
Net interest expense	(109)	(1)	—	—	—	—	—	2	—	(109)
Other (expense) income, net	(120)	(5)	—	—	—	—	(46)	153	—	(18)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	151	350	41	17	13	43	(46)	154	—	724
Income tax provision	(4)	—	—	—	—	—	—	—	85	82
NET INCOME FROM CONTINUING OPERATIONS	\$ 154	\$ 350	\$ 41	\$ 17	\$ 13	\$ 43	\$ (46)	\$ 154	\$ (85)	\$ 642
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.46	\$ 1.21	\$ 0.14	\$ 0.06	\$ 0.05	\$ 0.15	\$ (0.16)	\$ 0.53	\$ (0.30)	\$ 2.15

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED RESULTS TO ADJUSTED RESULTS
(Unaudited; Amounts in millions, except per share data)

Twelve Months Ended September 30, 2020

	Reported (GAAP)	Purchase accounting adjustments (A)	Integration costs (B)	Restructuring costs (B)	Transaction gain/loss, product and other litigation- related matters (C)	European regulatory initiative- related costs (D)	Investment gains/losses and asset impairments (E)	Impacts of debt extinguishment (F)	Income tax benefit of special items	Adjusted (Non- GAAP)	
REVENUES	\$ 16,074	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 16,074	
					See Footnotes on Page 10						
Gross margin	6,798	1,377	—	—	244	31	98	—	—	8,548	
Selling and administrative expense	4,185	2	—	—	—	(1)	—	—	—	4,186	
Research and development expense	1,039	—	—	—	—	(74)	—	—	—	965	
OPERATING INCOME	912	1,361	214	84	622	105	98	—	—	3,397	
Net interest expense	(521)	(5)	—	—	—	—	—	—	—	(527)	
Other income (expense), net	23	—	—	—	9	—	1	8	—	41	
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	414	1,355	214	84	631	105	100	8	—	2,911	
Income tax provision	62	—	—	—	—	—	—	—	392	454	
NET INCOME FROM CONTINUING OPERATIONS	\$ 352	\$ 1,355	\$ 214	\$ 84	\$ 631	\$ 105	\$ 100	\$ 8	\$ (392)	\$ 2,457	
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 0.87	\$ 4.80	\$ 0.76	\$ 0.30	\$ 2.24	\$ 0.37	\$ 0.35	\$ 0.03	\$ (1.39)	\$ 8.32	

BECTON DICKINSON AND COMPANY
SUPPLEMENTAL INFORMATION
RECONCILIATION OF REPORTED RESULTS TO ADJUSTED RESULTS
(Unaudited; Amounts in millions, except per share data)

Twelve Months Ended September 30, 2019

	Reported (GAAP)	Purchase accounting adjustments (A)	Integration costs (B)	Restructuring costs (B)	Transaction gain/loss, product and other litigation- related matters (C)	European regulatory initiative- related costs (D)	Investment gains/losses and asset impairments (E)	Impacts of debt extinguishment (F)	Hurricane- related insurance proceeds (G)	Income tax benefit of special items	Adjusted (Non- GAAP)
	See Footnotes on Page 10										
REVENUES	\$ 16,218	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 16,218
Gross margin	7,498	1,374	25	—	—	15	—	—	—	—	8,912
Selling and administrative expense	4,185	(8)	—	—	11	(4)	—	—	—	—	4,184
Research and development expense	1,004	—	—	—	—	(32)	(30)	—	—	—	942
OPERATING INCOME	1,175	1,382	323	180	643	50	30	—	—	—	3,785
Net interest expense	(627)	(5)	—	—	—	—	—	(5)	—	—	(637)
Other income (expense), net	43	122	—	—	3	—	(13)	59	(24)	—	190
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	591	1,499	323	180	646	50	17	54	(24)	—	3,339
Income tax provision	(141)	—	—	—	—	—	—	—	—	622	481
NET INCOME FROM CONTINUING OPERATIONS	\$ 733	\$ 1,499	\$ 323	\$ 180	\$ 646	\$ 50	\$ 17	\$ 54	\$ (24)	\$ (622)	\$ 2,858
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	\$ 2.11	\$ 5.45	\$ 1.18	\$ 0.66	\$ 2.35	\$ 0.18	\$ 0.06	\$ 0.20	\$ (0.09)	\$ (2.26)	\$ 9.85

The reconciliations of reported results to adjusted results on the previous pages reflect the following adjustments that are considered by management to be outside of BD's underlying operational results or that affect period to period comparability:

- (A) Purchase accounting adjustments-Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and the valuation of fixed assets and debt. BD's amortization expense is primarily recorded in *Cost of products sold*.
- (B) Integration and restructuring costs-Includes amounts associated with integration and restructuring activities resulting from acquisitions, as well as simplification and other cost saving initiatives. These costs are recorded to *Acquisitions and other restructurings*.
- (C) Transaction gain/loss, product and other litigation-related matters-Includes charges to record product liability reserves, including related legal defense costs, of \$361 million, \$378 million, and \$914 million which were recorded to *Other operating (income) expense, net* in 2021, 2020 and 2019, respectively, as well as Alaris pump-related remediation costs of \$56 million and \$244 million recorded to *Cost of Products Sold* in 2021 and 2020, respectively. Other amounts, which were recorded to *Other operating (income) expense, net*, include gains of \$158 million recognized on sale-leaseback transactions in 2021, a \$336 million gain recognized on the sale of a business in 2019 and a \$75 million charge to record the estimated cost of a product recall in the Medical segment in 2019.
- (D) European regulatory initiative-related costs-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.
- (E) Investment gains/losses and asset impairments-Includes investment gains/losses recorded to *Other income (expense), net*, as well as asset impairment charges.
- (F) Impacts of debt extinguishment-Represents the impacts, which are recorded in *Other income (expense), net* and *Interest expense*, of our extinguishment of certain long-term senior notes.
- (G) Hurricane-related insurance proceeds-Represents insurance proceeds relating to hurricane-related claims. These proceeds were recorded within *Other income (expense), net*.
- (H) Dilutive impact-Represents the impact of transactions which affect the comparability of period-over-period calculations of diluted earnings per share.