UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_____ to _____

Commission file number 001-4802

Becton, Dickinson and Company

(Exact name of registrant as specified in its charter)

New Jersey	**22-0760120**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1 Becton Drive,	**Franklin Lakes,**	**New Jersey**	**07417-1880**	**(201) 847-6800**
(Address of principal executive offices)			**(Zip Code)**	**(Registrant's telephone number, including area code)**

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common stock, par value $1.00	BDX	New York Stock Exchange
1.900% Notes due December 15, 2026	BDX26	New York Stock Exchange
3.020% Notes due May 24, 2025	BDX25	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
0.034% Notes due August 13, 2025	BDX25A	New York Stock Exchange
3.519% Notes due February 8, 2031	BDX31	New York Stock Exchange
3.828% Notes due June 7, 2032	BDX32A	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 287,135,421 shares of Common Stock, $1.00 par value, outstanding at December 31, 2024.

BECTON, DICKINSON AND COMPANY
FORM 10-Q
For the quarterly period ended December 31, 2024

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ITEM 1. FINANCIAL STATEMENTS
BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Millions of dollars, except per share data
(Unaudited)

	Three Months Ended December 31,	
	2024	2023
Revenues	$ 5,168	$ 4,706
Cost of products sold	2,933	2,679
Selling and administrative expense	1,318	1,213
Research and development expense	343	290
Integration, restructuring and transaction expense	92	75
Other operating expense, net	28	11
Total Operating Costs and Expenses	4,715	4,267
Operating Income	453	439
Interest expense	(155)	(111)
Interest income	23	34
Other expense, net	(16)	(4)
Income Before Income Taxes	306	359
Income tax provision	3	77
Net Income	$ 303	$ 281
Basic Earnings per Share	$ 1.05	$ 0.97
Diluted Earnings per Share	$ 1.04	$ 0.96
Dividends per Common Share	$ 1.04	$ 0.95

Amounts may not add due to rounding.
See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Millions of dollars
(Unaudited)

	Three Months Ended December 31,	
	2024	2023
Net Income	$ 303	$ 281
Other Comprehensive Income (Loss), Net of Tax		
Foreign currency translation adjustments	46	40
Defined benefit pension and postretirement plans	8	12
Cash flow hedges	2	(18)
Other Comprehensive Income, Net of Tax	56	33
Comprehensive Income	$ 359	$ 314

Amounts may not add due to rounding.
See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
Millions of dollars, except per share amounts and numbers of shares

	December 31, 2024	September 30, 2024
Assets	(Unaudited)	
Current Assets:		
Cash and equivalents	$ 711	$ 1,717
Restricted cash	102	139
Short-term investments	17	445
Trade receivables, net	2,638	3,033
Inventories:		
Materials	904	803
Work in process	453	443
Finished products	2,502	2,597
	3,860	3,843
Prepaid expenses and other	1,331	1,292
Total Current Assets	8,659	10,468
Property, Plant and Equipment	14,156	14,378
Less allowances for depreciation and amortization	7,554	7,557
Property, Plant and Equipment, Net	6,602	6,821
Goodwill	26,329	26,465
Developed Technology, Net	7,439	7,733
Customer Relationships, Net	2,533	2,635
Other Intangibles, Net	517	549
Other Assets	2,586	2,615
Total Assets	$ 54,665	$ 57,286
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current debt obligations	$ 1,318	$ 2,170
Payables, accrued expenses and other current liabilities	6,347	6,786
Total Current Liabilities	7,664	8,956
Long-Term Debt	17,440	17,940
Long-Term Employee Benefit Obligations	939	942
Deferred Income Taxes and Other Liabilities	3,418	3,558
Commitments and Contingencies (See Note 5)		
Shareholders' Equity		
Common stock — $1 par value; authorized — 640,000,000 shares; issued — 370,594,401 shares in December 31, 2024 and September 30, 2024	371	371
Capital in excess of par value	19,768	19,893
Retained earnings	16,141	16,139
Deferred compensation	25	25
Treasury stock	(9,425)	(8,807)
Accumulated other comprehensive loss	(1,676)	(1,732)
Total Shareholders' Equity	25,205	25,890
Total Liabilities and Shareholders' Equity	$ 54,665	$ 57,286

Amounts may not add due to rounding.
See notes to condensed consolidated financial statements

BECTON, DICKINSON AND COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Millions of dollars
(Unaudited)

	Three Months Ended December 31,	
	2024	2023
Operating Activities		
Net income	$ 303	$ 281
Adjustments to net income to derive net cash provided by continuing operating activities:		
Depreciation and amortization	607	561
Share-based compensation	90	83
Deferred income taxes	(151)	(91)
Change in operating assets and liabilities	(370)	152
Pension obligation	(2)	(129)
Other, net	216	(2)
Net Cash Provided by Continuing Operating Activities	693	855
Investing Activities		
Capital expenditures	(105)	(116)
Maturities and sales of investments	411	—
Acquisitions, net of cash acquired	(8)	—
Other, net	(94)	(116)
Net Cash Provided by (Used for) Investing Activities	204	(233)
Financing Activities		
Change in short-term debt	75	—
Payments of debt	(875)	—
Repurchases of common stock	(750)	(500)
Dividends paid	(302)	(275)
Other, net	(76)	(87)
Net Cash Used for Financing Activities	(1,928)	(862)
Discontinued Operations		
Net cash used for operating activities of discontinued operations	—	(14)
Effect of exchange rate changes on cash and equivalents and restricted cash	(12)	7
Net decrease in cash and equivalents and restricted cash	(1,043)	(247)
Opening Cash and Equivalents and Restricted Cash	1,856	1,481
Closing Cash and Equivalents and Restricted Cash	$ 813	$ 1,234

Amounts may not add due to rounding.
See notes to condensed consolidated financial statements

Note 1 – Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of the management of Becton, Dickinson and Company (the "Company" or "BD"), include all adjustments which are of a normal recurring nature, necessary for a fair presentation of the financial position and the results of operations and cash flows for the periods presented. However, the financial statements do not include all information and accompanying notes required for a presentation in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's 2024 Annual Report on Form 10-K.

Within the financial statements and tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes. Percentages and earnings per share amounts presented are calculated from the underlying amounts. The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the full year.

Note 2 – Accounting Changes

New Accounting Principles Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued an accounting standard update that requires the Company to disclose more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization, and depletion) included in each relevant income statement expense caption. The update is effective for the Company beginning with its fiscal year 2028 reporting and for interim reporting beginning with its fiscal year 2029. Early adoption is permitted. The Company is currently evaluating the impact that this update will have on its disclosures.

In December 2023, the FASB issued an accounting standard update that requires more disaggregated information to be included in the income tax rate reconciliation and income taxes paid annual disclosures. This update is effective for the Company beginning in its fiscal year 2026 and the Company is currently evaluating the impact that this update will have on its disclosures.

In November 2023, the FASB issued a new accounting standard update that requires more disaggregated expense information about a public entity's reportable segments. This update is effective for the Company beginning with its fiscal year 2025 reporting and for interim reporting beginning with its fiscal year 2026. The Company is currently evaluating the impact that this update will have on its disclosures.

Note 3 – Shareholders' Equity

Changes in certain components of shareholders' equity for the first quarters of fiscal years 2025 and 2024 were as follows:

					Treasury Stock	
(Millions of dollars)	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Shares (in thousands)	Amount
Balance at September 30, 2024	$ 371	$ 19,893	$ 16,139	$ 25	(81,493)	$ (8,807)
Net income	—	—	303	—	—	—
Common dividends ($1.04 per share)	—	—	(302)	—	—	—
Issuance of shares under employee and other plans, net	—	(65)	—	—	679	(12)
Share-based compensation	—	90	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	(8)	—
Repurchase of common stock	—	(150)	—	—	(2,637)	(606)
Balance at December 31, 2024	$ 371	$ 19,768	$ 16,141	$ 25	(83,459)	$ (9,425)

(Millions of dollars)	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Treasury Stock	
					Shares (in thousands)	Amount
Balance at September 30, 2023	$ 371	$ 19,720	$ 15,535	$ 24	(80,203)	$ (8,305)
Net income	—	—	281	—	—	—
Common dividends ($0.95 per share)	—	—	(275)	—	—	—
Issuance of shares under employee and other plans, net	—	(62)	—	—	647	(20)
Share-based compensation	—	83	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	(19)	—
Repurchase of common stock	—	—	—	—	(2,118)	(503)
Balance at December 31, 2023	$ 371	$ 19,741	$ 15,540	$ 24	(81,692)	$ (8,828)

(a) Common stock held in trusts consists of the Company's shares held in rabbi trusts in connection with deferred compensation under the Company's employee salary and bonus deferral plan and directors' deferral plan.

Share Repurchases

In the first quarter of fiscal year 2025, the Company executed an accelerated share repurchase ("ASR") agreement and accounted for the agreement as two transactions upon prepayment: (1) the initial delivery of shares was recorded as an increase to *Common stock in treasury* to recognize the acquisition of common stock acquired in a treasury stock transaction, and (2) the remaining amount of shares was recorded as a decrease to *Capital in excess of par value* to recognize a net share-settled forward sale contract indexed to the Company's own common stock. The impacts of these accelerated share repurchase transactions were as follows:

Execution Date	Settlement Date	Aggregate Common Stock Repurchased (millions of dollars) (a)	Initial Shares Delivered (in thousands)	Additional Shares Delivered at Settlement (in thousands) (b)	Total Shares Delivered (in thousands)
Q1 2025	Q2 2025	$ 750	2,637	619	3,256

(a) Excludes a 1% excise tax on share repurchases of $6 million.

(b) Upon final settlement of the repurchase agreement and the forward sale contract, the Company's receipt of additional shares was recorded as an increase to *Common stock in treasury* and an offsetting increase to *Capital in excess of par value*. The final settlement for the first quarter transaction amounted to $150 million.

In the first quarter of fiscal year 2024, the Company executed and settled ASR agreements for the repurchase of 2.118 million shares of its common stock for total consideration of $500 million, excluding a 1% excise tax on share repurchases of $3 million. The share repurchases were recorded as an increase to *Treasury stock.*

The share repurchases discussed above were made pursuant to the repurchase program authorized by the Board of Directors on November 3, 2021, for 10 million shares of BD common stock, for which there is no expiration date. As of December 31, 2024, 4 million shares remained unused under this program. On January 28, 2025, the Board of Directors authorized BD to repurchase up to an additional 10 million shares of BD common stock, for which there is no expiration date.

The components and changes of *Accumulated other comprehensive income (loss)* for the first quarters of fiscal years 2025 and 2024 were as follows:

(Millions of dollars)	Total	Foreign Currency Translation	Benefit Plans	Cash Flow Hedges	Available-for-Sale Debt Securities
Balance at September 30, 2024	$ (1,732)	$ (1,244)	$ (557)	$ 70	$ (1)
Other comprehensive income before reclassifications, net of taxes	49	46	—	3	—
Amounts reclassified into income, net of taxes	6	—	8	(2)	—
Balance at December 31, 2024	$ (1,676)	$ (1,199)	$ (549)	$ 72	$ (1)

(Millions of dollars)	Total	Foreign Currency Translation	Benefit Plans	Cash Flow Hedges	Available-for-Sale Debt Securities
Balance at September 30, 2023	$ (1,548)	$ (1,078)	$ (571)	$ 103	$ —
Other comprehensive income (loss) before reclassifications, net of taxes	21	40	—	(19)	—
Amounts reclassified into income, net of taxes	12	—	12	1	—
Balance at December 31, 2023	$ (1,515)	$ (1,038)	$ (559)	$ 84	$ —

The amounts of foreign currency translation recognized in other comprehensive income during the three months ended December 31, 2024 and 2023 included net gains (losses) relating to net investment hedges. The amounts recognized in other comprehensive income relating to cash flow hedges primarily related to foreign exchange contracts during the three months ended December 31, 2024 and forward starting interest rate swaps during the three months ended December 31, 2023. Additional disclosures regarding the Company's derivatives are provided in Note 12.

The tax impacts for amounts recognized in other comprehensive income (loss) before reclassifications and for reclassifications out of*Accumulated other comprehensive income (loss)* relating to benefit plans and cash flow hedges during the three months ended December 31, 2024 and 2023 were immaterial to the Company's consolidated financial results.

Note 4 – Earnings per Share

The weighted average common shares used in the computations of basic and diluted earnings per share (shares in thousands) were as follows:

	Three Months Ended December 31,	
	2024	2023
Average common shares outstanding	289,505	290,113
Dilutive share equivalents from share-based plans	884	1,285
Average common and common equivalent shares outstanding – assuming dilution	290,389	291,398
Share equivalents excluded from the diluted shares outstanding calculation:		
Share-based plans (a)	2,758	552

(a) Excluded from the diluted earnings per share calculation as the exercise prices of these awards were greater than the average market price of the Company’s common shares.

Note 5 – Contingencies

The Company is involved, both as a plaintiff and a defendant, in various legal proceedings that arise in the ordinary course of business, including, without limitation, product liability and environmental matters in certain U.S. and international locations. Given the uncertain nature of litigation generally, the Company is not able, in all cases, to reasonably estimate the amount or range of loss that could result from an unfavorable outcome of litigation in which the Company is a party. Even if the Company believes it has meritorious defenses, from time to time the Company engages in settlement discussions and mediations and considers settlements taking into account various factors including, among other things, developments in such legal proceedings

and the resulting risks and uncertainties. These activities have resulted in settlements for certain matters and going forward could result in further settlements, which may be confidential and could be significant and result in charges in excess of accruals.

In accordance with U.S. GAAP, the Company establishes accruals to the extent future losses are probable and reasonably estimable. With respect to putative class action lawsuits and certain tort actions in the United States and certain of the Canadian lawsuits described below or in its other SEC filings, the Company may not be able to determine if a probable loss exists or estimate a range of reasonably possible losses for the following reasons: (i) all or certain of the proceedings are in early stages; (ii) the Company has not received and reviewed complete information regarding all or certain of the plaintiffs and their medical conditions; and/or (iii) there are significant factual issues to be resolved. In addition, there is uncertainty as to the likelihood of a class being certified or the ultimate size of any class. With respect to certain of the civil investigative demands ("CIDs") served by the Department of Justice which are discussed below, the Company may not be able to determine if a probable loss exists, unless otherwise noted, for the following reasons: (i) all or certain of the proceedings are in early stages; and/or (ii) there are significant factual and legal issues to be resolved.

Product Liability Matters

As of December 31, 2024, the Company is defending approximately 6,670 product liability claims involving the Company's line of hernia repair devices (collectively, the "Hernia Product Claims"). The Company's outstanding Hernia Product Claims as of September 30, 2024 were approximately 6,610, which reflected a settlement agreement that was consummated in the fourth quarter of fiscal year 2024 to resolve the vast majority of the Company's existing hernia litigation. The majority of the claims are currently pending in a coordinated proceeding in Rhode Island State Court ("RI") and in a federal multi-district litigation ("MDL") established in the Southern District of Ohio, but claims are also pending in other state and/or federal court jurisdictions. In addition, outstanding claims include multiple putative class actions in Canada. Generally, the Hernia Product Claims seek damages for personal injury allegedly resulting from use of the products. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters. There are no trials currently scheduled.

The Company also continues to be a defendant in certain other mass tort litigation. As of December 31, 2024, the Company is defending product liability claims involving the Company's line of pelvic mesh products, the majority of which are pending in a coordinated proceeding in New Jersey Superior Court and in various federal court jurisdictions, the Company's line of inferior vena cava ("IVC") filter products, which are pending in various jurisdictions, and the Company's line of implantable ports, the majority of which are pending in an MDL in the United States District Court for the District of Arizona. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters.

In most product liability litigations like those described above, plaintiffs allege a wide variety of claims, ranging from allegations of serious injury caused by the products to efforts to obtain compensation notwithstanding the absence of any injury. In many of these cases, the Company has not yet received and reviewed complete information regarding the plaintiffs and their medical conditions and, consequently, is unable to fully evaluate the claims. The Company expects that it will receive and review additional information regarding any remaining unsettled product liability matters.

Other Matters

On November 2, 2020, a putative shareholder derivative action captioned Jankowski v. Forlenza, et al., Civ. No. 2:20-cv-15474, was filed in the U.S. District Court for the District of New Jersey by a shareholder, derivatively on behalf of the Company, against certain of the Company's directors and officers. The complaint asserts claims for breach of fiduciary duty; violations of sections 10(b), 14(a) and 21D of the Exchange Act, and insider trading. The complaint principally alleges, that the Company made misleading statements regarding Alaris™ infusion pumps in a proxy statement and other SEC filings. A second federal derivative action was filed on January 24, 2021, and the two actions were consolidated and stayed. In March 2021, the Company received letters from two additional shareholders which, in general, mirrored the allegations in the derivative actions, and demanded, among other things, that the Board of Directors pursue claims against members of management for claimed breaches of fiduciary duties. Consistent with New Jersey law, the Board appointed a special committee to review the allegations and demands in the derivative actions and demand letters. Following an investigation, the special committee determined that no action was warranted, and rejected the shareholders' demands, communicating its determination to counsel for the shareholders. On January 10, 2023, one of the two shareholders referenced above filed a separate derivative action that: (i) is generally consistent with the shareholder letter and the two prior actions; and (ii) purports to challenge the reasonableness of the special committee's process and determination. That action was also stayed. Following entry of a stipulated scheduling order for an amended complaint and motion to dismiss the consolidated federal action, the case schedule was adjourned without date pending mediation. Mediation proceedings have taken place. On September 10, 2024, the Company received an additional substantially identical shareholder demand letter and on September 26, 2024, that shareholder filed a second substantially identical state court derivative action. In November 2024, the Company entered into an agreement in principle to resolve this matter for an amount that is not expected to be material to the Company's consolidated financial results.

Beginning in February 2021, the Company received subpoenas from the Enforcement Division of the Securities and Exchange Commission ("SEC") requesting information from the Company relating to, among other things, certain reporting issues involving BD Alaris™ infusion pumps included in SEC disclosures prior to 2021. In December 2024, the Company reached an agreement to resolve the matter with the SEC for its previously accrued amount of $175 million. In accordance with the terms of the settlement, the Company has engaged and is working with an independent compliance consultant to review practices and procedures relating to the evaluation of product recalls and remediation under U.S. GAAP and its disclosure controls and procedures, including but not limited to controls and procedures relating to collection and assessment of information concerning potential risks, contingencies, operating events, trends, and uncertainties.

In July 2017, C.R. Bard, which was acquired by the Company in December 2017, received a CID from the Department of Justice seeking documents and information relating to an investigation into possible violations of the False Claims Act in connection with the sales and marketing of FloChec® and QuantaFlo™ devices. The Company has responded to these requests and met with the Department of Justice in February and July 2024; discussions are ongoing.

In April 2019, the Department of Justice served the Company and CareFusion with CIDs seeking information regarding certain of CareFusion's contracts with the Department of Veteran's Affairs, some dating back more than 10 years, for certain products, including Alaris™ and Pyxis™ devices, in connection with a civil investigation of possible violations of the False Claims Act, and the government later expanded the investigation to include several additional contracts. The government has made several requests for documents and interviews or depositions of Company personnel and set forth a preliminary case assessment. The Company is cooperating with the government, responding to these requests and evaluating the assessment.

In September 2021, the Company received a CID related to an inquiry initiated by the Department of Justice in the Northern District of Georgia in 2018 concerning sales and marketing practices with respect to certain aspects of the Company's urology business. After multiple document productions and interviews, the Company and the government mediated the case in an effort to resolve this dispute; an agreement was reached to resolve this matter for an adequately accrued amount that is not material to the Company's consolidated financial results. This matter is now resolved.

In April 2023, the Department of Justice served the Company with a CID seeking information regarding the Company's Genesis™ container products in connection with an investigation of possible violations of the False Claims Act. The government has requested documents and set forth a preliminary case assessment, and the Company is cooperating with the government, responding to its requests and evaluating the assessment.

The Company was sued in state and federal courts in Georgia by plaintiffs who work or reside near Company facilities in Covington, GA, where ethylene oxide ("EtO") sterilization activities take place. The federal cases have been dismissed and refiled in state court. The plaintiffs in the cases seek compensatory and punitive damages. Pursuant to Georgia statute, punitive damages in these cases are generally capped at $250,000 per claimant, unless the plaintiff can prove that the Company acted, or failed to act, with a specific intent to cause harm, which the court to date has cast as a jury issue, meaning that the jury could negate the cap. The cases allege a variety of injuries, including but not limited to multiple types of cancer, allegedly attributable to exposure to EtO. As of December 31, 2024, the Company has approximately 360 of such suits involving approximately 375 plaintiffs asserting individual personal injury claims; approximately 50 of the cases also allege injury caused by exposure to a chemical of another defendant entirely unrelated to the Company. No cases have yet been tried although a trial date has been set for one such case scheduled for April 2025. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters.

In 2015, legislation was enacted in Italy which requires medical technology companies to make payments to the Italian government if Italy's medical device expenditures exceed annual regional expenditure ceilings. The amount of these payments is based on the amount by which the regional ceilings for the given year were exceeded. Considerable uncertainty has existed regarding the enforceability and implementation of this payback legislation since it was enacted and the Company, as well as other medical device companies, have filed appeals which challenge the enforceability of this legislation. In July 2024, the Italian Constitutional Court issued two judgments which concluded that the medical device payback legislation is constitutional; however, litigation proceedings before Italian Courts are still pending. While the Company recorded $62 million during its fiscal year 2024 as a preliminary estimate of the liability related to this matter, substantially all of which relates to periods prior to fiscal year 2024, ultimate resolution is unknown at this time, and it is possible that the amount of the Company's liability could differ from the currently accrued amount.

In May 2024, CareFusion 303, Inc., the Company's subsidiary that manufactures its BD Pyxis™ dispensing equipment, received a Form 483 Notice following an inspection from the U.S. Food and Drug Administration ("FDA") that contained observations of non-conformance with the FDA's Quality System and Medical Device Reporting ("MDR") regulations. In November 2024, the Company received a Warning Letter following the inspection of its Dispensing quality management system at its facility located in San Diego, California, citing certain alleged violations of the quality system regulations, MDR regulation, the corrections and removals reporting regulation and law. The Company's liability recorded for estimated future

costs associated with certain actions required to respond to the Warning Letter and to address the non-conformities was $30 million as of December 31, 2024, which reflected a $22 million adjustment recorded to increase the liability during the first quarter of fiscal year 2025. The Company submitted a comprehensive response to address FDA's feedback in the Warning Letter, which committed to implementing additional corrective actions; however, no assurances can be given regarding further action by the FDA as a result of the Warning Letter, or that corrective actions proposed and taken by CareFusion 303, Inc. will be adequate to address the Warning Letter. Any failure to adequately address this Warning Letter may result in regulatory actions initiated by the FDA without further notice, which may include, but are not limited to, seizure, injunction and civil monetary penalties. As a result, the ultimate resolution of this Warning Letter and its impact on the Company's operations is unknown at this time, and it is possible that the amount of the Company's liability could exceed its currently accrued amount.

The Company is also involved both as a plaintiff and a defendant in other legal proceedings and claims that arise in the ordinary course of business. The Company believes that it has meritorious defenses and is vigorously defending itself in each of these matters.

Except as otherwise noted, the Company cannot predict the outcome of the other legal matters discussed above, nor can it predict whether any outcome will have a material adverse effect on the Company's consolidated results of operations and/or consolidated cash flows. Further, the Company may not be able to determine if a probable loss exists for certain of the other legal matters discussed above, and accordingly, the Company has recorded no provisions for such matters in its consolidated results of operations.

The Company is a potentially responsible party to a number of federal administrative proceedings in the United States brought under the Comprehensive Environment Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. The Company also is subject to administrative proceedings under environmental laws in jurisdictions outside the U.S. The affected sites are in varying stages of development. In some instances, the remedy has been completed, while in others, environmental studies are underway or commencing. For several sites, there are other potentially responsible parties that may be jointly or severally liable to pay all or part of cleanup costs. While it is not feasible to predict the outcome of these proceedings, based upon the Company's experience, current information and applicable law, the Company does not expect these proceedings to have a material adverse effect on its consolidated results of operations and/or consolidated cash flows.

Litigation Accruals

The Company regularly monitors and evaluates the status of product liability and other litigated matters, and may, from time-to-time, engage in settlement discussions and mediations taking into consideration, among other things, developments in the litigation and the risks and uncertainties associated therewith. These activities have resulted in confidential settlements and going forward could result in further settlements, the terms of which may be confidential and could be significant and result in charges in excess of accruals. A determination of the accrual amounts for these contingencies is made after analysis of each litigation matter. When appropriate, the accrual is developed with the consultation of outside counsel and, in the case of certain mass tort litigation, actuarial specialists regarding the nature, timing, and extent of each matter.

During the first quarter of fiscal year 2024, the Company recorded a pre-tax benefit to*Other operating expense, net*, of approximately $36 million related to certain of the product liability matters discussed above under the heading "Product Liability Matters," including the related legal defense costs. The benefit primarily reflected the favorable resolution of claims during the fiscal year.

The Company considers relevant information when estimating its product liability accruals, including, but not limited to: the nature, number, and quality of unfiled and filed claims; the rate of claims being filed; the status of settlement discussions with plaintiffs' counsel; the allegations and documentation supporting or refuting such allegations; publicly available information regarding similar medical device mass tort settlements; historical information regarding other product liability settlements involving the Company; and the stage of litigation. Because currently available information regarding product liability matters is often limited, there is inherent uncertainty and volatility relating to the Company's estimate of product liability. As additional information becomes available, the Company records adjustments to its product liability accruals as required.

Accruals for the Company's product liability claims which are discussed above, as well as the related legal defense costs, amounted to approximately $1.6 billion and $1.7 billion at December 31, 2024 and September 30, 2024, respectively. These accruals are recorded within *Payables, accrued expenses and other current liabilities* and *Deferred Income Taxes and Other Liabilities* on the Company's condensed consolidated balance sheets. The decrease in the Company's product liability accrual as of December 31, 2024, as compared with September 30, 2024, largely reflected reductions due to the payment of settlements and legal fees. The increase in the number of outstanding hernia repair device claims discussed above did not materially impact the Company's product liability accrual because the underlying estimate of the Company's liability includes and already accounts for unfiled claims. Moreover, the accrual reflects the determination that the quality of new hernia report device claims has generally diminished over time. Amounts payable pursuant to the settlement agreement that was consummated in the fourth

quarter of fiscal year 2024 to resolve the vast majority of the Company's hernia litigation are included within the Company's current product liability accrual and will be paid out over a multi-year period. Claim activity during the first quarter of fiscal year 2025 relating to the pelvic mesh device and IVC filter matters did not materially impact the Company's product liability accrual as of December 31, 2024.

The particular outcome in any one product liability trial is typically not representative of potential outcomes of all cases or claims. Because the accrual already contemplates a wide range of possible outcomes, including those with a de minimis value, individual outcomes generally do not impact the value of other cases in the total case inventory or the overall product liability accrual.

In view of the uncertainties discussed above, the Company could incur charges in excess of any currently established accruals and, to the extent available, liability insurance. In the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on the Company's consolidated results of operations, financial condition, and/or consolidated cash flows.

Note 6 – Revenues

The Company's policies for recognizing sales have not changed from those described in the Company's 2024 Annual Report on Form 10-K. The Company sells a broad range of medical supplies, devices, laboratory equipment and diagnostic products which are distributed through independent distribution channels and directly by BD through sales representatives. End-users of the Company's products include healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. In the current and prior-year periods, the Company generated revenues attributable to licensing, which includes consideration received in exchange for the use of BD intellectual property by third parties.

Measurement of Revenues

The Company's allowance for doubtful accounts reflects the current estimate of credit losses expected to be incurred over the life of its trade receivables. Such estimated credit losses are determined based on historical loss experiences, customer-specific credit risk, and reasonable and supportable forward-looking information, such as country or regional risks that are not captured in the historical loss information. The allowance for doubtful accounts for trade receivables is not material to the Company's consolidated financial results.

The Company's gross revenues are subject to a variety of deductions which are recorded in the same period that the underlying revenues are recognized. Such variable consideration includes rebates, sales discounts and sales returns. The Company's rebate liabilities are classified as an offset to *Trade receivables, net*, or as *Payables, accrued expenses and other current liabilities*, depending on the form of settlement and were $813 million and $749 million at December 31, 2024 and September 30, 2024, respectively. The impact of other forms of variable consideration, including sales discounts and sales returns, is not material to the Company's revenues.

Effects of Revenue Arrangements on Condensed Consolidated Balance Sheets

Capitalized contract costs associated with the costs to fulfill contracts for certain products in the Medication Management Solutions organizational unit are immaterial to the Company's condensed consolidated balance sheets. Commissions relating to revenues recognized over a period longer than one year are recorded as assets which are amortized over the period over which the revenues underlying the commissions are recognized. Capitalized contract costs related to such commissions are immaterial to the Company's condensed consolidated balance sheets.

Contract liabilities for unearned revenue that is allocable to performance obligations, such as extended warranty and software maintenance contracts, which are performed over time, were approximately $502 million and $482 million as of December 31, 2024 and September 30, 2024, respectively, and are included in *Payables, accrued expenses and other current liabilities* on the Company's condensed consolidated balance sheets. The Company's liability for product warranties provided under its agreements with customers is not material to its condensed consolidated balance sheets.

Remaining Performance Obligations

The Company's obligations relative to service contracts and pending installations of equipment, primarily in the Company's Medication Management Solutions unit, represent unsatisfied performance obligations of the Company. The revenues under existing contracts with original expected durations of more than one year, which are attributable to products and/or services that have not yet been installed or provided are estimated to be approximately $2.3 billion at December 31, 2024. The Company expects to recognize the majority of this revenue over the next three years.

Within the Company's Medication Management Solutions, Medication Delivery Solutions, Diagnostic Solutions, and Biosciences units, some contracts also contain minimum purchase commitments of reagents or other consumables, and the future sales of these consumables represent additional unsatisfied performance obligations of the Company. The revenue attributable to the unsatisfied minimum purchase commitment-related performance obligations, for contracts with original expected durations of more than one year, is estimated to be approximately $2.0 billion at December 31, 2024. This revenue will be recognized over the customer relationship periods.

Disaggregation of Revenues

A disaggregation of the Company's revenues by segment, organizational unit and geographic region is provided in Note 7.

Note 7 – Segment Data

The Company's organizational structure is based upon three worldwide business segments: BD Medical ("Medical"), BD Life Sciences ("Life Sciences") and BD Interventional ("Interventional"). The Company's segments are strategic businesses that are managed separately because each one develops, manufactures and markets distinct products and services. Segment disclosures are on a performance basis consistent with internal management reporting. The Company evaluates performance of its business segments and allocates resources to them primarily based upon segment operating income, which represents revenues reduced by product costs and operating expenses.

Revenues by segment, organizational unit and geographical areas for the three-month periods are detailed below. The Company has no material intersegment revenues.

s of dollars)	Three Months Ended December 31,					
	2024			2023		
	United States	International	Total	United States	International	Total
l						
tion Delivery Solutions	$694	$ 430	$1,124	$639	$ 413	1,052
tion Management Solutions	659	142	801	594	153	747
ceutical Systems	104	314	418	127	304	431
ed Patient Monitoring	159	113	271	—	—	—
Total segment revenues	$1,615	$ 999	$2,615	$1,360	$ 870	2,230
iences						
en Management (a)	$238	$ 223	$ 462	$234	$ 213	447
stic Solutions (a)	212	262	474	210	256	467
nces	153	208	361	143	232	375
Total segment revenues	$603	$ 694	$1,297	$587	$ 701	1,288
ıtional						
	$303	$ 92	$ 395	$280	$ 88	369
ral Intervention	253	220	473	234	220	454
y and Critical Care	306	83	389	287	78	365
Total segment revenues	$861	$ 396	$1,257	$802	$ 386	1,188
Total Company revenues	$3,080	$2,089	$5,168	$2,749	$1,957	4,706

(a) During the first quarter of fiscal year 2025, Life Sciences split its former Integrated Diagnostic Solutions organizational unit into two units to better align BD resources with the distinct needs of each business.

Segment income for the three-month periods was as follows:

(Millions of dollars)	Three Months Ended December 31, 2024	2023
Income Before Income Taxes		
Medical	$ 492	$ 535
Life Sciences	383	372
Interventional	387	291
Total Segment Operating Income	1,263	1,198
Integration, restructuring and transaction expense	(92)	(75)
Net interest expense	(132)	(77)
Other unallocated items (a)	(733)	(688)
Total Income Before Income Taxes	$ 306	$ 359

(a) Primarily comprised of foreign exchange, certain general and administrative expenses and share-based compensation expense.

Note 8 – Benefit Plans

The Company has defined benefit pension plans covering certain employees in the United States and certain international locations. The measurement date used for these plans is September 30.

Net pension cost included the following components for the three-month periods:

(Millions of dollars)	Three Months Ended December 31, 2024	2023
Service cost	$ 12	$ 25
Interest cost	42	39
Expected return on plan assets	(56)	(42)
Amortization of prior service credit	—	(1)
Amortization of loss	10	16
Net pension cost	$ 8	$ 37

The amounts provided above for amortization of prior service credit and amortization of loss represent the reclassifications of prior service credits and net actuarial losses that were recognized in *Accumulated other comprehensive income (loss)* in prior periods. All components of the Company's net periodic pension and postretirement benefit costs, aside from service cost, are recorded to *Other expense, net* on its condensed consolidated statements of income.

Note 9 – Acquisition

Advanced Patient Monitoring

On September 3, 2024, the Company completed its acquisition of Edwards Lifesciences' Critical Care product group ("Critical Care"), which was renamed as BD Advanced Patient Monitoring ("Advanced Patient Monitoring"). Since the acquisition date, financial results for Advanced Patient Monitoring's product offerings are being reported as a separate organizational unit within the Medical segment. Advanced Patient Monitoring is a global leader in advanced monitoring solutions that expands the Company's portfolio of smart connected care solutions with its growing set of leading monitoring technologies, advanced AI-enabled clinical decision tools and robust innovation pipeline that complement the Company's existing technologies serving operating rooms and intensive care units. The Company funded the transaction with cash on hand, using net proceeds raised through debt issuances in the third quarter of fiscal year 2024 and borrowings under its commercial paper program. The acquisition was accounted for under the acquisition method of accounting for business combinations.

The Company is in the process of finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed, related to assessing certain assumptions underlying the valuation of intangible assets. The preliminary allocations of the purchase price provide a reasonable basis for estimating the fair values of assets acquired and liabilities assumed. These provisional estimates may be adjusted upon the availability of further information regarding events or circumstances that existed at the acquisition date. Such adjustments may be significant. The fair value of consideration transferred in connection with the acquisition was $3.906 billion. As of December 31, 2024, the assets acquired and the liabilities assumed in this acquisition included developed technology intangible assets of $717 million, customer relationships intangible assets of $653 million and $713 million of other net assets, which are primarily inventory. The goodwill recorded from the excess of the purchase price over the fair value of the acquired net assets was $1.823 billion, which related to synergies expected to be gained from combining operations of the acquiree and acquirer, as well as revenue and cash flow projections associated with future innovative technologies expected to occur. The preliminary estimate of the goodwill that is expected to be deductible for tax purposes is approximately $1.1 billion.

The Company included Advanced Patient Monitoring in its consolidated results of operations beginning on September 3, 2024. The Company's unaudited pro forma *Revenues* for the three months ended December 31, 2023, giving effect as if Advanced Patient Monitoring had been acquired as of October 1, 2022, were $4.957 billion. The calculation of pro forma *Net Income* for the three months ended December 31, 2023 is not practicable because of complexities associated with its hypothetical calculation.

Note 10 – Business Restructuring Charges

The Company incurred restructuring costs during the three months ended December 31, 2024, primarily in connection with the Company's simplification and other cost-saving initiatives, which were recorded within *Integration, restructuring and transaction expense*. These simplification and other cost-saving initiatives are focused on reducing complexity, optimizing the Company's supply chain efficiency, streamlining its global manufacturing footprint, enhancing product quality, refining customer experience, and improving cost efficiency across all of the Company's segments.

Restructuring liability activity for the three months ended December 31, 2024 was as follows:

(Millions of dollars)	Employee Termination	Other (a)	Total
Balance at September 30, 2024	$ 58	$ 2	$ 60
Charged to expense	20	46	66
Cash payments	(29)	(36)	(65)
Non-cash settlements	—	(6)	(6)
Other adjustments	(2)	—	(2)
Balance at December 31, 2024	$ 47	$ 6	$ 53

(a) Other non-employee-related expenses primarily relate to other costs associated with the execution of the Company's cost efficiency and restructuring programs, such as incremental project management costs and facility exit costs.

Note 11 – Intangible Assets

Intangible assets consisted of:

ons of dollars)	December 31, 2024 Gross Carrying Amount	December 31, 2024 Accumulated Amortization	December 31, 2024 Net Carrying Amount	September 30, 2024 Gross Carrying Amount	September 30, 2024 Accumulated Amortization	September 30, 2024 Net Carrying Amount
Amortized intangible assets						
Developed technology	$ 15,788	(8,349)	7,439	15,827	(8,094)	7,733
Customer relationships	5,511	(2,978)	2,533	5,513	(2,878)	2,635
Patents, trademarks and other	1,188	(688)	500	1,185	(682)	503
Amortized intangible assets	$ 22,486	(12,014)	10,472	22,525	(11,654)	10,871
Unamortized intangible assets						
quired in-process research and development	$ 14		$	44		
Trademarks	2			2		
Unamortized intangible assets	$ 16		$	46		

Intangible amortization expense was $395 million and $365 million for the three months ended December 31, 2024 and 2023, respectively.

The following is a reconciliation of goodwill by business segment:

(Millions of dollars)	Medical	Life Sciences	Interventional	Total
Goodwill as of September 30, 2024	$ 12,832	$ 904	$ 12,729	$ 26,465
Purchase price allocation adjustments	(12)	—	—	(12)
Currency translation	(51)	(8)	(66)	(125)
Goodwill as of December 31, 2024	$ 12,769	$ 896	$ 12,663	$ 26,329

Note 12 – Derivative Instruments and Hedging Activities

The Company uses derivative instruments to mitigate certain exposures. The Company does not enter into derivative financial instruments for trading or speculative purposes. The effects these derivative instruments and hedged items had on the Company's balance sheets and the fair values of the derivatives outstanding at December 31, 2024 and September 30, 2024 were not material. The effects on the Company's financial performance and cash flows are provided below.

Foreign Currency Risks and Related Strategies

The Company has foreign currency exposures throughout Europe, Greater Asia, Canada and Latin America. Transactional currency exposures that arise from entering into transactions, generally on an intercompany basis, in non-hyperinflationary countries that are denominated in currencies other than the functional currency are mitigated primarily through the use of forward contracts.

In order to mitigate transactional foreign currency exposures resulting from anticipated intercompany purchases and sales denominated in a currency other than local functional currencies, the Company has hedged a portion of this currency risk with certain instruments such as foreign exchange forward and option contracts, which are designated as cash flow hedges.

In order to mitigate foreign currency exposure relating to its investments in certain foreign subsidiaries, the Company has hedged the currency risk associated with those investments with certain instruments, such as foreign currency-denominated debt and cross-currency swaps, which are designated as net investment hedges, as well as currency exchange contracts.

The notional amounts of the Company's foreign currency-related derivative instruments as of December 31, 2024 and September 30, 2024 were as follows:

(Millions of dollars)	Hedge Designation	December 31, 2024	September 30, 2024
Foreign exchange contracts (a)	Undesignated	$ 2,366	$ 4,521
Foreign exchange contracts (b)	Cash flow hedges	394	543
Foreign currency-denominated debt (c)	Net investment hedges	2,874	3,065
Cross-currency swaps (d)	Net investment hedges	1,022	1,366

(a) Represents hedges of transactional foreign exchange exposures resulting primarily from intercompany payables and receivables. Gains and losses on these instruments are recognized immediately in income. These gains and losses are largely offset by gains and losses on the underlying hedged items, as well as the hedging costs associated with the derivative instruments. Net amounts recognized in *Other expense, net*, during the three months ended December 31, 2024 and 2023 were immaterial to the Company's consolidated financial results.

(b) Represents foreign exchange contracts related to anticipated intercompany purchases and sales, described above, which generally have durations of less than eighteen months.

(c) Represents foreign currency-denominated long-term notes outstanding which were effective as economic hedges of net investments in certain of the Company's foreign subsidiaries.

(d) Represents cross-currency swaps, which were effective as economic hedges of net investments in certain of the Company's foreign subsidiaries.

Net gains or losses resulting from the change in fair value of the foreign exchange contracts designated as cash flow hedges are initially recorded within *Other comprehensive income (loss)* and reclassified into earnings upon the occurrence of the related underlying third-party transaction. If foreign exchange contracts designated as cash flow hedges are terminated prematurely as a result of the hedged transaction being probable of not occurring, the balance in *Accumulated other comprehensive income (loss)* attributable to those derivatives is immediately reclassified into *Revenues* or *Cost of products sold* (depending on whether the hedged item is an intercompany sale or purchase). Net after tax losses recognized in *Other comprehensive income (loss)* as well as amounts reclassified from *Accumulated other comprehensive income (loss)* into earnings relating to these cash flow hedges during the three months ended December 31, 2024 were immaterial. No amounts relating to foreign exchange contracts designated as cash flow hedges were recognized in *Other comprehensive income (loss)* or reclassified from *Accumulated other comprehensive income (loss)* during three months ended December 31, 2023. The amounts expected to be reclassified from accumulated other comprehensive income into earnings within the next 12 months, are not material to the Company's consolidated financial results.

Net gains or losses relating to the net investment hedges, which are attributable to changes in the foreign currencies to U.S. dollar spot exchange rates, are recorded as foreign currency translation in *Other comprehensive income (loss), net of tax*. Upon the termination of a net investment hedge, any net gain or loss included in *Accumulated other comprehensive income (loss)* relative to the investment hedge remains until the foreign subsidiary investment is disposed of or is substantially liquidated.

Net gains (losses) recorded to *Accumulated other comprehensive income (loss)* relating to the Company's net investment hedges for the three-month periods were as follows:

	Three Months Ended December 31,	
(Millions of dollars)	2024	2023
Foreign currency-denominated debt	$ 145	$ (29)
Cross-currency swaps (a)	67	(55)

(a) The amount for the three months ended December 31, 2024 includes a loss, net of tax, of $18 million recognized on terminated cross-currency swaps.

Interest Rate Risks and Related Strategies

The Company uses a mix of fixed and variable rate debt to manage its interest rate exposure, and periodically uses interest rate swaps to manage such exposures. Under these interest rate swaps, the Company exchanges, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated as either cash flow or fair value hedges.

Changes in the fair value of the interest rate swaps designated as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk) are recorded in *Other comprehensive income (loss), net of tax*. If interest rate derivatives designated as cash flow hedges are terminated, the balance in *Accumulated other comprehensive income (loss)* attributable to those derivatives is reclassified into earnings, within *Interest expense*, over the remaining life of the hedged debt.

For interest rate swaps designated as fair value hedges (i.e., hedges against the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk), changes in the fair value of the interest rate swaps offset changes in the fair value of the fixed rate debt due to changes in market interest rates. Amounts recorded during the three months ended December 31, 2024 and 2023 were immaterial to the Company's consolidated financial results.

The notional amounts of the Company's interest rate-related derivative instruments as of December 31, 2024 and September 30, 2024 were as follows:

(Millions of dollars)	Hedge Designation	December 31, 2024	September 30, 2024
Interest rate swaps (a)	Fair value hedges	$ 700	$ 700

(a) Represents fixed-to-floating interest rate swap agreements the Company entered into to convert the interest payments on certain long-term notes from the fixed rate to a floating interest rate based on secured overnight financing rates ("SOFR").

Other Risk Exposures

The Company purchases resins, which are oil-based components used in the manufacture of certain products. Significant increases in world oil prices that lead to increases in resin purchase costs could impact future operating results. From time to time, the Company has managed price risks associated with these commodity purchases through commodity derivative forward contracts. The Company's commodity derivative forward contracts at December 31, 2024 and September 30, 2024 were immaterial to the Company's consolidated financial results.

Note 13 – Financial Instruments and Fair Value Measurements

The following reconciles cash and equivalents and restricted cash reported within the Company's condensed consolidated balance sheets at December 31, 2024 and September 30, 2024 to the total of these amounts shown on the Company's condensed consolidated statements of cash flows:

(Millions of dollars)	December 31, 2024	September 30, 2024
Cash and equivalents	$ 711	$ 1,717
Restricted cash	102	139
Cash and equivalents and restricted cash	$ 813	$ 1,856

Cash equivalents consist of all highly liquid investments with a maturity of three months or less at time of purchase Restricted cash consists of cash restricted from withdrawal and usage except for certain product liability matters.

The fair values of the Company's financial instruments are as follows:

(Millions of dollars)	Basis of fair value measurement	December 31, 2024	September 30, 2024
Institutional money market accounts (a)	Level 1	$ —	$ 285
Current portion of long-term debt (b)	Level 2	831	1,748
Long-term debt (b)	Level 2	16,337	17,199

(a) These financial instruments are recorded within *Cash and equivalents* on the condensed consolidated balance sheets. The institutional money market accounts permit daily redemption. The fair values of these investments are based upon the quoted prices in active markets provided by the holding financial institutions.

(b) Long-term debt is recorded at amortized cost. The fair value of long-term debt is measured based upon quoted prices in active markets for similar instruments.

Short-term investments are held to their maturities and are carried at cost, which approximates fair value. The short-term investments primarily consist of time deposits with maturities greater than three months and less than one year. All other

instruments measured by the Company at fair value, including derivatives, contingent consideration liabilities and available-for-sale debt securities, are immaterial to the Company's condensed consolidated balance sheets.

Nonrecurring Fair Value Measurements

In the first quarter of fiscal year 2025, the Company recorded a non-cash asset impairment charge of $30 million to *Research and development expense* to write down the carrying value of certain assets in the Life Sciences segment. The amount recognized was recorded to adjust the carrying amount of assets to the assets' fair values, which were estimated, based upon a market participant's perspective, using Level 3 measurements, including values estimated using the income approach.

Transfers of Trade Receivables

Over the normal course of its business activities, the Company transfers certain trade receivable assets to third parties under factoring agreements. Per the terms of these agreements, the Company surrenders control over its trade receivables upon transfer. Accordingly, the Company accounts for the transfers as sales of trade receivables by recognizing an increase to *Cash and equivalents* and a decrease to *Trade receivables, net* when proceeds from the transactions are received. The costs incurred by the Company in connection with factoring activities were not material to its consolidated financial results. The amounts transferred and yet to be remitted under factoring arrangements are provided below.

	Three Months Ended December 31,	
(Millions of dollars)	**2024**	**2023**
Trade receivables transferred to third parties under factoring arrangements	$ 360	$ 379

	December 31, 2024	September 30, 2024
Amounts yet to be collected and remitted to the third parties	$ 338	$ 254

Supplier Finance Programs

The Company has agreements where participating suppliers are provided the ability to receive early payment of the Company’s obligations at a nominal discount through supplier finance programs entered into with third party financial institutions. The Company is not a party to these arrangements, and these programs do not impact the Company’s obligations or affect the Company’s payment terms, which generally range from 90 to 150 days. The agreements with the financial institutions do not require the Company to provide assets pledged as security or other forms of guarantees for the supplier finance programs. The Company had $118 million and $112 million of outstanding payables related to supplier finance programs as of December 31, 2024 and September 30, 2024, respectively, which were recorded within *Payables, accrued expenses and other current liabilities* on the Company's condensed consolidated balance sheets.

Note 14 – Income Taxes

Income Tax Expense

The Company’s effective income tax rates for the three months ended December 31, 2024 and 2023 were 0.9% and 21.6%, respectively. The decrease in the Company’s effective tax rate for the three months ended December 31, 2024 was largely due to the partial release of the valuation allowance established for a non-U.S. tax credit.

Note 15 – Subsequent Event

BD’s Intention to Separate Biosciences and Diagnostic Solutions

On February 5, 2025, the Company announced its intention to separate its Biosciences and Diagnostic Solutions business from the rest of the Company. The Company expects to announce more specifics on the separation plans by the end of fiscal year 2025 and intends to target completion of the transaction in fiscal year 2026. The completion of any separation transaction will be contingent upon various conditions and approvals, including approval of the Company’s board of directors, receipt of requisite regulatory clearances and compliance with applicable SEC requirements. No assurance can be given regarding the form that a separation transaction may take or the specific terms or timing, or that a separation will in fact occur.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following commentary should be read in conjunction with the condensed consolidated financial statements and accompanying notes presented in this report. Within the tables presented throughout this discussion, certain columns may not add due to the use of rounded numbers for disclosure purposes. Percentages and earnings per share amounts presented are calculated from the underlying amounts. References to years throughout this discussion relate to our fiscal years, which end on September 30.

Company Overview

Becton, Dickinson and Company ("BD") is a global medical technology company engaged in the development, manufacture and sale of a broad range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. The Company's organizational structure is based upon three principal business segments, BD Medical ("Medical"), BD Life Sciences ("Life Sciences") and BD Interventional ("Interventional").

BD's products are manufactured and sold worldwide. Our products are marketed in the United States and internationally through independent distribution channels and directly to end-users by BD and independent sales representatives. We organize our operations outside the United States as follows: EMEA (which includes Europe, the Middle East and Africa); Greater Asia (which includes countries in Greater China, Japan, South Asia, Southeast Asia, Korea, Australia and New Zealand); Latin America (which includes Mexico, Central America, the Caribbean and South America); and Canada. We continue to pursue growth opportunities in emerging markets, which include the following geographic regions: Eastern Europe, the Middle East and Africa (collectively referred to below as "EMA"), as well as Latin America and certain countries within Greater Asia.

BD's Intention to Separate Biosciences and Diagnostic Solutions

On February 5, 2025, we announced our intention to separate our Biosciences and Diagnostic Solutions business from the rest of BD. BD's board of directors is committed to exploring all opportunities to execute the separation in a manner that maximizes shareholder value, including possible options such as a spin-off, sale, Reverse Morris Trust or other transaction. BD expects to announce more specifics on the separation plans by the end of fiscal year 2025 and intends to target completion of the transaction in fiscal year 2026.

Key Trends and Uncertainties Affecting Results of Operations

Our BD 2025 strategy for growth is anchored in three pillars: grow, simplify and empower. As we continue to execute this strategy, we have invested in research and development, strategic tuck-in acquisitions, geographic expansion, and new product programs to drive further revenue and profit growth. Our ability to sustain our long-term growth will depend on a number of factors, including our ability to expand our core business, and develop innovative new products, as well as continue to improve operating efficiency and organizational effectiveness. Our operations, supply chain, suppliers and customers are exposed to various global macroeconomic factors and other risks which we continually evaluate to assess their potential impact to our operations and financial results.

We have been experiencing, and may continue to experience, some adverse impact to our results of operations due to market dynamics in China, such as volume-based procurement programs ("VoBP") and the government's focus to improve compliance of healthcare practitioners. Also, reductions or delays in governmental research funding and/or higher interest rates could cause customers for our instruments and reagents to delay or forgo purchases of these products. The future demand for our products and services could also be impacted by deterioration in healthcare systems' budgets and/or staffing levels.

Additionally, we have experienced, and may continue to experience, temporary shortages in supply of certain materials or components that are used in our products. The stable flow of global transport is critical to our operations and as such, events affecting the flow of logistics around the globe may adversely impact our supply chain and distribution channels. In general, major disruptions in the sourcing, manufacturing and distribution of our products could adversely impact our results of operations. Also, tariffs, sanctions or other trade barriers imposed by the United States, including those relating to China, Mexico or other countries and regions in which we do business, could adversely impact our supply chain costs and our results of operations. The ultimate impact of any new tariffs is subject to a number of factors including the effective date and duration of such tariffs, changes in the amount, scope and nature of the tariffs in the future, any countermeasures that the target countries may take and any mitigating actions that may become available.

For additional information on risk factors that may impact our business, results of operations, financial condition and cash flows, see Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q and Part I, Item 1A. Risk Factors of our 2024 Annual Report on Form 10-K (the "2024 Annual Report").

Overview of Financial Results and Financial Condition

For the three months ended December 31, 2024, worldwide revenues of $5.168 billion increased 9.8% from the prior-year period. This increase reflected the following impacts:

	Increase (decrease) in current-period revenues
Volume/other (a)	3.5 %
Pricing	0.4 %
Foreign currency impact	0.2 %
Acquisition of Advanced Patient Monitoring	5.7 %
Increase in revenues from the prior-year period	9.8 %

(a) Volume/other includes revenues attributable to products, services and licensing.

Cash flows from continuing operating activities were $693 million in the first three months of fiscal year 2025. At December 31, 2024, we had $830 million in cash and equivalents and short-term investments, including restricted cash. We continued to return value to our shareholders in the form of dividends. During the first three months of fiscal year 2025, we paid cash dividends to common shareholders of $302 million.

Each reporting period and given our worldwide operations, we face exposure to our results of operations from changes in foreign currencies. We calculate translational foreign currency impacts 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, which allows us to compare results between periods as if exchange rates had remained constant period-over-period. The first quarter fiscal year 2025 impact of foreign currency on our revenues, which is primarily translational, is provided above. The translational impact on our earnings is provided further below. We evaluate our results of operations on both a reported and a foreign currency-neutral basis. As exchange rates are an important factor in understanding period-to-period comparisons, we believe the presentation of results on a foreign currency-neutral basis, excluding translational foreign currency impacts, in addition to reported results helps improve investors' ability to understand our operating results and evaluate our performance in comparison to prior periods. We use results on a foreign currency-neutral basis as one measure to evaluate our performance. These results should be considered in addition to, not as a substitute for, results reported in accordance with U.S. generally accepted accounting principles ("GAAP"). Results on a foreign currency-neutral basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with U.S. GAAP.

Results of Operations

Medical Segment

The following summarizes first quarter Medical revenues by organizational unit:

	Three months ended December 31,				
(Millions of dollars)	2024	2023	Total Change	Estimated FX Impact	FXN Change
Medication Delivery Solutions	$ 1,124	$ 1,052	6.9 %	0.1 %	6.8 %
Medication Management Solutions	801	747	7.3 %	0.2 %	7.1 %
Pharmaceutical Systems	418	431	(3.2)%	— %	(3.2)%
Advance Patient Monitoring	271	—	NM	NM	NM
Total Medical Revenues	$ 2,615	$ 2,230	17.3 %	0.2 %	17.1 %

"NM" denotes that the percentage change is not meaningful.

The Medical segment's revenue growth in the first quarter of 2025 primarily reflected the following:

- Volume growth and share gains attributable to the Medication Delivery Solutions unit's Vascular Access Management portfolio, as well as strong sales of the unit's hypodermic products.
- Growth in the Medication Management Solutions unit driven by double-digit growth in sales of infusion systems, partially offset by an unfavorable comparison to dispensing and pharmacy automation installations in the prior-year period.

- A decline in the Pharmaceutical Systems unit's sales due to lower demand for prefillables syringes.
- Overall Medical segment revenue growth also reflected sales in the Advanced Patient Monitoring unit, which we acquired during the fourth quarter of fiscal year 2024.

Medical segment income for the three-month period is provided below.

	Three months ended December 31,	
(Millions of dollars)	2024	2023
Medical segment income	$ 492	$ 535
Segment income as % of Medical revenues	*18.8 %*	*24.0 %*

The Medical segment's operating income as a percentage of revenues in the first quarter of 2025 compared with the first quarter of 2024 reflected the following:

- Lower gross profit margin in the first quarter of 2025 compared with the first quarter of 2024, which primarily reflected:
  - An unfavorable impact of $180 million due to a fair value step-up adjustment relating to Advanced Patient Monitoring's inventory on the acquisition date and higher amortization of intangible assets attributable to the Advanced Patient Monitoring unit, as well as a charge of $22 million to adjust future costs estimated for product remediation efforts; partially offset by
  - Lower manufacturing costs, which resulted from continuous improvement projects and other productivity initiatives and favorable product mix which was attributable to the Advanced Patient Monitoring unit's products.
- Higher selling and administrative expense, as well as research and development expense, as percentages of revenues in the first quarter of 2025 compared with the first quarter of 2024 primarily reflected costs attributable to the Advanced Patient Monitoring unit.

Life Sciences Segment

The following summarizes first quarter Life Sciences revenues by organizational unit:

	Three months ended December 31,				
(Millions of dollars)	2024	2023	Total Change	Estimated FX Impact	FXN Change
Specimen Management (a)	462	447	3.3 %	— %	3.3 %
Diagnostic Solutions (a)	474	467	1.7 %	0.2 %	1.5 %
Biosciences	361	375	(3.7)%	0.4 %	(4.1)%
Total Life Sciences Revenues	$ 1,297	$ 1,288	0.7 %	0.2 %	0.5 %

(a) During the first quarter of fiscal year 2025, Life Sciences split its former Integrated Diagnostic Solutions organizational unit into two units to better align BD resources with the distinct needs of each business.

The Life Sciences segment's revenue growth in the first quarter of 2025 primarily reflected the following:

- Strong growth driven by sales of the Specimen Management unit's BD Vacutainer™ portfolio and customers' upgrades to the unit's higher value products.
- Strong growth in sales of the Diagnostic Solutions unit's Kiestra™ lab automation and MAX™ IVD platforms, partially offset by a delayed start to the current-year's U.S. respiratory season.
- A decline in the Biosciences unit driven by anticipated lower demand for research instruments in the United States and China, partially offset by current-period licensing revenue.

Life Sciences segment income for the three-month period is provided below.

(Millions of dollars)	Three months ended December 31, 2024	2023
Life Sciences segment income	$ 383	$ 372
Segment income as % of Life Sciences revenues	*29.6 %*	*28.9 %*

The Life Sciences segment's operating income as a percentage of revenues in the first quarter of 2025 compared with the first quarter of 2024 primarily reflected the following:

- Higher gross profit margin in the first quarter of 2025 compared with the first quarter of 2024 primarily reflected lower manufacturing costs resulting from continuous improvement projects and other productivity initiatives.
- Selling and administrative expense as a percentage of revenues in the first quarter of 2025 was higher compared with the first quarter of 2024 which primarily reflected higher administrative costs in the current-year period.
- Higher research and development expense as a percentage of revenues in the first quarter of 2025 compared with the first quarter of 2024 primarily reflected a $30 million write-down of certain assets.

Interventional Segment

The following summarizes first quarter Interventional revenues by organizational unit:

(Millions of dollars)	Three months ended December 31, 2024	2023	Total Change	Estimated FX Impact	FXN Change
Surgery	$ 395	$ 369	7.0 %	0.2 %	6.8 %
Peripheral Intervention	473	454	4.1 %	0.3 %	3.8 %
Urology and Critical Care	389	365	6.6 %	0.3 %	6.3 %
Total Interventional Revenues	$ 1,257	$ 1,188	5.8 %	0.3 %	5.5 %

The Interventional segment’s revenue growth in the first quarter of 2025 primarily reflected the following:

- Double-digit growth in the Surgery unit’s sales of infection prevention products, as well as strong growth in sales of hernia repair products, particularly the unit’s Phasix™ resorbable scaffold.
- Strong growth in sales of the Peripheral Intervention unit’s peripheral vascular disease and end-stage kidney disease platforms, partially offset by a decline in sales of our oncology products due to an expected VoBP impact in China.
- Continued double-digit growth in sales of the Urology and Critical Care unit’s PureWick™ offerings.

Interventional segment income for the three-month period is provided below.

(Millions of dollars)	Three months ended December 31, 2024	2023
Interventional segment income	$ 387	$ 291
Segment income as % of Interventional revenues	*30.8 %*	*24.5 %*

The Interventional segment's operating income as a percentage of revenues in the first quarter of 2025 compared with the first quarter of 2024 reflected the following:

- Higher gross profit margin in the first quarter of 2025 compared with the first quarter of 2024, which primarily reflected favorable manufacturing variances and lower manufacturing costs, which resulted from continuous improvement projects and other productivity initiatives.
- Lower selling and administrative expense and research development expense as percentages of revenues in the first quarter of 2025 compared with the first quarter of 2024, which primarily reflected revenue growth that outpaced spending.

- Research and development expense as a percentage of revenues in the first quarter of 2025 was flat compared with the first quarter of 2024 which primarily reflected the timing of project spending.

Geographic Revenues

BD's worldwide first quarter revenues by geography were as follows:

	Three months ended December 31,				
(Millions of dollars)	2024	2023	Total Change	Estimated FX Impact	FXN Change
United States	$ 3,080	$ 2,749	12.0 %	— %	12.0 %
International	2,089	1,957	6.7 %	0.4 %	6.3 %
Total Revenues	$ 5,168	$ 4,706	9.8 %	0.2 %	9.6 %

U.S. revenue growth in the first quarter of 2025 reflected strong sales in the Medical segment's Medication Delivery Solutions and Medication Management Solutions units, as well as solid growth across all of the Interventional segment's units. Overall U.S. revenue growth also reflected the acquired Advanced Patient Monitoring unit's sales. U.S. revenue growth in the first quarter of 2025 was partially offset by a decline in the Medical segment's Pharmaceutical Systems unit, as further discussed above.

International revenue growth in the first quarter of 2025 was primarily driven by the Medical segment's Medication Delivery Solutions unit. Overall international revenue growth in the first quarter of 2025 also reflected the acquired Advanced Patient Monitoring unit's sales. International revenue growth in the first quarter of 2025 was partially offset by a decline in the Life Sciences segment's Biosciences unit, as further discussed above. Current-period revenues in emerging markets primarily reflected strong sales in certain countries within Greater Asia, as well as in EMA, partially offset by a decline in China driven by unfavorable market dynamics, as further discussed above:

	Three months ended December 31,				
(Millions of dollars)	2024	2023	Total Change	Estimated FX Impact	FXN Change
Emerging markets	$ 729	$ 716	1.8 %	(1.1) %	2.9 %

Specified Items

Reflected in the financial results for the three-month periods of fiscal years 2025 and 2024 were the following specified items:

	Three months ended December 31,	
(Millions of dollars)	2024	2023
Restructuring costs (a)	$ 66	$ 69
Integration costs (a)	24	5
Transaction costs (b)	3	—
Separation-related items (c)	—	2
Purchase accounting adjustments (d)	570	362
European regulatory initiative-related costs (e)	—	23
Product, litigation, and other items (f)	102	14
Total specified items	764	475
Less: tax impact of specified items and other tax related	71	(24)
After-tax impact of specified items	$ 693	$ 499

(a) Represents amounts associated with restructuring and integration activities, which are recorded in *Integration, restructuring and transaction expense* and are further discussed below.

(b) Represents transaction costs, which are recorded in *Integration, restructuring and transaction expense* associated with the Advanced Patient Monitoring acquisition.

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

(d) Includes amortization and other adjustments related to the purchase accounting for acquisitions. BD's amortization expense is recorded in *Cost of products sold.* The amount in the three-month period of 2025 includes $180 million due to a fair value step-up adjustment relating to Advanced Patient Monitoring's inventory on the acquisition date.

(e) 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.

(f) 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 the three-month period of 2025 included a charge within *Cost of products sold* of $22 million to adjust future costs estimated for product remediation efforts, as well as a non-cash $30 million charge recorded within *Research and development expense* to write down certain assets in the Life Sciences segment. The amount additionally included charges of approximately $29 million which were recorded to *Other operating expense, net,* and related to various legal matters. Additional disclosures regarding legislative and legal matters are provided in Note 5 in the Notes to Condensed Consolidated Financial Statements.

Gross Profit Margin

The comparison of gross profit margin for the three-month periods of fiscal years 2025 and 2024 reflected the following impacts:

	Three-month period
December 31, 2023 gross profit margin %	43.1 %
Impact of purchase accounting adjustments and other specified items	(3.6)%
Operating performance	3.5 %
Foreign currency impact	0.3 %
December 31, 2024 gross profit margin %	43.3 %

The unfavorable impact on gross margin for the three-month period of 2025 from specified items reflects amortization of intangibles attributable to the Advanced Patient Monitoring acquisition and an impact of $180 million resulting from a fair value step-up adjustment relating to Advanced Patient Monitoring's inventory on the acquisition date. The impact from specified items in the current-year period also included a $22 million charge recorded in the Medical segment to adjust the estimate of future product remediation costs, as further discussed in Note 5 in the Notes to Condensed Consolidated Financial Statements.

Operating performance in the three-month period of 2025 compared with the prior-year period primarily reflected lower manufacturing costs resulting from our ongoing continuous improvement projects and other productivity initiatives, partially offset by higher labor costs.

Operating Expenses

A summary of operating expenses for the three-month period of fiscal years 2025 and 2024 is as follows:

	Three months ended December 31,		Increase (decrease) in basis points
	2024	2023	
(Millions of dollars)			
Selling and administrative expense	$ 1,318	$ 1,213	
% of revenues	*25.5 %*	*25.8 %*	*(30)*
Research and development expense	$ 343	$ 290	
% of revenues	*6.6 %*	*6.2 %*	*40*
Integration, restructuring and transaction expense	$ 92	$ 75	
Other operating expense, net	$ 28	$ 11	

Selling and administrative expense

Selling and administrative expense as a percentage of revenues in the three-month period of 2025 was lower compared with the prior-year periods, which primarily reflected higher revenues, partially offset by higher selling costs in the current-year period.

Research and development expense

Higher research and development expense as a percentage of revenues in the three-month period of 2025 primarily reflected a $30 million write-down of certain assets in the Life Sciences segment and the timing of project spending.

Integration, restructuring and transaction expense

The amount in the three-month period of 2025 primarily included restructuring costs related to simplification and other cost-saving initiatives, as well as restructuring, integration and transaction costs relating to our acquisition of the Advanced Patient Monitoring unit. For further disclosures regarding restructuring costs, refer to Note 10 in the Notes to Condensed Consolidated Financial Statements.

Other operating expense, net

The amount in the three-month period of 2025 largely represented charges relating to legal matters. Additional disclosures regarding legislative and legal matters are provided in Note 5 in the Notes to Condensed Consolidated Financial Statements.

Nonoperating Income

Net interest expense

The components for the three-month periods of fiscal years 2025 and 2024 were as follows:

	Three months ended December 31,	
(Millions of dollars)	2024	2023
Interest expense	$ (155)	$ (111)
Interest income	23	34
Net interest expense	$ (132)	$ (77)

Higher interest expense for the three-month period of fiscal year 2025 compared with the prior-year period primarily reflected higher total debt outstanding at December 31, 2024 compared with December 31, 2023. The higher debt level in the current-year period reflected debt issued during fiscal year 2024 to fund the cash consideration payable upon our acquisition of Advanced Patient Monitoring.

Income Taxes

The income tax rates for the three-month periods of fiscal years 2025 and 2024 are provided below.

	Three months ended December 31,	
	2024	**2023**
Effective income tax rate	*0.9 %*	*21.6 %*
Impact, in basis points, from specified items	*(600)*	*1,520*

The effective income tax rate for the three-month period of fiscal year 2025 compared with the prior-year period primarily reflected the impact of a favorable discrete item on the current-period rate as further discussed in Note 14 in the Notes to Condensed Consolidated Financial Statements.

Net Income and Diluted Earnings per Share

Net income and diluted earnings per share for the three-month periods of fiscal years 2025 and 2024 were as follows:

	Three months ended December 31,	
	2024	**2023**
Net Income (Millions of dollars)	$ 303	$ 281
Diluted Earnings per Share	$ 1.04	$ 0.96
Unfavorable impact-specified items	$ (2.39)	$ (1.71)
Favorable impact-foreign currency translation	$ 0.01	

Liquidity and Capital Resources

The following table summarizes our condensed consolidated statements of cash flows:

	Three months ended December 31,	
(Millions of dollars)	**2024**	**2023**
Net cash provided by (used for):		
Operating activities	$ 693	$ 855
Investing activities	$ 204	$ (233)
Financing activities	$ (1,928)	$ (862)

Net Cash Flows from Operating Activities

Cash flows from operating activities in the first three months of fiscal year 2025 was largely driven by our net income, adjusted by a change in operating assets and liabilities that was a net use of cash. This net use of cash primarily reflected higher levels of inventory and prepaid expenses, as well as lower levels of accounts payable and accrued expenses, partially offset by lower levels of trade receivables. The decrease in accounts payable and accrued expenses reflected our payment of $175 million relating to the SEC investigation as further discussed in Note 5 in the Notes to Condensed Consolidated Financial Statements.

Cash flows from operating activities in the first three months of fiscal year 2024 was largely driven by our net income, adjusted by a change in operating assets and liabilities that was a net source of cash. This net source of cash primarily reflected lower levels of trade receivables, partially offset by lower levels of accounts payable and accrued expenses. Cash flows from operating activities in 2024 additionally reflected a discretionary cash contribution of $150 million to fund our pension obligation.

Net Cash Flows from Investing Activities

Our investments in capital expenditures are focused on projects that enhance our cost structure and manufacturing capabilities, as well as support our BD 2025 strategy for growth and simplification. Net outflows from investing activities in the first three

months of fiscal year 2025 included capital expenditure-related outflows of $105 million, compared with $116 million in the prior-year period. Current-period cash flows from investing activities also included a $411 million inflow attributable to the maturity of time deposits.

Net Cash Flows from Financing Activities

Net cash flows from financing activities in the first three months of fiscal years 2025 and 2024 included the following significant cash flows:

	Three months ended December 31,	
(Millions of dollars)	**2024**	**2023**
Cash inflow (outflow)		
Change in short-term debt	$ 75	$ —
Payments of debt	$ (875)	$ —
Repurchases of common stock	$ (750)	$ (500)
Dividends paid	$ (302)	$ (275)

Certain measures relating to our total debt were as follows:

(Millions of dollars)	**December 31, 2024**	**September 30, 2024**
Total debt	$ 18,758	$ 20,110
Weighted average cost of total debt	3.3 %	3.4 %
Total debt as a percentage of total capital*	42.0 %	42.9 %

* Represents shareholders' equity, net non-current deferred income tax liabilities, and debt.

Cash and Short-Term Investments

At December 31, 2024, total worldwide cash and equivalents and short-term investments, including restricted cash, were approximately $830 million and were primarily held outside of the United States. We regularly review the amount of cash and short-term investments held outside of the United States and our historical foreign earnings are used to fund foreign investments or meet foreign working capital and property, plant and equipment expenditure needs. To fund cash needs in the United States, we rely on ongoing cash flow from U.S. operations, access to capital markets and remittances from foreign subsidiaries of earnings that are not considered to be permanently reinvested.

Financing Facilities

We have a senior unsecured revolving credit facility in place which will expire in September 2027. The credit facility provides borrowings of up to $2.750 billion, with separate sub-limits of $100 million and $194 million for letters of credit and swingline loans, respectively. The expiration date of the credit facility may be extended for up to one additional one-year period, subject to certain restrictions (including the consent of the lenders). The credit facility provides that we may, subject to additional commitments by lenders, request an additional $500 million of financing, for a maximum aggregate commitment under the credit facility of up to $3.250 billion. Proceeds from this facility may be used for general corporate purposes and Becton Dickinson Euro Finance S.à r.l., an indirect, wholly-owned finance subsidiary of BD, is authorized as an additional borrower under the credit facility. There were no borrowings outstanding under the revolving credit facility at December 31, 2024.

The agreement for our revolving credit facility contains the following financial covenants. We were in compliance with these covenants, as applicable, as of December 31, 2024.

- We are required to have a leverage coverage ratio of no more than:
  - 4.25-to-1 as of the last day of each fiscal quarter following the closing of the credit facility; or
  - 4.75-to-1 for the four full fiscal quarters following the consummation of a material acquisition.

We may access commercial paper programs over the normal course of our business activities. Our U.S. and multicurrency euro commercial paper programs provide for a maximum amount of unsecured borrowings under the two programs, in aggregate, of $2.750 billion. Proceeds from these programs may be used for working capital purposes and general corporate purposes, which may include acquisitions, share repurchases and repayments of debt. We had $475 million of commercial paper borrowings outstanding as of December 31, 2024. We have additional informal lines of credit outside the United States. Also, over the

normal course of our business activities, we transfer certain trade receivable assets to third parties under factoring agreements. Additional disclosures regarding sales of trade receivable assets are provided in Note 13 in the Notes to Condensed Consolidated Financial Statements.

Access to Capital and Credit Ratings

Our corporate credit ratings with Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service ("Moody's) and Fitch Ratings ("Fitch") at December 31, 2024 were unchanged compared with our ratings at September 30, 2024.

Lower corporate debt ratings and downgrades of our corporate credit ratings or other credit ratings may increase our cost of borrowing. We believe that given our debt ratings, our financial management policies, our ability to generate cash flow and the non-cyclical, geographically diversified nature of our businesses, we would have access to additional short-term and long-term capital should the need arise. A rating reflects only the view of a rating agency and is not a recommendation to buy, sell or hold securities. Ratings can be revised upward or downward at any time by a rating agency if such rating agency decides that circumstances warrant such a change.

Concentrations of Credit Risk

We continually evaluate our accounts receivables for potential credit losses, particularly those resulting from sales to government-owned or government-supported healthcare facilities in certain countries, as payment may be dependent upon the financial stability and creditworthiness of those countries' national economies. In addition to continually evaluating all governmental receivables for potential credit losses based upon historical loss experiences, we also evaluate such receivables based upon the availability of government funding and reimbursement practices. We believe the current reserves related to all governmental receivables are adequate and that these receivables will not have a material adverse impact on our financial position or liquidity.

To date, we have not experienced a significant increased risk of credit losses in general as a result of current macroeconomic conditions. No assurances can be given that the risk of credit losses will not increase in the future given the uncertainty around the duration of the current macroeconomic challenges and pressures.

Other Matters

Critical Accounting Policies

There were no changes to our critical accounting policies from those disclosed in our 2024 Annual Report.

Regulatory Matters

Consent Decree with FDA

Our U.S. infusion pump organizational unit is operating under an amended consent decree originally entered into by Cardinal Health 303, Inc. with the FDA in 2007 related to its Alaris™ infusion pumps. In 2009, the decree was amended (the "Consent Decree") to include all infusion pumps manufactured by or for CareFusion 303, Inc., which was acquired by BD in 2015. CareFusion 303, Inc. remains the manufacturer of BD Alaris™ infusion pumps. The Consent Decree does not apply to intravenous administration sets and accessories.

Following an inspection that began in March 2020 of our Medication Management Systems' Infusion quality management system operating out of the site in San Diego, California (CareFusion 303, Inc.), the FDA issued a Form 483 Notice (the "2020 Form 483 Notice") that contained a number of observations regarding the quality system's compliance with FDA's Quality System, reporting of corrections and removals, and Medical Device Reporting (MDR) regulations. In December 2021, the FDA issued to CareFusion 303, Inc. a letter of non-compliance with respect to the Consent Decree (the "Non-Compliance Letter") stating that, among other things, it had determined that certain of the corrective actions to address the 2020 Form 483 Notice appeared to be adequate, some were still in progress such that adequacy could not be determined yet, and certain others were not adequate (e.g., complaint handling and corrective and preventive actions, design verification and medical device reporting). Per the terms of the Non-Compliance Letter, CareFusion 303, Inc. provided the FDA with a proposed comprehensive corrective action plan ("CAP") and has retained an independent expert to conduct periodic audits of the quality management system operating at the CareFusion 303, Inc. infusion pump facilities through 2025. CareFusion 303, Inc. has and will continue to update its CAP to address any observations that may arise during the course of these audits.

In addition, CareFusion 303, Inc. received an additional Form 483 Notice in May 2024 following an FDA inspection ("2024 Form 483 Notice") that contained observations related to the site's compliance with the FDA's quality system regulations and MDR regulation related to its Infusion quality management system (covered by the Consent Decree) and separate Dispensing quality management system (which is not subject of the Consent Decree). On November 22, 2024, BD received a Warning

Letter from the FDA, which is limited to CareFusion 303, Inc.'s Dispensing quality management system and BD Pyxis™ products ("Dispensing Warning Letter"). See "— FDA Warning Letters" below for further information.

The FDA's review of our responses to the observations specific to the Infusion quality management system in the 2024 Form 483 Notice and the CAP is ongoing, and no assurances can be given regarding further action by the FDA as a result of the observations, including but not limited to action pursuant to the Consent Decree, or that corrective actions proposed by CareFusion 303, Inc. will be adequate to address these observations. Additionally, we cannot currently predict the amount of additional monetary investment that will be incurred to resolve this matter or the matter's ultimate impact on our business.

The Consent Decree authorizes the FDA, in the event of any violations in the future, to order us to cease manufacturing and distributing infusion pumps, recall products and take other actions. We may be required to pay damages of $15,000 per day per violation if we fail to comply with any provision of the Consent Decree, up to $15 million per year.

We may be obligated to pay more costs in the future because, among other things, the FDA may determine that we are not fully compliant with the Consent Decree and Non-Compliance Letter and therefore impose penalties under the Consent Decree, and/or we may also be subject to future proceedings and litigation relating to the matters addressed in the Consent Decree, including, but not limited to, additional fines, penalties, other monetary remedies, and expansion of the terms of the Consent Decree. As of December 31, 2024, we do not believe that a loss is probable in connection with the Consent Decree, and accordingly, we have no accruals associated with compliance with the Consent Decree.

As previously disclosed, on July 21, 2023, BD received 510(k) clearance from the FDA for its updated BD Alaris™ Infusion System, which enables both remediation and a return to market for the BD Alaris™ Infusion System. This clearance covers updated hardware features for Point-of-Care Unit (PCU), large volume pumps, syringe pumps, patient-controlled analgesia (PCA) pumps, respiratory monitoring and auto-identification modules. It also covers a new BD Alaris™ Infusion System software version with enhanced cybersecurity, along with interoperability features that enable smart, connected care with electronic medical record systems. To address all open recalls and ensure all devices at customer sites are running the most recent version of the BD Alaris™ Infusion System Software, all of the current BD Alaris™ Infusion System devices in the U.S. market will be remediated or replaced with the updated 510(k) cleared version over the next several years.

FDA Warning Letters

On January 11, 2018, BD received a Warning Letter from the FDA with respect to our former BD Preanalytical Systems ("PAS") unit, citing certain alleged violations of quality system regulations and of law. BD has worked closely with the FDA and implemented corrective actions to address the quality management system concerns identified in the Warning Letter. In March 2020, the FDA conducted a subsequent inspection of PAS which it classified as Voluntary Action Indicated, which means the FDA will not take or recommend any administrative or regulatory action as a result of the unit's response to the observations associated with the quality management concerns in the inspection. Additionally, in December 2022, the FDA conducted a subsequent inspection of PAS (now Specimen Management) with no observations. BD continues to work with the FDA to generate additional clinical evidence and file 510(k)s as remaining commitments associated with the Warning Letter. As of December 31, 2024, BD has received eight FDA clearances. The FDA review of these remaining commitments is ongoing, and no assurances can be given regarding further action by the FDA as a result of these commitments, including but not limited to action pursuant to the Warning Letter.

As noted above, on November 22, 2024, BD received the Dispensing Warning Letter following an inspection of its Dispensing quality management system at its facility located in San Diego, California, citing certain alleged violations of the quality system regulations, MDR regulation, the corrections and removals reporting regulation and law. BD submitted a comprehensive response to address FDA's feedback in the Dispensing Warning Letter, which committed to implementing additional corrective actions; however, no assurances can be given regarding further action by the FDA as a result of FDA's Dispensing Warning Letter, or that corrective actions proposed and taken by CareFusion 303, Inc. will be adequate to address the Dispensing Warning Letter. Any failure to adequately address the Dispensing Warning Letter may result in regulatory actions initiated by the FDA without further notice, which may include, but are not limited to, seizure, injunction and civil monetary penalties. As a result, the ultimate resolution of the Dispensing Warning Letter and its impact on the Company's operations is unknown at this time. In connection with the Dispensing Warning Letter, the Company has accrued future costs estimated for product remediation efforts. See Note 5 in the Notes to Condensed Consolidated Financial Statements. It is possible that the amount of the Company's liability could exceed its currently accrued amount.

Ethylene Oxide/Sterilization

There is increased focus on the use and emission of ethylene oxide by the U.S. Environmental Protection Agency ("EPA") and state environmental regulatory agencies. Additional regulatory requirements associated with the use and emission of ethylene oxide may be imposed in the future, either domestically or outside the U.S. Ethylene oxide is the most frequently used sterilant

for medical devices and healthcare products in the U.S., and in certain cases is the only option to sterilize critical medical device products for the safe administration to patients. Any such increased regulation could require BD or sterilization service providers, including providers used by BD, to temporarily suspend operations to install additional emissions control technology, limit the use of ethylene oxide or take other actions, which would impact BD's operations and further reduce the available capacity to sterilize medical devices and healthcare products, and could also result in additional costs. To this end, BD has proactively installed fugitive emissions controls at our facilities in East Columbus, NE and Sandy, UT. On April 5, 2024, the final National Emission Standards for Hazardous Air Pollutants ("NESHAP"): Ethylene Oxide Emissions Standards for Sterilization Facilities regulation issued by the EPA became effective. Companies generally have two years from the effective date to comply with the new requirements of the NESHAP. We are in the process of implementing certain changes to our facilities in accordance with NESHAP's requirements, and such measures will require additional implementation and ongoing operational costs, including investments in certain new technologies.

In addition, on January 14, 2025, the EPA published a Notice of Availability for a Pesticide Registration Review; Interim Registration Review Decision for Ethylene Oxide ("ID"). The ID, which regulates the use of ethylene oxide as a sterilant and is intended to mitigate any human health and environmental risks associated with its use. We are assessing the impact of the ID on our sterilization facilities, on the third-party sterilization facilities that BD utilizes and on our operations more generally. Based on the Proposed interim Decision that EPA had published in 2023, we anticipate implementing certain changes at our facilities to comply with the ID's requirements, and such measures will require additional implementation and ongoing operational costs, including investments in certain new technologies.

If any new or existing regulatory requirements or rulemaking result in the suspension, curtailment or interruption of sterilization operations at BD or at medical device sterilizers used by BD, or otherwise limit the availability of third-party sterilization capacity, this could interrupt or otherwise adversely impact production of certain of our products or lead to civil litigation or other claims against BD. BD has business continuity plans in place to mitigate the impact of any such disruptions, although these plans may not be able to fully offset such impact, for the reasons noted above.

For further discussion of risks relating to the regulations to which we are subject, see Part I, Item 1A, of our 2024 Annual Report.

Cautionary Statement Regarding Forward-Looking Statements

This report includes forward-looking statements within the meaning of the federal securities laws. BD and its representatives may also, from time to time, make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in filings with the SEC, press releases, and our reports to shareholders. Forward-looking statements may be identified by the use of words such as "plan," "expect," "believe," "intend," "will," "may," "anticipate," "estimate" and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance (including volume growth, pricing, sales and earnings per share growth, and cash flows) and statements regarding our strategy for growth, liquidity, future product development, regulatory approvals, competitive position and expenditures. This report also includes forward-looking statements regarding the proposed separation of BD's Biosciences and Diagnostic Solutions business, including the anticipated benefits of the separation and the expected timing of completion of the separation. All statements that address our future operating performance or events or developments that we expect or anticipate will occur in the future are forward-looking statements.

Forward-looking statements are, and will be, based on management's then-current views and assumptions regarding future events, developments and operating performance, and speak only as of their dates. Investors should realize that if underlying assumptions prove inaccurate, or risks or uncertainties materialize, actual results could vary materially from our expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. Furthermore, we undertake no obligation to update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events and developments or otherwise, except as required by applicable law or regulations.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements. For further discussion of certain of these factors, see Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q, Item 1A. Risk Factors in our 2024 Annual Report, and our subsequent Quarterly Reports on Form 10-Q.

- General global, regional or national economic downturns and macroeconomic trends, including heightened inflation, capital market volatility, interest rate and currency rate fluctuations, and economic slowdown or recession, that may result in unfavorable conditions that could negatively affect demand for our products and services, impact the prices we can charge for our products and services, disrupt our transportation networks or other aspects of our supply chain, impair our ability to produce our products, or increase borrowing costs.
- The impact of inflation and disruptions in our global supply chain on BD and our suppliers (particularly sole-source suppliers and providers of sterilization services), including fluctuations in the cost and availability of oil-based resins

and other raw materials, as well as certain components, used in the production or sterilization of our products, transportation constraints, disruptions and delays, product shortages, energy shortages or increased energy costs, labor shortages or disputes, and increased operating and labor costs.

- The risks associated with the proposed separation of our Biosciences and Diagnostic Solutions business, including risks related to the manner of the separation and factors that could delay, prevent or otherwise adversely affect the completion, timing or terms of the separation, or our ability to realize the expected benefits of the separation.
- Conditions in international markets, including social and political conditions, geopolitical developments such as the continuation and/or escalation of the evolving situations in Ukraine, the Middle East and Asia, civil unrest, political conflict, terrorist activity, governmental changes, restrictions on the ability to transfer capital across borders, economic sanctions, export controls, tariffs and other protectionist measures, barriers to market participation (such as local company and products preferences), difficulties in protecting and enforcing our intellectual property rights, and governmental expropriation of assets. Our international operations also increase our compliance risks, including risks under the Foreign Corrupt Practices Act and other anti-corruption and bribery laws, as well as regulatory and privacy laws.
- The impact of changes in U.S. federal or foreign laws and policies that could affect fiscal and tax policies, taxation (including tax reforms, such as the implementation of a global minimum tax, that could adversely impact multinational corporations), and international trade, including import and export licensing regulation and international trade agreements. In particular, tariffs, sanctions or other trade barriers imposed by the U.S. or other countries, including those relating to China, Mexico or other countries and regions in which we do business, could adversely impact our supply chain costs or otherwise adversely impact our results of operations. The ultimate impact of any new tariffs is subject to a number of factors including the effective date and duration of such tariffs, changes in the amount, scope and nature of the tariffs in the future, any countermeasures that the target countries may take and any mitigating actions that may become available.
- Cost-containment efforts in the U.S. or in other countries in which we do business, such as alternative payment reform, government-imposed pay back provisions, increased use of competitive bidding and tenders, including, without limitation, any expansion of the volume-based procurement process in China or the implementation of similar cost-containment efforts.
- Competitive factors that could adversely affect our operations, including new product introductions and technologies, including the use of artificial intelligence, by our current or future competitors, consolidation or strategic alliances among healthcare companies, distributors and/or payers of healthcare to improve their competitive position or develop new models for the delivery of healthcare, increased pricing pressure due to the impact of low-cost manufacturers, patents attained by competitors (particularly as patents on our products expire), new entrants into our markets and changes in the practice of medicine.
- Product efficacy or safety concerns or non-compliance with applicable regulatory requirements regarding our products (such as non-compliance of our products with registration requirements resulting from modifications to such products, or other factors, including, but not limited to, with respect to BD Alaris™ pumps and related sets and BD Vacutainer™) resulting in product recalls, lost revenue or other actions being taken with respect to products in the field or the ability to continue selling new products to customers (including restrictions on future product clearances and civil penalties), product liability or other claims and damage to our reputation. As a result of the CareFusion acquisition, our U.S. infusion pump business is operating under a Consent Decree with the FDA. The Consent Decree authorizes the FDA, in the event of any violations in the future, to order our U.S. infusion pump business to cease manufacturing and distributing products, recall products or take other actions, and order the payment of significant monetary damages if the business subject to the decree fails to comply with any provision of the Consent Decree. In accordance with our commitments to the FDA, the overall timing of replacement or remediation of the BD Alaris™ Infusion Systems and return to market in the U.S. may be impacted by, among other things, customer readiness, supply continuity and our continued engagement with the FDA.
- Deficit reduction efforts or other actions that reduce or freeze the availability of government funding for healthcare and research, which could weaken demand for our products and result in additional pricing pressures, as well as create potential collection risks associated with such sales.
- Fluctuations and pauses in university or U.S. and international governmental funding and policies for research.
- Changes in the way healthcare services are delivered, including transition of more care from acute to non-acute settings and increased focus on chronic disease management, which may affect the demand for our products and services. Additionally, budget constraints and staffing shortages, particularly shortages of nursing staff, may affect the prioritization of healthcare services, which could also impact the demand for certain of our products and services.

- Our ability to achieve our projected level or mix of product sales, as our earnings forecasts are based on projected sales volumes and pricing of many product types, some of which are more profitable than others.
- Changes in coverage policies or reimbursement levels, or adverse decisions relating to our products and services by governments or third-party payers, which could reduce demand for our products or the price we can charge for such products.
- Changes in the domestic and foreign healthcare industry, in medical practices or in patient preferences that result in a reduction in procedures using our products or increased pricing pressures, including cost-reduction measures instituted by and the continued consolidation among healthcare providers.
- The effects of regulatory or other events (such as public health crises) that adversely impact our supply chain, including our ability to manufacture (including sterilize) our products (particularly where production of a product line or sterilization operations are concentrated in one or a few plants), source materials or components or services from suppliers (including sole-source suppliers) that are needed for such manufacturing (including sterilization), or provide products to our customers, including events that impact key distributors. In particular, there has been increased regulatory focus on the use and emission of ethylene oxide in sterilization processes, and additional regulatory requirements may be imposed in the future that could adversely impact BD or our third-party sterilization providers.
- IT system disruptions, breaches or breakdowns, including through cyberattacks, ransom attacks or cyber-intrusion, which could impair our ability or that of our customers, suppliers and other business partners to conduct business, result in the loss of BD trade secrets or otherwise compromise sensitive information of BD or its customers, suppliers and other business partners, or of patients, including sensitive personal data, or result in efficacy or safety concerns for certain of our products, and result in investigations, legal proceedings, liability, expense or reputational damage or actions by regulatory bodies or civil litigation.
- Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, successfully complete clinical trials, obtain and maintain regulatory approvals and registrations in the U.S. and abroad, obtain intellectual property protection for our products, obtain coverage and adequate reimbursement for new products, or gain and maintain market approval of products, as well as the possibility of infringement claims by competitors with respect to patents or other intellectual property rights, all of which could preclude or delay commercialization of a product. Delays in obtaining necessary approvals or clearances from the FDA or other regulatory agencies or changes in the regulatory process may also delay product launches and increase development costs.
- The impact of business combinations or divestitures, including any volatility in earnings relating to acquisition-related costs, and our ability to successfully integrate any business we may acquire.
- Risks relating to our overall level of indebtedness, including our ability to service our debt and refinance our indebtedness, which is dependent upon the capital markets and the overall macroeconomic environment and our financial condition at such time.
- Any impact that public health crises, such as pandemics and epidemics may have on our business, the global economy and the global healthcare system. This may include decreases in the demand for our products, disruptions to our operations or the operations of our suppliers and customers, disruptions to our supply chain, or increases in transportation costs.
- The risks associated with the qualification of the spin-off of our former Diabetes Care business as a tax-free transaction for U.S. federal income tax purposes.
- Our ability to penetrate or expand our operations in emerging markets, which depends on local economic and political conditions, and how well we are able to make necessary infrastructure enhancements to production facilities and distribution networks.
- Our ability to recruit and retain key employees and the impact of labor conditions which could increase employee turnover or increase our labor and operating costs and negatively affect our ability to efficiently operate our business.
- Fluctuations in the demand for products we sell to pharmaceutical companies that are used to manufacture, or are sold with, the products of such companies, as a result of funding constraints, consolidation or otherwise.
- The impact of climate change, or legal, regulatory or market measures to address climate change, such as regulation of greenhouse gas emissions, zero-carbon energy and sustainability mandates and related disclosure requirements, and additional taxes on fuel and energy, and changing customer and other stakeholder preferences and requirements, such as those regarding the use of materials of concern, increased demand for products with lower environmental footprints, and for companies to set and demonstrate progress against sustainability goals and greenhouse gas reduction targets.

- Natural disasters, including the impacts of hurricanes, tornadoes, windstorms, fires, earthquakes and floods and other extreme weather events, global health pandemics, war, terrorism, labor disruptions and international conflicts that could cause significant economic disruption and political and social instability, resulting in decreased demand for our products, adversely affect our manufacturing and distribution capabilities or cause interruptions in our supply chain.
- Pending and potential future litigation or other proceedings asserting, and/or investigations concerning and/or subpoenas and requests seeking information with respect to, alleged violations of law (including in connection with federal and/or state healthcare programs (such as Medicare or Medicaid), government contracts and/or sales and marketing practices (such as investigative subpoenas and the civil investigative demands received by BD)), potential anti-corruption and related internal control violations under the Foreign Corrupt Practices Act, antitrust claims, securities law claims, environmental and product liability matters (including pending claims relating to ethylene oxide, our hernia repair implant products, surgical continence and pelvic organ prolapse products for women, vena cava filter products and implantable ports, which involve, or could involve in the future, lawsuits seeking class action status or seeking to establish multi-district or other consolidated proceedings), data privacy breaches and patent infringement, and the availability or collectability of insurance relating to any such claims.
- New or changing laws and regulations affecting our domestic and foreign operations, or changes in enforcement practices, including, without limitation, laws relating to sales practices, environmental protection and reporting, price controls, privacy, data protection, cybersecurity, artificial intelligence, employment, labor, and licensing and regulatory requirements for new products and products in the post-marketing phase. In particular, the U.S. and other countries may impose new requirements regarding registration, labeling or prohibited materials that may require us to re-register products already on the market or otherwise impact our ability to market our products. Environmental laws, particularly with respect to the emission of greenhouse gases, are also becoming more stringent throughout the world, which may increase our costs of operations or necessitate changes in our manufacturing plants or processes or those of our suppliers, or result in liability to BD.
- The effect of adverse media exposure or other publicity regarding BD's business or operations, including the effect on BD's reputation or demand for its products.
- The effect of market fluctuations on the value of assets in BD's pension plans and on actuarial interest rate and asset return assumptions, which could require BD to make additional contributions to the plans or increase our pension plan expense.
- Our ability to obtain the anticipated benefits of restructuring programs, if any, that we may undertake.

The foregoing list sets forth many, but not all, of the factors that could impact our ability to achieve results described in any forward-looking statements. Investors should understand that it is not possible to predict or identify all such factors and should not consider this list to be a complete statement of all potential risks and uncertainties.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in information reported since the end of the fiscal year ended September 30, 2024.

Item 4. Controls and Procedures

An evaluation was carried out by BD's management, with the participation of BD's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of BD's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of December 31, 2024. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were, as of the end of the period covered by this report, effective and designed to ensure that material information relating to BD and its consolidated subsidiaries would be made known to them by others within these entities.

There were no changes in our internal control over financial reporting during the fiscal quarter ended December 31, 2024 identified in connection with the above-referenced evaluation that have materially affected, or are reasonably likely to materially affect, BD's internal control over financial reporting. On September 3, 2024, BD completed the acquisition of Edwards Lifesciences' Critical Care product group ("Critical Care"), which was renamed as BD Advanced Patient Monitoring ("Advanced Patient Monitoring"). In our 2024 Annual Report on Form 10-K, we excluded Advanced Patient Monitoring from our evaluation of internal control over financial reporting. This exclusion was in accordance with the U.S. Securities and Exchange Commission's general guidance that a recently acquired business may be omitted from the assessment scope for up to one year from the date of acquisition. BD has extended its oversight and monitoring processes that support our internal control over financial reporting, as well as our disclosure controls and procedures, to the acquired operations of Advanced Patient Monitoring. We will incorporate Advanced Patient Monitoring into our annual assessment of internal control over financial reporting for our fiscal year ending September 30, 2025.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are involved, both as a plaintiff and a defendant, in various legal proceedings, including product liability and environmental matters as set forth in our 2024 Annual Report, and in Note 5 of the Notes to Condensed Consolidated Financial Statements in this report, which is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A, of our 2024 Annual Report, except as follows.

Risks Relating to the Proposed Separation of the Biosciences and Diagnostic Solutions Business

On February 5, 2025, BD announced its intention to separate its Biosciences and Diagnostic Solutions business from the rest of BD.BD's board of directors has not yet determined the manner in which to execute the separation, which may include possible options such as a spin-off, sale, Reverse Morris Trust or other transaction. BD expects to announce more specifics on the separation plans by the end of fiscal year 2025 and intends to target completion of the transaction in fiscal year 2026. There are many factors that could impact the structure or timing of, or BD's determination to proceed with, the proposed separation, including market conditions, material adverse changes in business or industry conditions, unanticipated costs, potential problems or delays in obtaining various regulatory and tax approvals or clearances and changes in the regulatory or legal environment.

The proposed separation, if consummated, involves risks, including potential difficulties associated with the separation of operations, services and personnel, potential disruption in BD's operations or businesses, the potential loss of, or inability to recruit, key employees and potential adverse effects on relationships with key customers and other business counterparties. In addition, BD may incur significant expenses in connection with pursuing the proposed separation. Pursuing the proposed separation will require significant time and attention from BD's senior management and employees, which could disrupt BD's ongoing business and adversely affect financial results and results of operations. If BD does not successfully manage these risks, BD's business, financial condition and results of operations could be adversely affected.

The completion of any separation transaction will be contingent upon various conditions and approvals, including approval of BD's board of directors, receipt of requisite regulatory clearances and compliance with applicable SEC requirements. No assurance can be given regarding the form that a separation transaction may take or the specific terms or timing, or that a separation will in fact occur. In addition, if the proposed separation is completed, BD may not be able to achieve the full strategic and financial benefits that are expected to result from the separation. Delays or failure to consummate the proposed separation could negatively affect BD's business, financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The table below sets forth certain information regarding our purchases of common stock of BD during the quarter ended December 31, 2024.

Issuer Purchases of Equity Securities

For the three months ended December 31, 2024	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
October 1 - 31, 2024	1,110	$ 240.01	—	6,681,777
November 1 – 30, 2024	257	236.47	—	6,681,777
December 1 – 31, 2024 (3)	2,636,667	230.36	2,636,667	4,045,110
Total	2,638,034	$ 230.37	2,636,667	4,045,110

(1) Includes 1,367 shares purchased during the quarter in open market transactions by the trust relating to BD's Deferred Compensation and Retirement Benefit Restoration Plan and 1996 Directors' Deferral Plan.

(2) Represents shares available under a repurchase program authorized by the Board of Directors on November 3, 2021, for 10 million shares, for which there is no expiration date.

(3) Shares purchased includes an initial delivery of 2,636,667 shares of our common stock received upon payment of $750 million under an accelerated share repurchase ("ASR") agreement, which was executed in December 2024. An additional 619,071 shares were delivered in January 2025 based upon final settlement of the ASR agreement. The total average price paid per share in the table above reflects the volume weighted average price of BD's shares over the term

of the ASR agreement. Additional disclosures regarding this transaction are provided in Note 3 of the Notes to Condensed Consolidated Financial Statements in this report.

On January 28, 2025, the Board of Directors authorized BD to repurchase up to an additional 10 million shares of BD common stock, for which there is no expiration date.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three months ended December 31, 2024, certain of our officers adopted "Rule 10b5-1 trading arrangements," as defined in Item 408(a) of Regulation S-K of the Exchange Act, as follows.

On December 11, 2024, Richard Byrd, Executive Vice President and President, Interventional Segment of BD, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Mr. Byrd's plan is for (i) the exercise of up to 15,061 stock appreciation rights ("SARs") at various exercise prices, net of shares withheld to satisfy applicable taxes, (ii) the sale of up to 2,399 shares of BD's common stock, (iii) the sale of up to1,123 shares of BD's common stock upon the vesting of time vested units ("TVUs"), net of shares withheld to satisfy applicable taxes, and (iv) the sale of up to 1,590 shares of BD's common stock upon the vesting of performance units, subject to the final payout factor and net of shares withheld to satisfy applicable taxes. The foregoing exercises or sales will be made in accordance with the prices and formulas set forth in the plan and such plan terminates on the earlier of the date all the shares under the plan are sold and March 15, 2026.

On December 16, 2024, Antoine Ezell, Executive Vice President, President of the Americas and Chief Marketing Officer of BD, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Mr. Ezell's plan is for the sale of up to 3,900 shares of BD's common stock. The sales will be made in accordance with the prices and formulas set forth in the plan and such plan terminates on the earlier of the date all the shares under the plan are sold and March 17, 2026.

During the three months ended December 31, 2024, none of our officers or directorsadopted, terminated or modified any "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K of the Exchange Act.

Item 6. Exhibits

22	Subsidiary Issuer of Guaranteed Securities.
31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13a - 14(a).
32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Rule 13a - 14(b) and Section 1350 of Chapter 63 of Title 18 of the U.S. Code.
101	The following materials from this report, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Income, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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 thereunto duly authorized.

Becton, Dickinson and Company
(Registrant)

Dated: February 6, 2025

/s/ Christopher J. DelOrefice
Christopher J. DelOrefice
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 22

Subsidiary Issuers of Guaranteed Securities

As of December 31, 2024, Becton, Dickinson and Company ("BD") is the guarantor of the senior unsecured registered notes listed below issued by Becton Dickinson Euro Finance S.à r.l. ("BD Finance"). BD owns, directly or indirectly, 100% of BD Finance.

Becton Dickinson Euro Finance S.à r.l.

1.208% Notes due June 4, 2026

0.334% Notes due August 13, 2028

3.553% Notes due September 13, 2029

1.213% Notes due February 12, 2036

4.029% Notes due June 7, 2036

1.336% Notes due August 13, 2041

Exhibit 31

CERTIFICATION

I, Thomas E. Polen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Becton, Dickinson and Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2025

/s/ Thomas E. Polen

Thomas E. Polen

Chairman, Chief Executive Officer and President

CERTIFICATION

I, Christopher J. DelOrefice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Becton, Dickinson and Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 6, 2025

/s/ Christopher J. DelOrefice

Christopher J. DelOrefice

Executive Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended December 31, 2024 (the "Report") for the purpose of complying with Rule 13a – 14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Thomas E. Polen, the Chief Executive Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

Date: February 6, 2025

/s/ Thomas E. Polen
Name: Thomas E. Polen
Chief Executive Officer

CERTIFICATION

The certification set forth below is being submitted in connection with the Quarterly Report on Form 10-Q of Becton, Dickinson and Company for the quarter ended December 31, 2024 (the "Report") for the purpose of complying with Rule 13a – 14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Christopher J. DelOrefice, the Chief Financial Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) of the Exchange Act; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Becton, Dickinson and Company.

Date: February 6, 2025

/s/ Christopher J. DelOrefice
Name: Christopher J. DelOrefice
Chief Financial Officer