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, 2025

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
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
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 284,741,809 shares of Common Stock, $1.00 par value, outstanding at December 31, 2025.

BECTON, DICKINSON AND COMPANY
FORM 10-Q
For the quarterly period ended December 31, 2025

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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,	
	2025	2024
Revenues	$ 5,252	$ 5,168
Cost of products sold	2,841	2,933
Selling and administrative expense	1,393	1,318
Research and development expense	306	343
Integration, restructuring and transaction expense	111	92
Other operating expense, net	50	28
Total Operating Costs and Expenses	4,700	4,715
Operating Income	552	453
Interest expense	(153)	(155)
Interest income	4	23
Other expense, net	(10)	(16)
Income Before Income Taxes	393	306
Income tax provision	11	3
Net Income	$ 382	$ 303
Basic Earnings per Share	$ 1.34	$ 1.05
Diluted Earnings per Share	$ 1.34	$ 1.04
Dividends per Common Share	$ 1.05	$ 1.04

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,	
	2025	2024
Net Income	$ 382	$ 303
Other Comprehensive Income, Net of Tax		
Foreign currency translation adjustments	17	46
Defined benefit pension and postretirement plans	11	8
Cash flow hedges	10	2
Other Comprehensive Income, Net of Tax	37	56
Comprehensive Income	$ 419	$ 359

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, 2025	September 30, 2025
Assets	(Unaudited)	
Current Assets:		
Cash and equivalents	$ 740	$ 641
Restricted cash	284	210
Short-term investments	11	8
Trade receivables, net	2,508	2,994
Inventories:		
Materials	940	860
Work in process	495	490
Finished products	2,650	2,544
	4,085	3,894
Prepaid expenses and other	1,560	1,508
Total Current Assets	9,189	9,255
Property, Plant and Equipment	15,237	15,113
Less allowances for depreciation and amortization	8,265	8,116
Property, Plant and Equipment, Net	6,972	6,997
Goodwill	26,620	26,612
Developed Technology, Net	6,376	6,651
Customer Relationships, Net	2,128	2,231
Other Intangibles, Net	521	523
Other Assets	3,035	3,056
Total Assets	$ 54,841	$ 55,325
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current debt obligations	$ 2,623	$ 1,560
Payables, accrued expenses and other current liabilities	6,138	6,753
Total Current Liabilities	8,761	8,313
Long-Term Debt	16,916	17,621
Long-Term Employee Benefit Obligations	1,067	1,069
Deferred Income Taxes and Other Liabilities	2,815	2,933
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, 2025 and September 30, 2025	371	371
Capital in excess of par value	20,103	20,075
Retained earnings	16,704	16,622
Deferred compensation	25	25
Treasury stock	(10,064)	(9,808)
Accumulated other comprehensive loss	(1,857)	(1,895)
Total Shareholders' Equity	25,282	25,390
Total Liabilities and Shareholders' Equity	$ 54,841	$ 55,325

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,	
	2025	2024
Operating Activities		
Net income	$ 382	$ 303
Adjustments to net income to derive net cash provided by operating activities:		
Depreciation and amortization	614	607
Share-based compensation	91	90
Deferred income taxes	29	(151)
Change in operating assets and liabilities	(415)	(370)
Pension obligation	(2)	(2)
Other, net	(43)	216
Net Cash Provided by Operating Activities	657	693
Investing Activities		
Capital expenditures	(108)	(105)
Maturities and sales of investments, net	—	411
Acquisitions, net of cash acquired and adjustments	—	(8)
Other, net	(75)	(94)
Net Cash (Used for) Provided by Investing Activities	(183)	204
Financing Activities		
Change in short-term debt	317	75
Payments of debt	—	(875)
Repurchases of common stock	(250)	(750)
Dividends paid	(299)	(302)
Other, net	(69)	(76)
Net Cash Used for Financing Activities	(302)	(1,928)
Effect of exchange rate changes on cash and equivalents and restricted cash	2	(12)
Net increase (decrease) in cash and equivalents and restricted cash	174	(1,043)
Opening Cash and Equivalents and Restricted Cash	851	1,856
Closing Cash and Equivalents and Restricted Cash	$ 1,025	$ 813

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 2025 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.

Combination of Biosciences and Diagnostic Solutions Business with Waters

On February 9, 2026, the Company completed the spin-off to BD shareholders of the Company's Biosciences and Diagnostic Solutions business and the combination of the business with Waters Corporation ("Waters") in a Reverse Morris Trust transaction. In the transaction, BD's shareholders received shares of Waters common stock representing 39.2% of the combined company on a fully diluted basis. In connection with the transaction, BD received a cash distribution of $4 billion from the spin-off entity, which was funded by $4 billion of indebtedness incurred by that entity. BD has received a favorable Private Letter Ruling from the Internal Revenue Service regarding matters relating to the U.S. federal income tax consequences of the transaction. Subsequent to the separation and combination, the historical results of the Biosciences and Diagnostic Solutions business will be reflected as discontinued operations in the Company's consolidated financial statements.

In connection with the separation and combination, the Company and Waters entered into various agreements to effect the transaction and provide a framework for the relationship between the Company and Waters after the transaction close. Such agreements include the separation agreement, a transition services agreement, an employee matters agreement, a tax matters agreement, manufacturing agreements, and various lease agreements. Under these agreements the Company will continue to provide certain products and services to Waters following the completion of the transaction.

Note 2 – Accounting Changes

New Accounting Principles Not Yet Adopted

In September 2025, the Financial Accounting Standards Board ("FASB") issued an accounting standard update to amend the criteria for capitalizing internal-use software costs. This update is intended to modernize the accounting for software costs by replacing the legacy guidance under which capitalization is based on the nature of costs and the project development stage. This update requires software capitalization to begin when (1) management has authorized and committed funding to the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. The update is effective for the Company beginning in its fiscal year 2029, with early adoption permitted. The Company is currently assessing the potential impact of this update on its consolidated financial statements.

In November 2024, the 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, and amortization) 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 annually in the income tax rate reconciliation and income taxes paid disclosures. This update is effective for the Company for its fiscal year 2026, and the Company expects to include the required disclosures in its 2026 Annual Report on Form 10-K.

Note 3 – Shareholders' Equity

Changes in certain components of shareholders' equity for the first quarter of fiscal years 2026 and 2025 were as follows:

(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, 2025	$ 371	$ 20,075	$ 16,622	$ 25	(85,192)	$ (9,808)
Net income	—	—	382	—	—	—
Common dividends ($1.05 per share)	—	—	(299)	—	—	—
Issuance of shares under employee and other plans, net	—	(63)	—	—	660	(2)
Share-based compensation	—	91	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	(5)	—
Repurchase of common stock (b)	—	—	—	—	(1,315)	(254)
Balance at December 31, 2025	$ 371	$ 20,103	$ 16,704	$ 25	(85,853)	$ (10,064)

(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, 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 (b)	—	(150)	—	—	(2,637)	(606)
Balance at December 31, 2024	$ 371	$ 19,768	$ 16,141	$ 25	(83,459)	$ (9,425)

(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.

(b) Amounts recorded to *Treasury stock* include excise tax on share repurchases.

Share Repurchases

In the first quarter of fiscal year 2026, the Company repurchased 1.315 million shares of its common stock for total consideration of $250 million through open market repurchases, which was recorded as an increase to *Treasury stock*.

In the first quarter of fiscal year 2025, the Company executed an accelerated share repurchase agreement for the repurchase of 3.256 million shares of its common stock for total consideration of $750 million. During the first quarter of fiscal 2025, (1) the initial delivery of 2.637 million shares was recorded as an increase to *Treasury stock* to recognize the acquisition of common stock acquired in a treasury stock transaction, and (2) the remaining 619 thousand shares, which were received and settled for $150 million during the second quarter of 2025, were 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. 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 *Treasury stock* and an offsetting increase to *Capital in excess of par value.*

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. On January 28, 2025, the Board of Directors authorized BD to repurchase an additional 10 million shares of BD common stock, for which there is also no expiration date. As of December 31, 2025, 11 million shares remained unused under the programs authorized in prior periods. On January 27, 2026, the Board of Directors authorized BD to repurchase an additional 10 million shares of BD common stock, for which there is also no expiration date.

The Company expects to use approximately $2 billion of the cash distribution received in connection with the transaction with Waters, as further discussed in Note 1, for share repurchases through an accelerated share repurchase program that is expected to be executed in the second quarter of fiscal year 2026.

The components and changes of *Accumulated other comprehensive income (loss)* for the first quarter of fiscal years 2026 and 2025 were as follows:

(Millions of dollars)	Total	Foreign Currency Translation (a)	Benefit Plans	Cash Flow Hedges (b)	Available-for-Sale Debt Securities
Balance at September 30, 2025	$ (1,895)	$ (1,353)	$ (636)	$ 94	$ —
Other comprehensive income before reclassifications, net of taxes	28	17	—	11	—
Amounts reclassified into income, net of taxes	9	—	11	(1)	—
Balance at December 31, 2025	$ (1,857)	$ (1,336)	$ (625)	$ 104	$ —

(Millions of dollars)	Total	Foreign Currency Translation (a)	Benefit Plans	Cash Flow Hedges (b)	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)

(a) Includes net (losses) gains relating to net investment hedges and amounts relating to intercompany balances of a long-term investment nature.

(b) Relates primarily to foreign exchange contracts. Additional disclosures regarding the Company's derivatives are provided in Note 11.

The tax impacts for amounts recognized in other comprehensive income 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, 2025 and 2024 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,	
	2025	2024
Average common shares outstanding	285,582	289,505
Dilutive share equivalents from share-based plans	263	884
Average common and common equivalent shares outstanding – assuming dilution	285,845	290,389
Share equivalents excluded from the diluted shares outstanding calculation:		
Share-based plans (a)	4,181	2,758

(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 mediation 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 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 Securities and Exchange Commission ("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, 2025 and September 30, 2025, the Company was defending approximately6,905 product liability claims involving its line of hernia repair devices (collectively, the "Hernia Product Claims"). In the fourth quarter of fiscal year 2024, the Company entered into a settlement agreement to resolve the vast majority of its existing hernia litigation, and the amounts payable pursuant to this settlement agreement are included within the Company's recorded accrual for this matter and will be paid out over a multi-year period.

The majority of the claims are currently pending in a coordinated proceeding in Rhode Island State Court 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, 2025, 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 the Company's line of inferior vena cava filter products, which are pending in various jurisdictions. As of December 31, 2025, the Company is defending approximately 2,765 product liability claims involving 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, with the first scheduled trial to commence in April 2026 and the next in July 2026. 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.

Government Matters

In December 2024, the Company reached an agreement to resolve a matter with the Enforcement Division of the SEC relating to, among other things, certain reporting issues involving BD Alaris™ infusion pumps included in SEC disclosures prior to 2021. Per the terms of the settlement, BD paid the SEC $175 million in the first quarter of fiscal year 2025, which was previously accrued as of September 30, 2024. Also, as part of its settlement, the Company engaged and worked 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. That process is complete, concluding this matter.

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 its requests and the assessment.

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 these requests and the assessment.

Other Matters

The Company was sued in state and federal courts in Georgia by plaintiffs who work or reside near Company facilities in Covington, Georgia, 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, 2025, the Company has approximately 420 of such suits involving approximately 430 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. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters.

On May 2, 2025, the compensatory phase of the first trial in these cases resulted in the jury awarding the plaintiff $20 million in compensatory damages with the matter proceeding to a punitive phase. On May 6, 2025, the jury made a punitive damages finding in the amount of $50 million, which was set aside by the court as the judge declared a mistrial as to this phase of the trial. The mistrial was declared because the jury was not unanimous regarding the issue of specific intent to cause harm, which is required in a case like this for a punitive damages award above a $250,000 cap. After declaring a mistrial in the punitive phase, the court asked for briefing as to potential broader ramifications of that declaration, ruling on September 15, 2025, that a retrial would only be on the issue of specific intent to cause harm and not a complete mistrial which the Company sought. The trial court also permitted the Company to seek appellate review, which the Georgia Court of Appeals accepted on October 23, 2025. At this time, no judgment has been entered in the case, which is still pending. No amounts have been accrued with respect to this individual case because there is no judgment and there are a multitude of strong appellate issues, which the Company is pursuing.

In December 2025, the Company was served with a complaint by competitor TELA Bio, Inc., making antitrust allegations relating to certain sales of hernia devices. The Company disputes the allegations and is vigorously defending itself in this matter.

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 affirmed the constitutionality of the medical device payback legislation. During its fourth quarter of fiscal year 2025, the Company made a payment to settle its obligations for calendar years 2015 through 2018 in accordance with an Economy Decree issued by the Italian government in June 2025 which allowed companies, upon their closure of all pending litigation relating to amounts due for calendar years 2015 through 2018, to pay 25% of the invoiced amounts for those years. No payment requests have been issued to the Company for any subsequent years and ultimate resolution for amounts that may be due for these later years is unknown at this time. As such, it is possible that the amount of the Company's liability could differ from its 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 $83 million as of December 31, 2025. Since receipt of the Warning Letter, the Company has continued to assess, based upon currently available information, the resources that will be required to address the non-conformities cited in the Warning Letter

while optimizing the customer experience and ensuring the Company's remediation plans can be fully executed within its planned timelines. The Company submitted a comprehensive response to address the 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 noted non-conformities, 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.

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 United States. The affected sites are in varying stages of development. In some instances, the remediation 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

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 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 regarding the nature, timing, and extent of each matter.

The Company considers relevant information when estimating its accruals for product liability and other legal matters, 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 settlements; historical information regarding settlements involving the Company; and the stage of litigation. Because currently available information is often limited, there is inherent uncertainty and volatility relating to the Company's estimates of liability. As additional information becomes available, the Company records adjustments to its accruals as required.

Accruals for the Company's product liability claims and certain other legal matters, which are discussed above, as well as legal defense costs for certain of these matters, amounted to approximately $1.7 billion and $1.8 billion at December 31, 2025 and September 30, 2025, respectively. A substantial portion of these accruals are recorded within *Deferred Income Taxes and Other Liabilities* and the remainder are recorded within *Total Current Liabilities* on the Company's condensed consolidated balance sheets. The Company's accruals for product liability and certain other legal matters as of December 31, 2025, as compared with September 30, 2025, primarily reflected payments of settlements and legal fees.

The particular outcome in any one trial is typically not representative of potential outcomes of all cases or claims. Because any 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 2025 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. Periodically, the Company generates 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 $933 million and $905 million at December 31, 2025 and September 30, 2025, 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 $457 million and $481 million and as of December 31, 2025 and September 30, 2025, 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 $2.5 billion at December 31, 2025. 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 $2.4 billion at December 31, 2025. 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

Effective October 1, 2025, the Company reorganized its organizational units intofive worldwide business segments: BD Medical Essentials (“Medical Essentials”), BD Connected Care (“Connected Care”), BD BioPharma Systems (“BioPharma Systems”), BD Interventional (“Interventional”) and BD Life Sciences (“Life Sciences”). The Company's segments are strategic businesses that are managed separately because each one develops, manufactures and markets distinct products and services. The segment reorganization did not affect the principal product lines of any organizational unit.

The following table provides an overview of the Company’s reportable segments and their respective organizational units.

Reportable Segment:	**Organizational Units:**
Medical Essentials	Medication Delivery Solutions, Specimen Management
Connected Care	Medication Management Solutions, Advanced Patient Monitoring
BioPharma Systems	BioPharma Systems (formerly Pharmaceutical Systems)
Interventional	Urology and Critical Care, Peripheral Intervention, Surgery
Life Sciences (a)	Diagnostic Solutions and Biosciences

(a) The Company’s Biosciences and Diagnostic Solutions business was separated from the Company and combined with Waters on February 9, 2026, as further discussed in Note 1. Subsequent to the separation and combination, the Life Sciences segment will be eliminated from the Company’s segment reporting, which will consist of the remaining four reportable segments.

The Company’s Chairman, Chief Executive Officer and President is its chief operating decision maker (“CODM”). The Company presents segment results on a consistent basis with internal reporting regularly reviewed by the CODM, on both a reported and a foreign currency-neutral basis, to evaluate business segment performance as compared to budget and allocate resources such as capital and headcount. Business segment performance is evaluated based on operating income before taxes excluding certain corporate expenses and other adjustments that are not considered part of ordinary operations. Such adjustments primarily include: amortization and other adjustments related to the purchase accounting for acquisitions; certain product remediation costs; amounts related to certain legal matters; costs associated with restructuring and integration activities; acquisition-related transaction costs; and separation-related items. These amounts are included in the reconciliation of segment operating income to the Company’s *Income Before Income Taxes* below.

The Company's prior-period segment amounts have been recast in the tables below to conform to the new segment structure and to the current-period segment income presentation.

Revenues by segment, organizational unit and geographical areas for the three months ended December 31, 2025 and 2024 are detailed below. The Company has no material intersegment revenues.

s of dollars)		Three Months Ended December 31,					
		2025			2024		
		United States	International	Total	United States	International	Total
l Essentials							
tion Delivery Solutions	$	$693	$ 435	$1,128	$694	$ 430	1,124
en Management		245	222	468	238	223	462
	Total segment revenues	$938	$ 658	$1,595	$932	$ 654	1,586
ted Care							
tion Management Solutions	$	$678	$ 156	$ 835	$659	$ 142	801
ed Patient Monitoring		178	119	297	159	113	271
	Total segment revenues	$857	$ 275	$1,131	$818	$ 255	1,073
rma Systems	$	$150	$ 279	$ 429	$104	$ 314	418
ational							
ral Intervention	$	$265	$ 220	$ 485	$253	$ 220	473
y and Critical Care		339	88	427	306	83	389
		310	108	418	303	92	395
	Total segment revenues	$914	$ 416	$1,330	$861	$ 396	1,257
iences							
stic Solutions	$	$176	$ 264	$ 439	$212	$ 262	474
nces		124	202	327	153	208	361
	Total segment revenues	$300	$ 466	$ 766	$365	$ 470	836
	Total Company revenues	$3,159	$2,093	$5,252	$3,080	$2,089	5,168

The following tables include the significant expenses by segment that are regularly provided to the CODM and a reconciliation of segment operating income to *income before Income Taxes*.

Three Months Ended December 31, 2025

(Millions of dollars)	Medical Essentials	Connected Care	BioPharma Systems	Interventional	Life Sciences	Total
Revenues	$ 1,595	$ 1,131	$ 429	$ 1,330	$ 766	$ 5,252
Segment expenses:						
Cost of products sold	800	501	243	445	393	2,382
% of revenues	*50.1 %*	*44.3 %*	*56.6 %*	*33.5 %*	*51.3 %*	
Selling and administrative expense	180	191	29	262	147	808
% of revenues	*11.3 %*	*16.9 %*	*6.6 %*	*19.7 %*	*19.2 %*	
Research and development expense	47	85	18	63	66	279
% of revenues	*2.9 %*	*7.5 %*	*4.1 %*	*4.7 %*	*8.7 %*	
Other operating expense, net	—	3	—	—	—	3
% of revenues	*— %*	*0.3 %*	*— %*	*— %*	*— %*	
Segment Operating Income	$ 569	$ 352	$ 140	$ 561	$ 159	$ 1,780
% of revenues	*35.6 %*	*31.1 %*	*32.6 %*	*42.1 %*	*20.8 %*	
Unallocated items						
Net interest expense						(149)
Corporate administrative and other unallocated (a)						(690)
Specified items:						
Purchase accounting adjustments (b)						(391)
Integration, restructuring and transaction expense						(111)
Product, litigation, and other items (c)						(8)
Separation-related items (d)						(38)
Income Before Income Taxes						$ 393

Three Months Ended December 31, 2024

(Millions of dollars)	Medical Essentials	Connected Care	BioPharma Systems	Interventional	Life Sciences	Total
Revenues	$ 1,586	$ 1,073	$ 418	$ 1,257	$ 836	$ 5,168
Segment expenses:						
Cost of products sold	770	483	232	404	385	2,273
% of revenues	*48.5 %*	*45.0 %*	*55.4 %*	*32.1 %*	*46.1 %*	
Selling and administrative expense	165	168	29	237	142	740
% of revenues	*10.4 %*	*15.7 %*	*6.8 %*	*18.9 %*	*17.0 %*	
Research and development expense	44	80	17	56	68	265
% of revenues	*2.8 %*	*7.4 %*	*4.1 %*	*4.4 %*	*8.1 %*	
Other operating expense, net	—	6	—	—	—	6
% of revenues	*— %*	*0.6 %*	*— %*	*— %*	*— %*	
Segment Operating Income	$ 607	$ 336	$ 141	$ 561	$ 240	$ 1,884
% of revenues	*38.3 %*	*31.3 %*	*33.7 %*	*44.6 %*	*28.7 %*	
Unallocated items						
Net interest expense						(132)
Corporate administrative and other unallocated (a)						(682)
Specified items:						
Purchase accounting adjustments (b)						(570)
Integration, restructuring and transaction expense						(92)
Product, litigation, and other items (c)						(102)
Income Before Income Taxes						$ 306

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

(b) Includes amortization and other adjustments related to the purchase accounting for acquisitions. The Company's amortization expense is recorded in *Cost of products sold*. The amount in the three months ended December 31, 2024 includes $180 million due to a fair value step-up adjustment relating to Advanced Patient Monitoring's inventory on the acquisition date.

(c) Includes certain items which are not part of ordinary operations and affect the comparability of the periods presented. Such items may include certain product remediation costs, amounts related to certain legal matters, certain investment gains and losses, certain asset impairment charges, and certain pension settlement costs.

(d) Represents costs recorded to *Other operating expense, net* incurred in connection with the separation of BD's Biosciences and Diagnostic Solutions business and the combination of the business with Waters, as further discussed in Note 1, for the three months ended December 31, 2025.

Segment information for both capital expenditures and depreciation and amortization is provided below.

(Millions of dollars)	Three Months Ended December 31, 2025	2024
Capital Expenditures		
Medical Essentials	$ 40	$ 35
Connected Care	12	16
BioPharma Systems	29	21
Interventional	17	23
Life Sciences	6	9
Corporate and All Other	3	1
Total Capital Expenditures	$ 108	$ 105
Depreciation and Amortization		
Medical Essentials	$ 141	$ 135
Connected Care	194	194
BioPharma Systems	34	31
Interventional	197	200
Life Sciences	45	44
Corporate and All Other	3	3
Total Depreciation and Amortization	$ 614	$ 607

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, 2025	2024
Service cost	$ 9	$ 12
Interest cost	31	42
Expected return on plan assets	(40)	(56)
Amortization of loss	8	10
Net pension cost	$ 7	$ 8

The amounts provided above for amortization of loss represent the reclassifications of 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 – Business Restructuring Charges

The Company incurred restructuring costs during the three months ended December 31, 2025, 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, organizational realignment related to the separation of the Company's Biosciences and Diagnostic Solutions business, 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, 2025 was as follows:

(Millions of dollars)	Employee Termination	Other (a)	Total
Balance at September 30, 2025	$ 33	$ 30	$ 63
Charged to expense	41	33	75
Cash payments	(27)	(31)	(58)
Non-cash settlements	—	(3)	(3)
Balance at December 31, 2025	$ 47	$ 29	$ 76

(a) Primarily consists of non-employee-related costs associated with the execution of the Company's cost efficiency and restructuring programs, such as incremental project management costs.

Note 10 – Intangible Assets

Intangible assets consisted of:

	December 31, 2025			September 30, 2025		
ons of dollars)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets						
Developed technology	$ 15,883	(9,507)	6,376	15,876	(9,225)	6,651
Customer relationships	5,522	(3,395)	2,128	5,522	(3,291)	2,231
Patents, trademarks and other	1,268	(763)	505	1,251	(745)	507
Amortized intangible assets	$ 22,673	(13,665)	9,009	22,649	(13,261)	9,389
Unamortized intangible assets						
quired in-process research and development	$ 14		$ 14			
Trademarks	2			2		
Unamortized intangible assets	$ 16		$ 16			

Intangible amortization expense was $397 million and $395 million for the three months ended December 31, 2025 and 2024, respectively.

The following is a reconciliation of goodwill by business segment:

(Millions of dollars)	Medical Essentials (a)	Connected Care (a)	BioPharma Systems (a)	Interventional (a)	Life Sciences (a)	Total
Goodwill as of September 30, 2025	$ 7,011	$ 6,093	$ 96	$ 12,764	$ 648	$ 26,612
Currency translation	4	1	—	3	1	9
Goodwill as of December 31, 2025	$ 7,015	$ 6,093	$ 96	$ 12,767	$ 648	$ 26,620

(a) Effective October 1, 2025, the Company reorganized its organizational units intofive distinct, separately-managed segments, based on the nature of its product and service offerings, as further discussed in Note 7.

Note 11 – 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, 2025 and September 30, 2025 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, 2025 and September 30, 2025 were as follows:

(Millions of dollars)	Hedge Designation	December 31, 2025	September 30, 2025
Foreign exchange contracts (a)	Undesignated	$ 2,906	$ 5,710
Foreign exchange contracts (b)	Cash flow hedges	898	1,170
Foreign currency-denominated debt (c)	Net investment hedges	2,644	2,630
Cross-currency swaps (d)	Net investment hedges	1,054	1,054

(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, 2025 and 2024 were immaterial to the Company's consolidated financial results.

(b) Represents foreign exchange contracts related to anticipated intercompany purchases and sales, 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 amounts 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, 2025 and 2024 were immaterial. Net realized gains of $32 million, net of tax, related to these cash flow hedges are expected to be reclassified from accumulated other comprehensive income into earnings within the next 12 months of December 31, 2025.

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

(Millions of dollars)	Three Months Ended December 31, 2025	2024
Foreign currency-denominated debt	$ (9)	$ 145
Cross-currency swaps (a)	—	67

(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, 2025 and 2024 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, 2025 and September 30, 2025 were as follows:

(Millions of dollars)	Hedge Designation	December 31, 2025	September 30, 2025
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, 2025 and September 30, 2025 were immaterial to the Company's consolidated financial results.

Note 12 – 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, 2025 and September 30, 2025 to the total of these amounts shown on the Company's condensed consolidated statements of cash flows:

(Millions of dollars)	December 31, 2025	September 30, 2025
Cash and equivalents	$ 740	$ 641
Restricted cash	284	210
Cash and equivalents and restricted cash	$ 1,025	$ 851

Cash equivalents consist of all highly liquid investments with a maturity of three months or less at time of purchaseRestricted 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, 2025	September 30, 2025
Institutional money market accounts (a)	Level 1	$ —	$ 18
Current portion of long-term debt (b)	Level 2	1,445	700
Long-term debt (b)	Level 2	15,952	16,745

(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 amounts 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.

(Millions of dollars)	Three Months Ended December 31, 2025	Three Months Ended December 31, 2024
Trade receivables transferred to third parties under factoring arrangements	$ 431	$ 360

	December 31, 2025	September 30, 2025
Amounts yet to be collected and remitted to the third parties	$ 393	$ 389

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 $208 million and $234 million of outstanding payables related to supplier finance programs as of December 31, 2025 and September 30, 2025, respectively, which were recorded within *Payables, accrued expenses and other current liabilities* on the Company's condensed consolidated balance sheets.

Note 13 – Income Taxes

Income Tax Expense

The Company's effective income tax rates were 2.8% and 0.9% for the three months ended December 31, 2025 and 2024, respectively. The effective income tax rate for the three months ended December 31, 2025 reflected a less favorable net impact from discrete items compared with the prior-year period.

Note 14 – Subsequent Event

Combination of Biosciences and Diagnostic Solutions Business with Waters

On February 9, 2026, the Company completed the spin-off of its Biosciences and Diagnostic Solutions business and the combination of the business with Waters. Additional disclosures regarding this transaction are provided in Note 1.

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.

Effective October 1, 2025, we reorganized our organizational units into five distinct, separately-managed segments, based on the nature of our product and service offerings. Our new organizational structure is based upon the following five worldwide segments: BD Medical Essentials ("Medical Essentials"), BD Connected Care ("Connected Care"), BD BioPharma Systems ("BioPharma Systems"), BD Interventional ("Interventional") and BD Life Sciences ("Life Sciences"). Our prior-period segment amounts have been recast in the tables below to conform to the new segment structure and to the current-period segment income presentation, as further discussed in Note 7 in the Condensed Consolidated Financial Statements.

The Life Sciences segment includes our Biosciences and Diagnostic Solutions business, which was separated from BD and combined with Waters Corporation ("Waters") on February 9, 2026, as further discussed in Note 1 to the Condensed Consolidated Financial Statements. Subsequent to the separation and combination, the historical results of the Biosciences and Diagnostic Solutions business will be reflected as discontinued operations in our consolidated financial statements and the Life Sciences segment will be eliminated from our segment reporting, which will consist of the remaining four reportable segments.

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. Beginning in fiscal 2026, we split our EMEA (Europe, the Middle East and Africa) region into two distinct regions, Europe and META (the Middle East, Turkey, and Africa), to better align with our organizational structure. We now organize our operations outside the United States as follows: Europe, META; 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, Latin America and certain countries within Greater Asia.

As discussed above, we have reorganized our businesses and entered a new strategy of growth across our segments. Under New BD, we remain focused on touching and improving more patient lives, creating greater value for our associates and delivering even more impact for our customers. Our New BD strategy, Excellence Unleashed, is anchored in three strategic priorities: "compete", "innovate" and "deliver". To "compete", we are elevating our commercial capabilities to gain share in the fastest growing areas of the medical technology market and to deliver an exceptional customer experience. Our priority to "innovate" emphasizes bringing high-impact solutions to the market and executing a pipeline that is stronger, more focused and productivity-driven. As we "deliver", we strive for operational excellence, particularly in areas including safety, quality, reliable supply and cash flow generation.

Key Trends and Uncertainties Affecting Results of Operations

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 has caused customers for certain of our instruments to delay or forgo purchases of these products. Lower demand for vaccines has also adversely impacted our results of operations. The future demand for our products and services could be impacted by other factors including the deterioration of healthcare systems' budgets.

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, or against the United States from countries in which we do business, could adversely impact our supply chain costs, results of operations and our financial condition. Tariffs adversely impacted our first quarter fiscal year 2026 operating expense and we continue to monitor

international trade policy-related developments to assess their potential future impacts to our operations. Based upon the latest published tariffs that are currently in effect, we expect a continued adverse impact to operating expense for fiscal year 2026 and potentially beyond, primarily relating to any products (or components) imported from countries across our global supply chain which have no exemption opportunities. The ultimate impact of any existing or new tariffs or other changes in international trade policies is subject to a number of factors including, but not limited to, the duration of such tariffs, changes in tariff rates, the amount, scope and nature of the tariffs, any countermeasures that target countries may take, or any mitigating actions that may become available. While sourcing optimization and tariff exemptions for qualifying products are key aspects of our mitigation strategy, the timing of such or the ultimate results we will realize from these efforts are uncertain. In addition, our tariff mitigation strategies have been, and may be further challenged, rejected or eliminated through legislation or other challenges, or may otherwise not be effective, which may impact the collectability of the receivable we have recorded for exemption claims.

We continue to invest 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 (including strategic geographical expansion), and develop innovative new products, as well as continue to improve operating efficiency and organizational effectiveness.

For additional information on risk factors that may impact our business, results of operations, financial condition and cash flows, see Part I, Item 1A. Risk Factors of our 2025 Annual Report on Form 10-K (the "2025 Annual Report").

Overview of Financial Results and Financial Condition

For the three months ended December 31, 2025, worldwide revenues of $5.252 billion increased 1.6% from the prior-year period. This increase reflected the following impacts:

	Increase (decrease) in current-period revenues
Volume/other (a)	0.3 %
Pricing	0.1 %
Foreign currency impact	1.2 %
Increase in revenues from the prior-year period	1.6 %

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

Cash flows from operating activities were $657 million in the first three months of fiscal year 2026. At December 31, 2025, we had $1.035 billion 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 2026, we paid cash dividends to common shareholders of $299 million. We also repurchased approximately $250 million of our common stock during the period. We expect to use approximately $2 billion of the cash distribution received in connection with the transaction with Waters, as further discussed in Note 1 in the Notes to Condensed Consolidated Financial Statements, for share repurchases through an accelerated share repurchase program that is expected to be executed in the second quarter of fiscal year 2026. The remainder of the cash distribution received from the transaction is expected to be used for debt repayments.

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 2026 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 Essentials Segment

The following summarizes first quarter Medical Essentials revenues by organizational unit:

	Three months ended December 31,				
(Millions of dollars)	2025	2024	Total Change	Estimated FX Impact	FXN Change
Medication Delivery Solutions	$ 1,128	$ 1,124	0.3 %	1.0 %	(0.7)%
Specimen Management	468	462	1.3 %	1.6 %	(0.3)%
Total Medical Essentials Revenues	$ 1,595	$ 1,586	0.6 %	1.2 %	(0.6)%

The Medical Essentials segment's revenues in the first quarter of 2026 primarily reflected declines in both organizational units due to VoBP impacts in China and an unfavorable prior-year comparison in the U.S. Medication Delivery Solutions unit, which were partially offset by the following:

- Market share gains achieved by the Medication Delivery Solutions unit's Vascular Access Management portfolio.
- Growth in the Specimen Management unit's BD Vacutainer™ portfolio.

The Medical Essentials segment's income for the three-month periods is provided below.

	Three months ended December 31,	
(Millions of dollars)	2025	2024
Medical Essentials segment income	$ 569	$ 607
Segment income as % of Medical Essentials revenues	*35.6 %*	*38.3 %*

The Medical Essentials segment's operating income as a percentage of revenues in the first quarter of 2026 compared with the first quarter of 2025 reflected the following:

- Lower gross profit margin in the first quarter of 2026 compared with the first quarter of 2025 primarily reflected higher labor costs and unfavorable impacts from tariffs and foreign currency translation, partially offset by lower manufacturing costs, which resulted from continuous improvement projects, supply chain optimization and other productivity initiatives.
- Higher selling and administrative expense as a percentage of revenues in the first quarter of 2026 compared with the first quarter of 2025 primarily reflected higher selling costs.
- Research and development expense as a percentage of revenues in the first quarter of 2026 was flat compared with the first quarter of 2025 which primarily reflected the timing of project spending.

Connected Care Segment

The following summarizes first quarter Connected Care revenues by organizational unit:

	Three months ended December 31,				
(Millions of dollars)	2025	2024	Total Change	Estimated FX Impact	FXN Change
Medication Management Solutions	$ 835	$ 801	4.1 %	0.7 %	3.4 %
Advanced Patient Monitoring	297	271	9.4 %	0.6 %	8.8 %
Total Connected Care Revenues	$ 1,131	$ 1,073	5.5 %	0.8 %	4.7 %

The Connected Care segment's revenue growth in the first quarter of 2026 primarily reflected the following:

- Growth within the Medication Management Solutions unit which was driven by Pharmacy Automation, primarily BD Rowa™, and strength in sales of infusion sets.
- Strong volume growth across the Advanced Patient Monitoring unit's portfolio.

The Connected Care segment's income for the three-month periods is provided below.

(Millions of dollars)	Three months ended December 31, 2025	2024
Connected Care segment income	$ 352	$ 336
Segment income as % of Connected Care revenues	*31.1 %*	*31.3 %*

The Connected Care segment's operating income as a percentage of revenues in the first quarter of 2026 compared with the first quarter of 2025 reflected the following:

- Higher gross profit margin in the first quarter of 2026 compared with the first quarter of 2025 primarily reflected lower manufacturing costs, which resulted from continuous improvement projects, supply chain optimization and other productivity initiatives, as well as favorable product mix, partially offset by an unfavorable impact from tariffs.
- Higher selling and administrative expense as a percentage of revenues in the first quarter of 2026 compared with the first quarter of 2025 primarily reflected higher shipping, general and administrative and selling costs.
- Research and development expense as a percentage of revenues in the first quarter of 2026 was flat compared with the first quarter of 2025, which primarily reflected the timing of project spending.

BioPharma Systems Segment

The following summarizes first quarter BioPharma Systems revenues:

(Millions of dollars)	Three months ended December 31, 2025	2024	Total Change	Estimated FX Impact	FXN Change
BioPharma Systems Revenues	$ 429	$ 418	2.7 %	1.7 %	1.0 %

The BioPharma Systems segment's revenues in the first quarter of 2026 were primarily driven by double-digit U.S. growth of prefillable solutions in the biologic drug category, led by sales of GLP-1 delivery products, partially offset by lower market demand for vaccines products.

The BioPharma Systems segment's income for the three-month periods is provided below.

(Millions of dollars)	Three months ended December 31, 2025	2024
BioPharma Systems segment income	$ 140	$ 141
Segment income as % of BioPharma Systems revenues	*32.6 %*	*33.7 %*

The BioPharma Systems segment's operating income as a percentage of revenues in the first quarter of 2026 compared with the first quarter of 2025 reflected the following:

- Lower gross profit margin in the first quarter of 2026 compared with the first quarter of 2025 primarily reflected unfavorable impacts from tariffs as well as higher labor costs, partially offset by lower manufacturing costs, which resulted from continuous improvement projects, supply chain optimization and other productivity initiatives.
- Selling and administrative expense as a percentage of revenues in the first quarter of 2026 was flat compared with the first quarter of 2025, which primarily reflected favorable impacts from cost containment measures.
- Research and development expense as a percentage of revenues in the first quarter of 2026 was flat compared with the first quarter of 2025, which primarily reflected the timing of project spending.

Interventional Segment

The following summarizes first quarter Interventional revenues by organizational unit:

	Three months ended December 31,				
(Millions of dollars)	2025	2024	Total Change	Estimated FX Impact	FXN Change
Peripheral Intervention	$ 485	$ 473	2.6 %	1.2 %	1.4 %
Urology and Critical Care	427	389	9.8 %	0.3 %	9.5 %
Surgery	418	395	5.9 %	0.8 %	5.1 %
Total Interventional Revenues	$ 1,330	$ 1,257	5.8 %	0.7 %	5.1 %

The Interventional segment's revenue growth in the first quarter of 2026 primarily reflected the following:

- Strong sales growth in the Peripheral Intervention unit's oncology products in the U.S. and continued growth in sales of the Rotarex™ Atherectomy System, partially offset by a VoBP impact in China.
- Double-digit growth in sales of the Urology and Critical Care unit's PureWick™ offerings.
- Double-digit growth in sales of the Surgery unit's advanced tissue regeneration portfolio, as well as high single-digit growth attributable to the unit's infection prevention products.

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

	Three months ended December 31,	
(Millions of dollars)	2025	2024
Interventional segment income	$ 561	$ 561
Segment income as % of Interventional revenues	*42.1 %*	*44.6 %*

The Interventional segment's operating income as a percentage of revenues in the first quarter of 2026 compared with the first quarter of 2025 reflected the following:

- Gross profit margin in the first quarter of 2026 was lower compared with the first quarter of 2025, which primarily reflected unfavorable impacts from tariffs as well as higher labor costs, partially offset by lower manufacturing costs resulting from continuous improvement projects, supply chain optimization and other productivity initiatives.
- Higher selling and administrative expense as a percentage of revenues in the first quarter of 2026 compared with the first quarter of 2025 primarily reflected higher selling costs from an increased investment in growth-accelerating initiatives.
- Research and development expense as a percentage of revenues in the first quarter of 2026 was higher compared with the first quarter of 2025, which primarily reflected an increase in investment to support product development.

Life Sciences Segment

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

	Three months ended December 31,				
(Millions of dollars)	2025	2024	Total Change	Estimated FX Impact	FXN Change
Diagnostic Solutions	$ 439	$ 474	(7.4)%	2.2 %	(9.6)%
Biosciences	327	361	(9.5)%	2.1 %	(11.6)%
Total Life Sciences Revenues	$ 766	$ 836	(8.3)%	2.2 %	(10.5)%

The Life Sciences segment's revenues in the first quarter of 2026 primarily reflected the following:

- A decline in the Diagnostic Solutions unit driven by lower sales of U.S. point-of-care products and an unfavorable comparison to BD BACTEC™ blood culture product sales in the prior year, partially offset by growth in sales of BD MAX™ IVD and COR™.
- A decline in the Biosciences unit's sales of instruments due to continued market dynamics impacting life sciences research funding and an unfavorable comparison to prior-period licensing revenue.

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

	Three months ended December 31,	
(Millions of dollars)	2025	2024
Life Sciences segment income	$ 159	$ 240
Segment income as % of Life Sciences revenues	*20.8 %*	*28.7 %*

The Life Sciences segment's operating income as a percentage of revenues in the first quarter of 2026 compared with the first quarter of 2025 primarily reflected the following:

- Gross profit margin in the first quarter of 2026 was lower compared with the first quarter of 2025, which primarily reflected the current-period decline in revenues as well as unfavorable impacts from tariffs and higher labor costs, partially offset by lower manufacturing costs resulting from continuous improvement projects, supply chain optimization and other productivity initiatives.
- Selling and administrative expense as a percentage of revenues in the first quarter of 2026 was higher compared with the first quarter of 2025 which primarily reflected the current-period decline in revenues and higher selling costs.
- Higher research and development expense as a percentage of revenues in the first quarter of 2026 compared with the first quarter of 2025, which primarily reflected the current-period decline in revenues, as well as 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)	2025	2024	Total Change	Estimated FX Impact	FXN Change
United States	$ 3,159	$ 3,080	2.6 %	— %	2.6 %
International	2,093	2,089	0.2 %	3.0 %	(2.8)%
Total Revenues	$ 5,252	$ 5,168	1.6 %	1.2 %	0.4 %

U.S. revenue growth in the first quarter of 2026 reflected strong sales in both of the Connected Care segment's units, as well as growth in the BioPharma Systems segment and in the Interventional segment's Urology and Critical Care unit. U.S. revenue growth in the first quarter of 2026 was partially offset by a decline in the Life Sciences segment, as further discussed above.

International revenue in the first quarter of 2026 primarily reflected declines in the BioPharma Systems and Life Sciences segments, as further discussed above, which were partially offset by growth in the Interventional segment's Surgery unit. Current-period revenues in emerging markets primarily reflected a decline in China, as further discussed above, partially offset by strong sales in Latin America.

	Three months ended December 31,				
(Millions of dollars)	2025	2024	Total Change	Estimated FX Impact	FXN Change
Emerging markets	$ 718	$ 729	(1.6)%	2.1 %	(3.7)%

Specified Items

Reflected in the financial results for the three-month periods of fiscal years 2026 and 2025 were the following specified items:

	Three months ended December 31,	
(Millions of dollars)	2025	2024
Integration costs (a)	$ 36	$ 24
Restructuring costs (a)	75	66
Transaction costs (b)	—	3
Separation-related items (c)	38	—
Purchase accounting adjustments (d)	391	570
Product, litigation, and other items (e)	8	102
Total specified items	548	764
Less: tax impact of specified items and other tax related	100	71
After-tax impact of specified items	$ 448	$ 693

(a) Represents amounts associated with restructuring and acquisition 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, which occurred during the fourth quarter of fiscal year 2024.

(c) Represents costs recorded to *Other operating expense, net* and incurred in connection with the separation of our Biosciences and Diagnostic Solutions business and the combination of the business with Waters.

(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 months ended December 31, 2024 includes $180 million recorded due to a fair value step-up adjustment relating to Advanced Patient Monitoring's inventory on the acquisition date.

(e) 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, amounts related to certain legal matters, certain investment gains and losses, certain asset impairment charges, and certain pension settlement costs. The amount in the three months ended December 31, 2024 included: a charge within *Cost of products sold* of $22 million to adjust future costs estimated for product remediation efforts; a non-cash charge of $30 million within *Research and development expense* to write down certain assets in the Life Sciences segment; and charges of approximately $29 million recorded to *Other operating expense, net*, 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 2026 and 2025 reflected the following impacts:

	Three-month period
December 31, 2024 gross profit margin %	43.3 %
Impact of purchase accounting adjustments and other specified items	4.0 %
Operating performance	(1.3)%
Foreign currency impact	(0.1)%
December 31, 2025 gross profit margin %	45.9 %

The favorable impact on gross margin for the three-month period of 2026 from specified items reflected a favorable comparison to specified items recorded in the prior-year period, which included an impact of $180 million resulting from a fair value step-up adjustment relating to Advanced Patient Monitoring's inventory on the acquisition date. Specified items in the prior-year period also included a charge of $22 million recorded in the Connected Care segment to adjust the estimate of future product remediation costs.

Operating performance in the three-month period of 2026 compared with the prior-year period primarily reflected higher tariffs and labor costs, partially offset by lower manufacturing costs resulting from our ongoing continuous improvement projects, supply chain optimization, and other productivity initiatives.

Operating Expenses

A summary of operating expenses for the three-month periods of fiscal years 2026 and 2025 is as follows:

	Three months ended December 31,		Increase (decrease) in basis points
	2025	2024	
(Millions of dollars)			
Selling and administrative expense	$ 1,393	$ 1,318	
% of revenues	*26.5 %*	*25.5 %*	*100*
Research and development expense	$ 306	$ 343	
% of revenues	*5.8 %*	*6.6 %*	*(80)*
Integration, restructuring and transaction expense	$ 111	$ 92	
Other operating expense, net	$ 50	$ 28	

Selling and administrative expense

Selling and administrative expense as a percentage of revenues in the three-month period of 2026 was higher compared with the prior-year period, which primarily reflected higher selling costs in the current-year period.

Research and development expense

Research and development expense as a percentage of revenues in the three-month period of 2026 was lower compared with the prior-year period, which primarily reflected the timing of project spending and a favorable comparison to the prior-year period, which reflected a $30 million write-down of certain assets in the Life Sciences segment.

Integration, restructuring and transaction expense

The amounts in the three-month periods of 2026 and 2025 included restructuring costs related to simplification and other cost-saving initiatives, as well as integration costs relating to our acquisition of the Advanced Patient Monitoring unit, which occurred during the fourth quarter of fiscal year 2024. The amount in the three-month period of 2025 also included restructuring and transaction costs related to the Advanced Patient Monitoring unit acquisition. For further disclosures regarding restructuring costs, refer to Note 9 in the Notes to Condensed Consolidated Financial Statements.

Other operating expense, net

The amount in the three-month period of 2026 largely represented costs incurred in connection with the separation of our Biosciences and Diagnostic Solutions business and the combination of the business with Waters, and the amount in 2025 largely represented charges relating to legal matters. Additional disclosures regarding the separation and legal matters are provided in Notes 1 and 5, respectively, in the Notes to Condensed Consolidated Financial Statements.

Nonoperating Income

Net interest expense

The components for the three-month periods of fiscal years 2026 and 2025 were as follows:

	Three months ended December 31,	
(Millions of dollars)	**2025**	**2024**
Interest expense	$ (153)	$ (155)
Interest income	4	23
Net interest expense	$ (149)	$ (132)

Interest expense for the three-month period of fiscal year 2026 was flat compared with the prior-year period. Lower interest income for the three-month period of fiscal year 2026 compared with the prior-year period primarily reflected lower levels of U.S. cash on hand.

Income Taxes

The income tax rates for the three-month periods of fiscal year 2026 and 2025 are provided below.

	Three months ended December 31,	
	2025	**2024**
Effective income tax rate	*2.8 %*	*0.9 %*
Impact, in basis points, from specified items	*(900)*	*(600)*

The effective income tax rate for the three-month period of fiscal year 2026 compared with the prior-year period reflected a less favorable net impact from discrete items.

Net Income and Diluted Earnings per Share

Net income and diluted earnings per share for the three-month periods of fiscal years 2026 and 2025 were as follows:

	Three months ended December 31,	
	2025	**2024**
Net Income (Millions of dollars)	$ 382	$ 303
Diluted Earnings per Share	$ 1.34	$ 1.04
Unfavorable impact-specified items	$ (1.57)	$ (2.39)
Favorable impact-foreign currency translation	$ 0.01	

Liquidity and Capital Resources

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

(Millions of dollars)	Three months ended December 31, 2025	2024
Net cash provided by (used for):		
Operating activities	$ 657	$ 693
Investing activities	$ (183)	$ 204
Financing activities	$ (302)	$ (1,928)

Net Cash Flows from Operating Activities

Cash flows from operating activities in the first three months of fiscal year 2026 were 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 lower levels of accounts payable and accrued expenses, as well as higher levels of inventory and prepaid expenses, partially offset by lower levels of trade receivables.

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.

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 the objectives of our growth strategy. Cash flows from investing activities in the first three months of fiscal year 2026 included capital expenditure-related outflows of $108 million, compared with $105 million in the prior-year period. Prior-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 2026 and 2025 included the following significant cash flows:

(Millions of dollars)	Three months ended December 31, 2025	2024
Cash inflow (outflow)		
Change in short-term debt	$ 317	$ 75
Payments of debt	$ —	$ (875)
Repurchases of common stock	$ (250)	$ (750)
Dividends paid	$ (299)	$ (302)

Certain measures relating to our total debt were as follows:

(Millions of dollars)	December 31, 2025	September 30, 2025
Total debt	$ 19,540	$ 19,181
Weighted average cost of total debt	3.4 %	3.4 %
Total debt as a percentage of total capital*	43.1 %	42.6 %

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

Cash and Short-Term Investments

At December 31, 2025, total worldwide cash and equivalents and short-term investments, including restricted cash, were approximately $1.035 billion 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 2030. The credit facility provides borrowings of up to $2.750 billion, with separate sub-limits of $100 million and $236 million for letters of credit and swingline loans, respectively. The expiration date of the credit facility may be extended for up to two additional one-year periods, 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, 2025.

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, 2025.

- 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 five 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 $1.172 billion of commercial paper borrowings outstanding as of December 31, 2025. 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 12 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, 2025 were unchanged compared with our ratings at September 30, 2025.

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 2025 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 is specific to infusion pumps and does not apply to intravenous administration sets, accessories, or other products.

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. All required audits are complete, and the final audit report was delivered to FDA in January 2026. CareFusion 303, Inc. has and will continue to update its CAP as necessary to address all audit observations.

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 regulation ("QSR") for its Infusion quality management system (covered by the Consent Decree) and QSR and MDR regulation for its 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, 2025, 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 enabled 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 open recalls and ensure devices at customer sites are running a recent, cleared version of the BD Alaris™ Infusion System Software, BD Alaris™ Infusion System devices in the U.S. market are being remediated or replaced with the updated 510(k) cleared version, which we expect to be substantially complete over the next

calendar year. Additionally, on April 25, 2025, BD received 510(k) clearance from the FDA on an updated BD Alaris™ Infusion System.

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. We continue 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, 2025, we have 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 recorded a liability for estimated future costs associated with certain actions required to respond to the Warning Letter and to address the non-conformities. 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.

El Paso, Texas Inspection

BD's El Paso, Texas facility was inspected by the FDA in October 2025, resulting in the issuance by the FDA of a Form 483 Notice (the "El Paso 483"). BD provided its timely response and corrective action plan to the FDA in November 2025. BD is also providing the FDA with regular El Paso 483 response updates which identify the progress that has been made to date. On January 30, 2026, BD received a notification from the FDA that the inspection was classified as "Official Action Indicated", which means that regulatory and/or administrative actions are recommended. To date, BD has not received any notice of FDA regulatory or administrative action and there can be no assurance as to the nature or scope of any such regulatory or administrative action or any response that may be required from BD. BD will continue to implement the corrective actions identified in its El Paso 483 response and will take additional action as needed.

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 United States. Ethylene oxide is the most frequently used sterilant for medical devices and healthcare products in the United States, 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 revised NESHAP. On July 17, 2025, the White House issued a Presidential Proclamation under the Clean Air Act exempting certain sterilization facilities for two years from compliance with the EPA's revised NESHAP for ethylene oxide emissions from sterilization facilities to allow these facilities more time to design, procure, install and test new control technology and implement other changes to ensure compliance with the revised NESHAP. While BD's ethylene oxide sterilization facilities received this Presidential compliance exemption we continue to implement certain changes to our facilities in accordance with the revised 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 human health and environmental risks associated with its use. In conjunction with the upgrades and operational changes related to the NESHAP, we are currently investing in new technologies and implementing additional work-practices to comply with the revised pesticide use requirements for ethylene oxide at our sterilization facilities. Certain requirements of the ID became effective as of January 2026 while others will become effective over the next several years.

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 us. We have 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 2025 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. 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 I, Item 1A. Risk Factors in our 2025 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 (including volatility resulting from the imposition of (and changing policies around) tariffs and related countermeasures), import or export licensing requirements, other governmental restrictions, 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 aspects of our supply chain, impair our ability to produce our products, or increase borrowing costs.
- The impact of inflation, tariffs, and disruptions in our global supply chain on us 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 combination of our Biosciences and Diagnostic Solutions business with Waters, including factors that could prevent or otherwise adversely affect our ability to realize the expected benefits of the transaction.
- Conditions in international markets, including social and political conditions, geopolitical developments such as the continuation and/or escalation of the 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, state, or foreign laws and policies that could affect fiscal and tax policies, taxation (including tax reforms such as the Pillar Two framework) 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. (and countermeasures by non-U.S. governments) could adversely impact demand for our products and services, our supply chain costs or otherwise adversely impact our results of operations and future growth. The ultimate impact of any existing or new tariffs or other changes in international trade policies is subject to a number of factors including the duration of such tariffs, changes in tariff rates, the scope and nature of the tariffs, any countermeasures that target countries may take and the availability of any mitigating actions. In addition, our tariff mitigation strategies have been, and may be further challenged, rejected or eliminated through legislation or other challenges, or may otherwise not be effective.
- 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 Center for Medicaid Services' Competitive Bidding Program, reimbursement policy changes 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 emerging technologies (such artificial intelligence ("AI")) by our current or future competitors, changes in demand as a result of changes to U.S. federal and state policies (affecting products such as pharmaceuticals and vaccines), change in research and development efforts, investment or suspension by pharmaceuticals companies with regard to vaccine development, 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, changes in the practice of medicine or the development of alternative therapies for disease states that may be delivered without a medical device.
- Product efficacy or safety concerns, changes to the labeled use of our products, non-compliance with applicable regulatory requirements regarding our products (such as non-compliance of our products with marketing authorization or registration requirements resulting from modifications to such products, or other factors, including, but not limited to, with respect to BD Alaris™ System and infusion 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, including products we acquire through acquisitions. 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 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.
- Policy and regulatory changes implemented by the U.S. federal government, including the downsizing and reduced funding of certain government agencies and programs as well as changes in the policy positions of such agencies, including the FDA, may affect the approach of agencies with which we typically engage and make regulatory approval processes and ongoing compliance with all applicable rules and regulations more challenging.
- Deficit reduction efforts, policy changes, 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 market dynamics, coverage policies or reimbursement practices, or adverse third-party payer cost containment measures relating to our products and services, 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 or clinical 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 that adversely impact our supply chain, including our ability to manufacture or 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 or 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 us 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 our 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, clearances 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 due to government shutdowns or reductions in government staffing 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.
- 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.
- Risks associated with our development, deployment and use of AI in our products and business operations.
- 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, the development of alternative therapies for disease states that may be delivered without a medical device, or otherwise.
- The impact of climate change, 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, or related sustainability efforts, and changing customer and other stakeholder preferences and requirements, such as those regarding the use of materials of concern, shifting demand for products with lower environmental footprints, and for progress toward 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, public health crises (such as pandemics and epidemics), 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, and our response may involve the implementation of measures which may not be successful.

- 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 us)), 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, healthcare, environmental protection and reporting, price controls, privacy, data protection, cybersecurity, AI, 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. New environmental laws, particularly with respect to the emission of greenhouse gases, may also increase our costs of operations or necessitate changes in our manufacturing plants or processes or those of our suppliers, or result in liability to us.
- The effect of adverse media exposure or other publicity regarding our business or operations, including the effect on our reputation or demand for our products.
- The effect of market fluctuations on the value of assets in our pension plans and on actuarial interest rate and asset return assumptions, which could require us 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, 2025.

Item 4. Controls and Procedures

An evaluation was carried out by BD's management, with the participation of BD's Chief Executive Officer and Interim 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 amended) as of December 31, 2025. Based upon that evaluation, the Chief Executive Officer and Interim 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, 2025 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.

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 2025 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 2025 Annual Report.

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

The table below sets forth certain information regarding BD's purchases of its common stock during the fiscal quarter ended December 31, 2025.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (3)
October 1 – 31, 2025	1,489	$ 192.98	—	12,148,356
November 1 – 30, 2025	1,315,532	190.06	1,315,330	10,833,026
December 1 – 31, 2025	—	—	—	10,833,026
Total	1,317,021	$ 190.07	1,315,330	10,833,026

(1) Includes 1,691 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 purchased as further discussed in Note 3 to the condensed consolidated financial statements contained in Item 1. Financial Statements.

(3) Includes 833,026 shares under a repurchase program authorized by the Board of Directors on November 3, 2021 and 10 million shares under a repurchase program authorized by the Board of Directors on January 28, 2025. On January 27, 2026, the Board of Directors authorized BD to repurchase an additional 10 million shares of BD common stock. There is no expiration date for any of the repurchase programs authorized by the Board of Directors.

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, 2025, none of our officers or directorsadopted, terminated or modified a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," each as defined in Item 408(a) of Regulation S-K of the Exchange Act.

Item 6. Exhibits

3(a)	Restated Certificate of Incorporation of Becton, Dickinson and Company, dated as of January 30, 2019 (incorporated by reference to Exhibit 3 to the registrant's Current Report on Form 10-Q for the period ended December 31, 2018).
3(b)	By-laws of Becton, Dickinson and Company, as amended as of April 29, 2025 (incorporated by reference to Exhibit 3 to the registrant's Current Report on Form 8-K filed on May 2, 2025).
3(c)	Certificate of Designation of Series D Junior Participating Redeemable Preferred Stock, effective as of January 30, 2026 (incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed on February 5, 2026).
10(a)	Executive Severance Plan, effective as of January 27, 2026 (incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on January 30, 2026).*
10(b)	2004 Employee and Director Equity-Based Compensation Plan, as amended and restated as of January 27, 2026 (incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on January 30, 2026).*
22	Subsidiary Issuer of Guaranteed Securities.
31	Certifications of Chief Executive Officer and Interim Chief Financial Officer, pursuant to SEC Rule 13a - 14(a).
32	Certifications of Chief Executive Officer and Interim 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).

* Denotes a management contract or compensatory plan or arrangement.
** Furnished herewith.

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 9, 2026

/s/ Vitor Roque

Vitor Roque

Interim Chief Financial Officer and Senior Vice President of Finance, Business Units and Corporate Financial Planning & Analysis

(Principal Financial Officer)

/s/ Pamela L. Spikner

Pamela L. Spikner

Senior Vice President, Chief Accounting Officer and Controller

(Principal Accounting Officer)

Exhibit 22

Subsidiary Issuers of Guaranteed Securities

As of December 31, 2025, 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 9, 2026

/s/ Thomas E. Polen

Thomas E. Polen

Chairman, Chief Executive Officer and President

CERTIFICATION

I, Vitor Roque, 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 9, 2026

/s/ Vitor Roque

Vitor Roque

Interim Chief Financial Officer and Senior Vice President of Finance, Business Units and Corporate Financial Planning & Analysis

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, 2025 (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) or 15(d) 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 9, 2026

/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, 2025 (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, Vitor Roque, the Interim Chief Financial Officer of Becton, Dickinson and Company, certify that:

1. such Report fully complies with the requirements of Section 13(a) or 15(d) 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 9, 2026

/s/ Vitor Roque

Name: Vitor Roque

Interim Chief Financial Officer and Senior Vice President of Finance, Business Units and Corporate Financial Planning & Analysis