



# Third Quarter Results Fiscal Year 2017

August 3, 2017

## Forward-Looking Statements

- These materials include forward-looking statements and it's possible that actual results could differ from our expectations. Factors that could cause such differences appear in our quarterly earnings release and in our recent SEC filings.

## Non-GAAP Financial Measures

- These materials also include Non-GAAP financial measures. A reconciliation to the comparable GAAP measures can be found herein, or in our earnings release and the financial schedules attached thereto.
- Certain financial information excludes the impact of the following items:
  1. Foreign currency translation.
  2. All adjustments to current and prior year as noted in the schedules in the appendix of this presentation.
- A reconciliation of certain forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures are omitted from the financial schedules attached hereto as we are unable to provide such reconciliations without unreasonable efforts. Sufficient information is not available to calculate certain forward-looking adjustments required for such reconciliations, including future restructuring charges and acquisition-related costs. We expect these forward-looking adjustments could have a potentially significant impact on our future GAAP financial results.
- A copy of the press release, including the financial schedules, is posted on the "Investors" section of the BD.com website.

FXN = Estimated foreign exchange-neutral currency growth. \$ = Dollars in millions except per share data.

All "comparable" basis FY17 revenue growth rates presented are adjusted for the following divestitures: Respiratory, Simplist and Spine.

Note: All figures on accompanying slides are rounded. Totals may not add due to rounding. Percentages are based on un-rounded figures.

# Executive Overview

**Vincent A. Forlenza**

Chairman and CEO



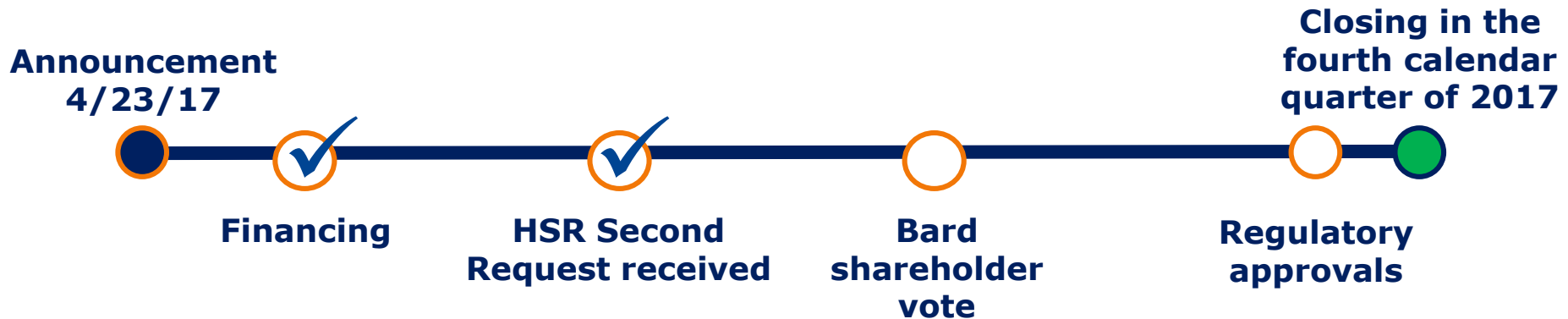
# Q3 FY 2017 Business Highlights

- ◆ Solid Q3 performance with strong earnings
- ◆ Best Emerging Markets growth in two years
- ◆ CareFusion synergy capture momentum continues
- ◆ Strong execution of U.S. Dispensing business model transformation
- ◆ Re-affirm currency-neutral revenue and earnings growth guidance
- ◆ Raise adjusted earnings guidance

# Bard Acquisition



## Better Together: A Dynamic and Differentiated Company



- ◆ Excellent progress with Bard acquisition and we see pathway to tremendous value creation
  - ◆ Highly successful debt and equity issuance in May
  - ◆ Key Bard leadership retained and new Interventional Segment leadership structure set
  - ◆ Integration planning and execution ahead of plan, as we leverage learnings from the CareFusion transaction
  - ◆ Closing of acquisition remains expected in the fourth calendar quarter of 2017

# Financial Update

**Christopher Reidy**

Executive Vice President, CFO and CAO



# Q3 FY 2017 Financial Highlights

	Third Quarter				Year-to-Date			
	\$	Growth %	FXN Growth %	Comparable FXN Growth %	\$	Growth %	FXN Growth %	Comparable FXN Growth %
Revenues	\$3,035	(5.1%)	(4.0%)	2.4%	\$8,927	(3.5%)	(2.7%)	4.5%
Adjusted EPS	\$2.46	4.7%	7.7%	N/A	\$7.09	9.4%	13.1%	N/A

- ◆ Q3 revenue growth of 2.4% FXN, which includes (~100 bps) impact from the US Dispensing business model change
- ◆ Strong Q3 EPS of \$2.46

- ◆ Q3 YTD revenue growth of 4.5% FXN, which includes (~40 bps) impact from the US Dispensing business model change
- ◆ YTD EPS growth of 13.1% FXN



# FY 2017 Revenues by Segment

	Third Quarter				Year-to-Date			
	\$	Growth %	FXN Growth %	Comparable FXN Growth %	\$	Growth %	FXN Growth %	Comparable FXN Growth %
<b>Total Revenues</b>	<b>\$3,035</b>	<b>(5.1%)</b>	<b>(4.0%)</b>	<b>2.4%</b>	<b>\$8,927</b>	<b>(3.5%)</b>	<b>(2.7%)</b>	<b>4.5%</b>
Medical	2,038	(8.8%)	(7.8%)	1.3%	5,989	(6.7%)	(5.9%)	4.5%
Life Sciences	997	3.5%	4.8%	4.8%	2,937	3.7%	4.6%	4.6%





# FY 2017 U.S. and International Revenues

	Third Quarter				Year-to-Date			
	\$	Growth %	FXN Growth %	Comparable FXN Growth %	\$	Growth %	FXN Growth %	Comparable FXN Growth %
<b>U.S.</b>	<b>\$1,603</b>	<b>(7.6%)</b>	<b>(7.6%)</b>	<b>0.4%</b>	<b>\$4,859</b>	<b>(5.5%)</b>	<b>(5.5%)</b>	<b>3.3%</b>
Medical	1,152	(11.9%)	(11.9%)	(1.3%)	3,504	(9.0%)	(9.0%)	2.8%
Life Sciences	451	5.2%	5.2%	5.2%	1,355	4.7%	4.7%	4.7%
<b>International</b>	<b>\$1,433</b>	<b>(2.1%)</b>	<b>0.2%</b>	<b>4.7%</b>	<b>\$4,068</b>	<b>(1.0%)</b>	<b>0.9%</b>	<b>6.0%</b>
Medical	886	(4.5%)	(2.2%)	4.9%	2,485	(3.3%)	(1.3%)	6.9%
Life Sciences	547	2.2%	4.4%	4.4%	1,582	2.9%	4.5%	4.5%



# FY 2017 Developed & Emerging Markets

	Third Quarter			Year-to Date		
	\$	% of BD Revenues	Comparable FXN Growth %	\$	% of BD Revenues	Comparable FXN Growth %
Developed Markets	\$2,532	83%	0.9%	\$7,516	84%	3.7%
Emerging Markets	\$503	17%	10.9%	\$1,411	16%	9.1%
China	\$176	6%	12.0%	\$506	6%	11.0%



Note: Emerging markets include Eastern Europe, Middle East, Africa, Latin America, and certain countries within Asia Pacific, excluding Australia, New Zealand, Korea, Singapore, Hong Kong, Taiwan & Japan.

# FY 2017 Safety Revenues

	Third Quarter			Year-to-Date		
	\$	Growth %	FXN Growth %	\$	Growth %	FXN Growth %
<b>Total Safety</b>	<b>\$776</b>	<b>(1.0%)</b>	<b>0.0%</b>	<b>\$2,313</b>	<b>2.6%</b>	<b>3.4%</b>
<b>By Geography</b>						
U.S.	457	1.5%	1.5%	1,370	2.3%	2.3%
International	320	(4.4%)	(2.0%)	942	3.1%	4.9%
<b>By Segment</b>						
Medical	478	(3.0%)	(2.1%)	1,446	1.5%	2.0%
Life Sciences	298	2.4%	3.7%	867	4.5%	5.6%

- ◆ Emerging Markets Safety grew (0.1%) FXN in Q3 and 9.8% FXN YTD

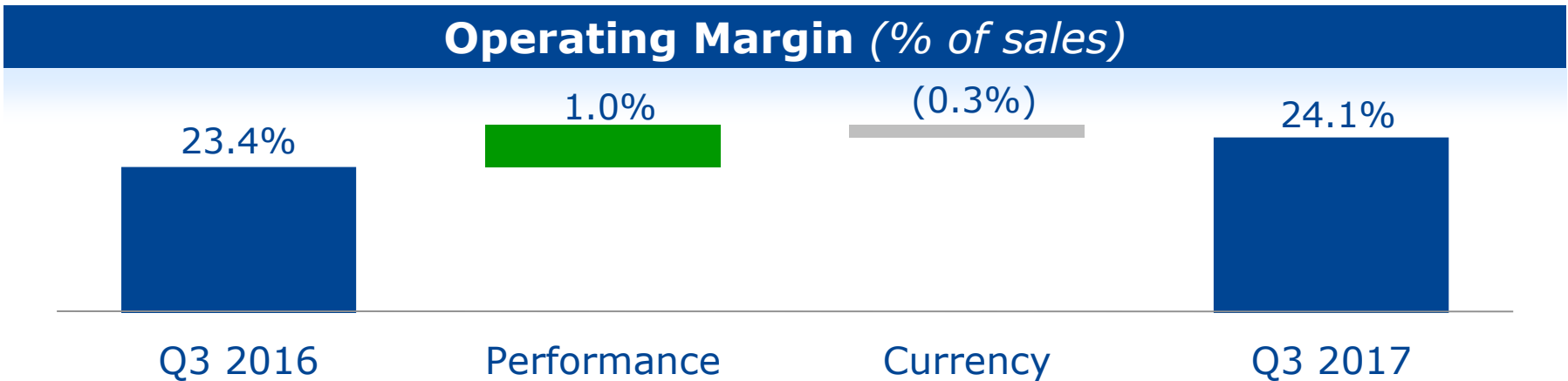
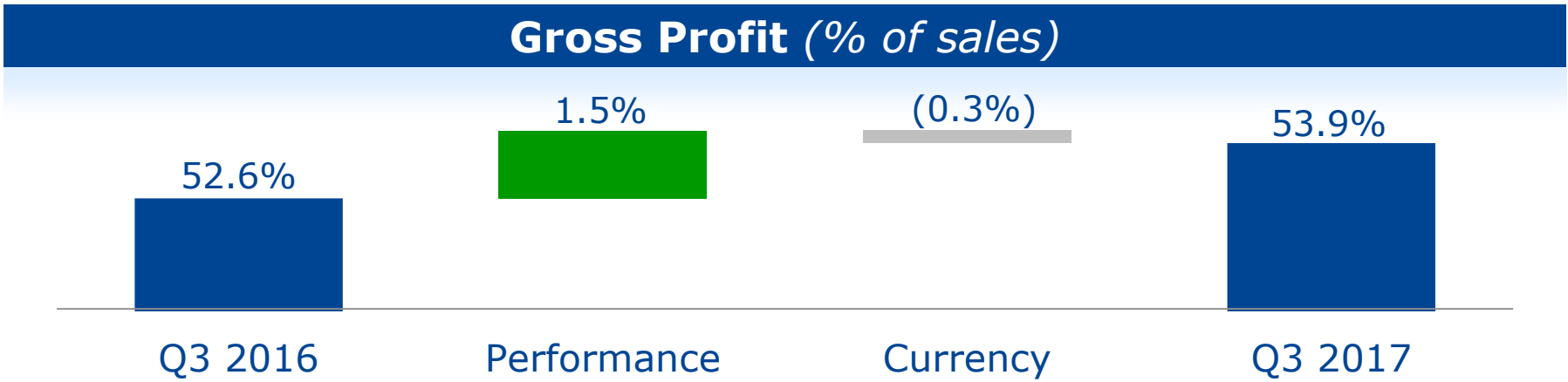


# Q3 FY 2017 Adjusted Income Statement

	Favorable (Unfavorable)				
	Adjusted Q3 FY 2017	Adjusted Q3 FY 2016	\$ Change	% Change	FXN % Change
Revenues <i>Comparable basis</i>	\$3,035	\$3,198	(\$163)	(5.1%)	(4.0%) 2.4%
Gross Profit	1,635	1,684	(49)	(2.9%)	(1.3%)
% of Revenues	53.9%	52.6%			
SSG&A	719	728	9	1.2%	0.2%
% of Revenues	23.7%	22.7%			
R&D	186	207	21	10.2%	9.9%
% of Revenues	6.1%	6.5%			
Operating Income	731	749	(19)	(2.5%)	0.0%
% of Revenues	24.1%	23.4%			
Tax Rate	16.5%	21.3%			
<b>Adjusted EPS</b>	<b>\$2.46</b>	<b>\$2.35</b>	<b>\$0.11</b>	<b>4.7%</b>	<b>7.7%</b>



# Q3 FY 2017 Adjusted Margin Changes Year-Over-Year



- Strong progress with ~160 bps underlying operating margin expansion through Q3 YTD FY 2017



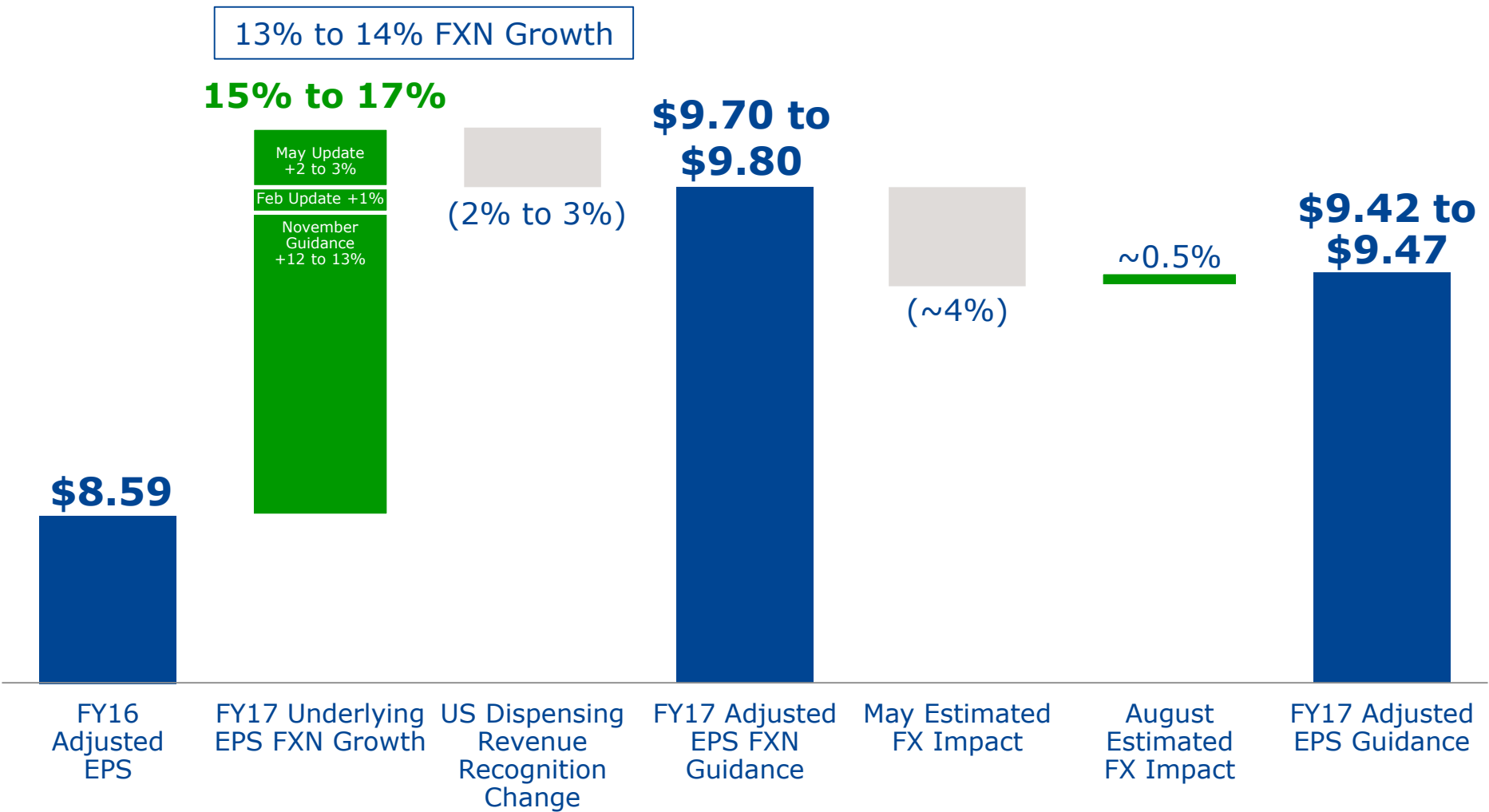
# Guidance

**Christopher Reidy**

Executive Vice President, CFO and CAO



# FY 2017 Adjusted EPS Guidance



**Raise adjusted earnings guidance**



# FY 2017 Guidance

As Adjusted	May Update	August Update
<b>BDX Revenues – FXN<sup>(1)</sup></b>	4.5% to 5.0%	4.5% to 5.0%
Medical Revenues – FXN <sup>(1)</sup>	4.5% to 5.0%	4.5% to 5.0%
Life Sciences Revenues – FXN	4.0% to 5.0%	4.0% to 5.0%
Gross Profit	53.0% to 54.0%	53.0% to 54.0%
SSG&A	23.5% to 24.0%	23.5% to 24.0%
R&D	6.0% to 6.5%	6.0% to 6.5%
Operating Income Underlying Margin Expansion <sup>(2)</sup>	23.0% to 24.0% +200 to 225 bps	23.0% to 24.0% +200 to 225 bps
Effective Tax Rate	16.0% to 18.0%	16.0% to 18.0%
<b>EPS</b>	\$9.35 to \$9.45	<b>\$9.42 to \$9.47</b>
<b>EPS – FXN</b> <b>EPS – FXN Growth</b>	\$9.70 to \$9.80 13% to 14%	\$9.70 to \$9.80 13% to 14%
Operating Cash Flow	~\$2.7B	~\$2.7B
Capital Expenditures	~\$700M	~\$700M
Interest/Other, net	(\$350M to \$375M)	(\$350M to \$375M)
Share Count	~219M	~219M

**Note: Guidance updates denoted in bold.**



(1) Excludes Respiratory Solutions, Simplist and Spine divestitures in fiscal years 2016 and 2017.

(2) Underlying Margin Expansion excludes currency and pension impacts.



# Executive Overview

**Vincent A. Forlenza**

Chairman and CEO



# Q3 FY2017 Business Update: Growth and Strategic Initiatives

## New Product Innovation



- Receives 510(k) clearance in U.S. for the extended enteric bacterial panel on BD MAX™
- Receives 510(k) clearance for the BD FACSLyric™ Flow Cytometer System and Multitest assays

## Strategic / Business Initiatives



- BD releases 2016 Sustainability Report
  - Presents performance on ESG issues towards 2020 goals
  - Notably, 43% of the company's total energy is generated from renewable sources, towards our 2020 goal of 50%

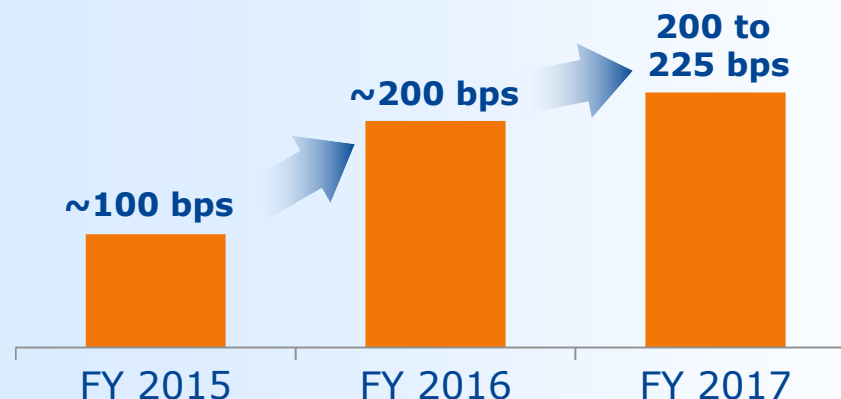
# Q3 FY2017 Business Update: Operational Efficiencies

## Operational Efficiencies



- Continue to streamline and centralize into functional Centers of Excellence in FY17, as planned
- On-track to achieve CareFusion manufacturing synergies in FY18 through plant footprint reduction
- Reaffirm \$325 to \$350M CareFusion cost synergies

## Operating Margin Expansion (FXN)



Base plan efficiencies and synergies generating significant margin expansion



# Key Takeaways

- ◆ Pleased with year-to-date performance
- ◆ Solid growth continues across both segments
- ◆ Strong operational performance driving earnings
- ◆ Raise adjusted earnings guidance
- ◆ Closing of acquisition remains expected in the fourth calendar quarter of 2017
- ◆ Excellent progress to date with Bard acquisition and we look to the future with confidence

Advancing  
the World  
of Health



# Q3 FY 2017 & Q3 FY 2016 Adjustment Reconciliations

(Unaudited; Amounts in millions, except per share data)

## Three Months Ended June 30, 2017

	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Expense, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
<b>Reported \$ for Three Months Ended June 30, 2017</b>	\$ 3,035	\$ 1,504	\$ 719	\$ 186	\$ 81	\$ 741	\$ (223)	\$ (165)	\$ (16)	\$ (271)	\$ (132)	\$ (0.75)
<i>Reported % of Revenues</i>		49.5%	23.7%	6.1%			-7.3%					-4.4%
<i>Reported effective tax rate</i>										67.2%		
<b>Specified items:</b>												
Purchase accounting adjustments pre-tax <sup>(1)</sup>	-	131	(0)	-	-	-	132	(3)	(23)	-	106	0.48
Restructuring costs pre-tax <sup>(2)</sup>	-	-	-	-	(8)	-	8	-	-	-	8	0.04
Integration costs pre-tax <sup>(2)</sup>	-	-	-	-	(50)	-	50	-	-	-	50	0.23
Transaction costs pre-tax <sup>(2)</sup>	-	-	-	-	(23)	-	23	-	-	-	23	0.10
Financing Costs <sup>(3)</sup>	-	-	-	-	-	-	-	87	-	-	87	0.39
Loss on Debt Extinguishment <sup>(4)</sup>	-	-	-	-	-	-	-	-	31	-	31	0.14
Lease Contract Modification Charge <sup>(5)</sup>	-	-	-	-	-	(741)	741	-	-	-	741	3.36
Dilutive Share Impact <sup>(6)</sup>	-	-	-	-	-	-	-	-	-	-	-	0.18
Income Tax Benefit of Special Items	-	-	-	-	-	-	-	-	-	377	(377)	(1.71)
<b>Adjusted \$ for Three Months Ended June 30, 2017</b>	\$ 3,035	\$ 1,635	\$ 719	\$ 186	\$ -	\$ (0)	\$ 731	\$ (81)	\$ (7)	\$ 106	\$ 537	\$ 2.46
<i>Adjusted % of Adjusted Revenues</i>		53.9%	23.7%	6.1%			24.1%					17.7%
<i>Adjusted effective tax rate</i>										16.5%		

## Three Months Ended June 30, 2016

	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Expense, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
<b>Reported \$ for Three Months Ended June 30, 2016</b>	\$ 3,198	\$ 1,547	\$ 728	\$ 207	\$ 96	\$ -	\$ 516	\$ (92)	\$ (1)	\$ 32	\$ 390	\$ 1.80
<i>Reported % of Revenues</i>		48.4%	22.8%	6.5%			16.1%					12.2%
<i>Reported effective tax rate</i>										7.6%		
<b>Specified items:</b>												
Purchase accounting adjustments pre-tax <sup>(1)</sup>	-	136	1	-	-	-	135	(8)	-	-	127	0.58
Restructuring costs pre-tax <sup>(2)</sup>	-	-	-	-	(49)	-	49	-	-	-	49	0.23
Integration costs pre-tax <sup>(2)</sup>	-	-	-	-	(40)	-	40	-	-	-	40	0.18
Transaction costs pre-tax <sup>(2)</sup>	-	-	-	-	(7)	-	7	-	-	-	7	0.03
Pension Settlement Charges <sup>(7)</sup>	-	1	(1)	-	-	-	3	-	-	-	3	0.01
Income tax benefit of special items	-	-	-	-	-	-	-	-	-	106	(106)	(0.49)
<b>Adjusted \$ for Three Months Ended June 30, 2016</b>	\$ 3,198	\$ 1,684	\$ 728	\$ 207	\$ -	\$ -	\$ 749	\$ (100)	\$ (1)	\$ 138	\$ 510	\$ 2.35
<i>Adjusted % of Revenues</i>		52.6%	22.7%	6.5%			23.4%					15.9%
<i>Adjusted effective tax rate</i>										21.3%		

## Three Months Ended June 30, 2017 versus June 30, 2016

<b>Adjusted \$ change</b>	C=A-B	\$ (163)	\$ (49)	\$ 9	\$ 21	\$ -	\$ 0	\$ (19)	\$ 20	\$ (7)	\$ 32	\$ 26	\$ 0.11
<b>Adjusted % change</b>	D=C/B	(5.1%)	(2.9%)	1.2%	10.2%	-	(2.5%)	19.5%	819.8%	23.2%	5.2%	4.7%	
<b>Foreign currency translation impact</b>	E	\$ (33)	\$ (26)	\$ 7	\$ 1	\$ -	\$ (18)	\$ -	\$ 1	\$ 3	\$ (15)	\$ (0.07)	
<b>Adjusted foreign currency neutral \$ change</b>	F=C-E	\$ (129)	\$ (22)	\$ 2	\$ 20	\$ -	\$ 0	\$ 20	\$ (7)	\$ 29	\$ 41	\$ 0.18	
<b>Adjusted foreign currency neutral % change</b>	G=F/B	(4.0%)	(1.3%)	0.2%	9.9%	-	(0.0%)	19.5%	896%	21.0%	8.1%	7.7%	

<sup>(1)</sup> Includes adjustments related to the purchase accounting for acquisitions, primarily CareFusion, impacting identified intangible assets and valuation of fixed assets and debt.

<sup>(2)</sup> Represents restructuring, integration, and transaction costs associated with the CareFusion acquisition and portfolio rationalization.

<sup>(3)</sup> Represents financing costs, primarily fees paid to enter into a bridge facility, incurred in connection with the pending agreement to acquire Bard.

<sup>(4)</sup> Represents losses recognized upon the extinguishment of certain long-term senior notes.

<sup>(5)</sup> Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

<sup>(6)</sup> Represents the dilutive impact of BD shares issued in May 2017. The year-to-date adjusted diluted average shares outstanding (in thousands) is 218,184.

<sup>(7)</sup> Represents pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost.



# Q3 YTD FY 2017 & Q3 YTD FY 2016 Adjustment Reconciliations

(Unaudited; Amounts in millions, except per share data)

## Nine Months Ended June 30, 2017

	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Expense, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
<b>Reported \$ for Nine Months Ended June 30, 2017</b>	\$ 8,927	\$ 4,388	\$ 2,151	\$ 554	\$ 243	\$ 405	\$ 1,035	\$ (334)	\$ (51)	\$ (123)	\$ 773	\$ 3.36
<i>Reported % of Revenues</i>		49.2%	24.1%	6.2%			11.6%					8.7%
<i>Reported effective tax rate</i>										-18.9%		
<b>Specified items:</b>												
Purchase accounting adjustments pre-tax <sup>(1)</sup>	-	397	(0)	-	-	-	398	(14)	(23)	-	361	1.64
Restructuring costs pre-tax <sup>(2)</sup>	-	-	-	-	(54)	-	54	-	-	-	54	0.25
Integration costs pre-tax <sup>(2)</sup>	-	-	-	-	(159)	-	159	-	-	-	159	0.72
Transaction costs pre-tax <sup>(2)</sup>	-	-	-	-	(30)	-	30	-	6	-	37	0.17
Financing costs pre-tax <sup>(3)</sup>	-	-	-	-	-	-	-	87	-	-	87	0.40
Loss on debt extinguishment <sup>(4)</sup>	-	-	-	-	-	-	-	-	73	-	73	0.33
Lease contract modification charges pre-tax <sup>(5)</sup>	-	-	-	-	-	(741)	741	-	-	-	741	3.36
Litigation-related item <sup>(6)</sup>	-	-	-	-	-	336	(336)	-	-	-	(336)	(1.52)
Dilutive Share Impact <sup>(7)</sup>	-	-	-	-	-	-	-	-	-	-	-	0.22
Income tax benefit of special items	-	-	-	-	-	-	-	-	-	404	(404)	(1.83)
<b>Adjusted \$ for Nine Months Ended June 30, 2017</b>	\$ 8,927	\$ 4,786	\$ 2,151	\$ 554	\$ -	\$ (0)	\$ 2,081	\$ (260)	\$ 6	\$ 282	\$ 1,545	\$ 7.09
<i>Adjusted % of Adjusted Revenues</i>		53.6%	24.1%	6.2%			23.3%					17.3%
<i>Adjusted effective tax rate</i>										15.4%		

## Nine Months Ended June 30, 2016

	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Income, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
<b>Reported \$ for Nine Months Ended June 30, 2016</b>	\$ 9,252	\$ 4,438	\$ 2,209	\$ 575	\$ 321	\$ -	\$ 1,334	\$ (279)	\$ 10	\$ 107	\$ 958	\$ 4.41
<i>Reported % of Revenues</i>		48.0%	23.9%	6.2%			14.4%				10.4%	
<i>Reported effective tax rate</i>										10.1%		
<b>Specified items:</b>												
Purchase accounting adjustments pre-tax <sup>(1)</sup>	-	435	17	-	-	-	419	(24)	-	-	395	1.82
Restructuring costs pre-tax <sup>(2)</sup>	-	-	-	-	(198)	-	198	-	-	-	198	0.91
Integration costs pre-tax <sup>(2)</sup>	-	-	-	-	(115)	-	115	-	-	-	115	0.53
Transaction costs pre-tax <sup>(2)</sup>	-	-	-	-	(7)	-	7	-	-	-	7	0.03
Pension settlement charges pre-tax <sup>(8)</sup>	-	1	(1)	-	-	-	3	-	-	-	3	0.01
Income tax benefit of special items	-	-	-	-	-	-	-	-	-	270	(270)	(1.24)
<b>Adjusted \$ for Nine Months Ended June 30, 2016</b>	\$ 9,252	\$ 4,875	\$ 2,224	\$ 575	\$ -	\$ -	\$ 2,076	\$ (303)	\$ 10	\$ 377	\$ 1,406	\$ 6.48
<i>Adjusted % of Revenues</i>		52.7%	24.0%	6.2%			22.4%				15.2%	
<i>Adjusted effective tax rate</i>										21.1%		

## Nine Months Ended June 30, 2017 versus June 30, 2016

	C=A-B	D=C/B	E	F=C-E	G=F/B
<b>Adjusted \$ change</b>	\$ (325)	\$ (89)	\$ 73	\$ 22	\$ -
<b>Adjusted % change</b>	(3.5%)	(1.8%)	3.3%	3.8%	-
<b>Foreign currency translation impact</b>	\$ (76)	\$ (82)	\$ 17	\$ 1	\$ -
<b>Adjusted foreign currency neutral \$ change</b>	\$ (249)	\$ (8)	\$ 56	\$ 20	\$ -
<b>Adjusted foreign currency neutral % change</b>	(2.7%)	(0.2%)	2.5%	3.6%	-

<sup>(1)</sup> Includes adjustments related to the purchase accounting for acquisitions, primarily CareFusion, impacting identified intangible assets and valuation of fixed assets and debt.

<sup>(2)</sup> Represents restructuring, integration, and transaction costs associated with the CareFusion acquisition and portfolio rationalization.

<sup>(3)</sup> Represents financing costs, primarily fees paid to enter into a bridge facility, incurred in connection with the pending agreement to acquire Bard.

<sup>(4)</sup> Represents losses recognized upon the extinguishment of certain long-term senior notes.

<sup>(5)</sup> Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

<sup>(6)</sup> Represents the reversal of certain reserves related to an appellate court decision which, among other things, reversed an unfavorable antitrust judgment in the RTI case.

<sup>(7)</sup> Represents the dilutive impact of BD shares issued in May 2017. The year-to-date adjusted diluted average shares outstanding (in thousands) is 218,094.

<sup>(8)</sup> Represents pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost.



# Q3 FY 2017 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

(Unaudited)

	Three Months Ended June 30,						
	2017	2016	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ (0.75)	\$ 1.80	\$ (2.55)	\$ (0.07)	\$ (2.48)	(141.7%)	137.8%
Purchase accounting adjustments (\$106 million and \$127 million pre-tax, respectively) <sup>(1)</sup>	0.48	0.58					
Restructuring costs (\$8 million and \$49 million pre-tax, respectively) <sup>(2)</sup>	0.04	0.23					
Integration costs (\$50 million and \$40 million pre-tax, respectively) <sup>(2)</sup>	0.23	0.18					
Transaction costs (\$23 million and \$7 million pre-tax, respectively) <sup>(2)</sup>	0.10	0.03					
Financing costs (\$87 million pre-tax) <sup>(3)</sup>	0.39	—					
Losses on debt extinguishment (\$31 million pre-tax) <sup>(4)</sup>	0.14	—					
Lease contract modification-related charge (\$741 million pre-tax) <sup>(5)</sup>	3.36	—					
Dilutive impact <sup>(6)</sup>	0.18	—					
Pension settlement charges (\$3 million pre-tax) <sup>(7)</sup>	—	0.01					
Income tax benefit of special items (\$(377) million and \$(106) million, respectively)	(1.71)	(0.49)					
Adjusted Diluted Earnings per Share	\$ 2.46	\$ 2.35	\$ 0.11	\$ (0.07)	\$ 0.18	4.7%	7.7%

- (1) Includes adjustments related to the purchase accounting for acquisitions, primarily CareFusion, impacting identified intangible assets and valuation of fixed assets and debt.
- (2) Represents integration and restructuring costs which are associated with the acquisition of CareFusion and other portfolio rationalization initiatives, as well as transaction costs which relate to the pending agreement to acquire Bard as well as other portfolio rationalization initiatives.
- (3) Represents financing costs, primarily fees paid to enter into a bridge facility, incurred in connection with the pending agreement to acquire Bard.
- (4) Represents losses recognized upon the extinguishment of certain long-term senior notes.
- (5) Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.
- (6) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the pending acquisition of Bard, and of preferred share dividends payable on mandatory convertible preferred stock outstanding. The quarter-to-date adjusted diluted average shares outstanding (in thousands) is 218,184.
- (7) Represents pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost.





# YTD FY 2017 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

(Unaudited)

	Nine Months Ended June 30,						
	2017	2016	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 3.36	\$ 4.41	\$ (1.05)	\$ (0.24)	\$ (0.81)	(23.8)%	(18.4)%
Purchase accounting adjustments (\$361 million and \$395 million pre-tax, respectively) <sup>(1)</sup>	1.64	1.82					
Restructuring costs (\$54 million and \$198 million pre-tax, respectively) <sup>(2)</sup>	0.25	0.91					
Integration costs (\$159 million and \$115 million pre-tax, respectively) <sup>(2)</sup>	0.72	0.53					
Transaction costs (\$37 million and \$7 million pre-tax, respectively) <sup>(2)</sup>	0.17	0.03					
Financing costs (\$87 million pre-tax) <sup>(3)</sup>	0.40	—					
Losses on debt extinguishment (\$73 million pre-tax) <sup>(4)</sup>	0.33	—					
Lease contract modification-related charge (\$741 million pre-tax) <sup>(5)</sup>	3.36	—					
Litigation-related item (\$(336) million pre-tax) <sup>(6)</sup>	(1.52)	—					
Dilutive Impact <sup>(7)</sup>	0.22	—					
Pension settlement charges (\$3 million pre-tax) <sup>(8)</sup>	—	0.01					
Income tax benefit of special items (\$(404) million and \$(270) million, respectively)	(1.83)	(1.24)					
Adjusted Diluted Earnings per Share	\$ 7.09	\$ 6.48	\$ 0.61	\$ (0.24)	\$ 0.85	9.4%	13.1%

(1) Includes adjustments related to the purchase accounting for acquisitions, primarily CareFusion, impacting identified intangible assets and valuation of fixed assets and debt.

(2) Represents integration and restructuring costs which are associated with the acquisition of CareFusion and other portfolio rationalization initiatives, as well as transaction costs which relate to the pending agreement to acquire Bard as well as other portfolio rationalization initiatives.

(3) Represents financing costs, primarily fees paid to enter into a bridge facility, incurred in connection with the pending agreement to acquire Bard.

(4) Represents losses recognized upon the extinguishment of certain long-term senior notes.

(5) Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

(6) Represents the reversal of certain reserves related to an appellate court decision which, among other things, reversed an unfavorable antitrust judgment in the RTI case.

(7) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the pending acquisition of Bard, and of preferred share dividends payable on mandatory convertible preferred stock outstanding. The year-to-date adjusted diluted average shares outstanding (in thousands) is 218,094.

(8) Represents pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost.



# FY 2017 Reconciliation – FX Impact Emerging and Developed Markets

(Unaudited; Amounts in millions)

	Emerging Markets*						Developed Markets					
	Q1	Q2	Q3	Q3 YTD	Q4	Full Year	Q1	Q2	Q3	Q3 YTD	Q4	Full Year
BDX Reported 2017	456	452	503	1,411			2,466	2,517	2,532	7,516		
<i>Adjusted Comparable Growth %</i>	4.7	7.7	9.0	7.2			5.6	3.6	(0.1)	3.0		
<i>FX Neutral Growth %</i>	7.7	8.7	10.9	9.1			5.8	4.5	0.9	3.7		
<i>FX Impact %</i>	(3.0)	(1.0)	(1.8)	(1.9)			(0.2)	(0.9)	(1.0)	(0.7)		
A BDX Reported 2016	465	443	485	1,393			2,521	2,625	2,713	7,858		
B Divestiture Adjustment **	(30)	(23)	(24)	(77)			(186)	(196)	(179)	(561)		
A+B BDX Comparable Adjusted 2016	436	420	461	1,317			2,335	2,428	2,534	7,298		

\* Emerging markets include Eastern Europe, Middle East, Africa, Latin America, and certain countries within Asia Pacific, excluding Australia, New Zealand, Korea, Singapore, Hong Kong, Taiwan & Japan.

\*\* To reflect the impact of a the Respiratory Solutions, Spine and BDRx (Simplist) divestitures.



# FY 2017 Reconciliation – FX Impact Emerging Markets Safety and China

		Emerging Markets Safety*					
		Q1	Q2	Q3	Q3 YTD	Q4	Full Year
	BDX Reported 2017	116	117	120	352		
	<i>Adjusted Comparable Growth %</i>	15.3	12.6	(1.8)	8.1		
	<i>FX Neutral Growth %</i>	18.1	13.4	(0.1)	9.8		
	<i>FX Impact %</i>	(2.8)	(0.8)	(1.7)	(1.7)		
A+B	BDX Reported 2016	100	104	122	326		

\* Emerging markets include Eastern Europe, Middle East, Africa, Latin America, and certain countries within Asia Pacific, excluding Australia, New Zealand, Korea, Singapore, Hong Kong, Taiwan & Japan.

		China					
		Q1	Q2	Q3	Q3 YTD	Q4	Full Year
	BDX Reported 2017	163	168	176	506		
	<i>Adjusted Comparable Growth %</i>	3.4	6.6	6.6	5.6		
	<i>FX Neutral Growth %</i>	9.1	11.9	12.0	11.0		
	<i>FX Impact %</i>	(5.7)	(5.3)	(5.3)	(5.5)		
A	BDX Reported 2016	163	163	170	496		
B	Divestiture Adjustment **	(6)	(6)	(5)	(17)		
	BDX Comparable Adjusted 2016	157	157	165	480		



\*\* Excludes the impact from the following divestitures: Respiratory, Simplist and Spine

# Q3 and Q3 YTD FY 2017 Safety Revenues

(Unaudited; Amounts in millions)

	Three Months Ended June 30,				
	A	B	C	D=(A-B)/B	E=(A-B-C)/B
	As Reported		FX	% Change	
	2017	2016	Impact	Reported	FXN
<b>TOTAL SAFETY REVENUES</b>					
United States	\$ 457	\$ 450	\$ -	1.5	1.5
International	320	334	(8)	(4.4)	(2.0)
<b>TOTAL</b>	<b>\$ 776</b>	<b>\$ 784</b>	<b>\$ (8)</b>	<b>(1.0)</b>	<b>-</b>
<b>BY SEGMENT</b>					
BD Medical	\$ 478	\$ 493	\$ (4)	(3.0)	(2.1)
BD Life Sciences	298	291	(4)	2.4	3.7
<b>TOTAL</b>	<b>\$ 776</b>	<b>\$ 784</b>	<b>\$ (8)</b>	<b>(1.0)</b>	<b>-</b>

	Nine Months Ended June 30,				
	A	B	C	D=(A-B)/B	E=(A-B-C)/B
	As Reported		FX	% Change	
	2017	2016	Impact	Reported	FXN
<b>TOTAL SAFETY REVENUES</b>					
United States	\$ 1,370	\$ 1,340	\$ -	2.3	2.3
International	942	914	(17)	3.1	4.9
<b>TOTAL</b>	<b>\$ 2,313</b>	<b>\$ 2,254</b>	<b>\$ (17)</b>	<b>2.6</b>	<b>3.4</b>
<b>BY SEGMENT</b>					
BD Medical	\$ 1,446	\$ 1,425	\$ (8)	1.5	2.0
BD Life Sciences	867	829	(9)	4.5	5.6
<b>TOTAL</b>	<b>\$ 2,313</b>	<b>\$ 2,254</b>	<b>\$ (17)</b>	<b>2.6</b>	<b>3.4</b>



# FY 2017 Outlook Reconciliation

	FY2016	FY2017 Outlook		
	Revenues	% Change	FX Impact	% Change FXN
BDX As Reported Revenue	\$ 12,483	(3.0% - 3.5%)	~(1.0%)	(2.0% - 2.5%)
Divestitures Revenue (1)	(843)			
BDX Comparable Revenue	\$ 11,639	3.5% - 4.0%	~(1.0%)	4.5% - 5.0%
BD Medical As Reported Revenue	\$ 8,654	(6.0% - 6.5%)	~(1.0%)	(5.0% - 5.5%)
Divestitures Revenue (1)	(843)			
BD Medical Comparable Revenue	\$ 7,811	3.5% - 4.0%	~(1.0%)	4.5% - 5.0%
BD Life Sciences As Reported Revenue	\$ 3,829	3.0% - 4.0%	~(1.0%)	4.0% - 5.0%

	FY2017 Outlook		
	Full Year FY2017 Outlook (estimated)	Full Year FY2016	% Increase
Reported Fully Diluted Earnings per Share	5.10 - 5.15	\$ 4.49	~ 14.0% - 15.0%
Purchase Accounting Adjustments	2.22	2.42	
Restructuring Costs	0.25 (2)	2.42	
Integration Costs	0.72 (2)	0.88	
Transaction Costs	0.17 (2)	0.04	
Financing Costs	0.40 (2)	—	
Losses on Debt Extinguishment	0.33 (2)	—	
Lease Contract Modification Charge	3.36 (2)	—	
Litigation-related Item	(1.52) (2)	—	
Dilutive Impact	0.25 (3)	—	
Pension Settlement Charges	—	0.03	
Income Tax Benefit of Special Items	(1.83) (2)	(1.70)	
Adjusted Fully Diluted Earnings per Share	9.42 - 9.47	\$ 8.59	~10.0%
Estimated FX Impact	~(0.30)		~(3.5%)
Adjusted FXN Growth	9.70 - 9.80		~ 13.0% - 14.0%

(1) Excludes the impact from the following divestitures: Respiratory, Simplist and Spine.

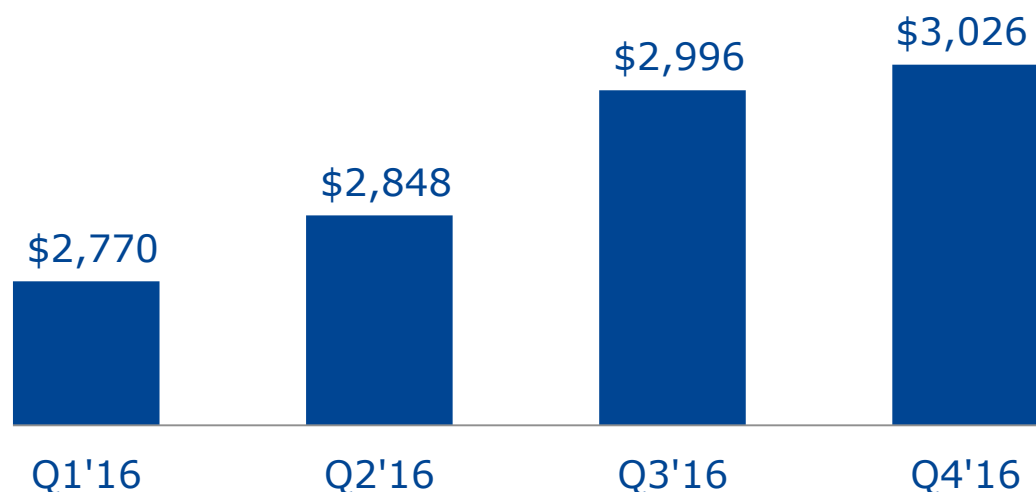
(2) FY2017 restructuring, integration, transaction and financing costs, losses on debt extinguishment, lease contract modification charge, litigation-related item, and income tax benefit of special items reflect year-to-date realized costs.

(3) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the pending acquisition of Bard, and of preferred share dividends payable on mandatory convertible preferred stock outstanding.



# FY 2016 Comparable Revenues for FY 2017 Guidance

## FY 2016 Comparable Revenues for FY 2017 Guidance



## FY 2017 Guidance

**(3.0% to 3.5%) FY 2017 reported growth on FY 2016 BDX As Reported Revenues of \$12,483**

Note: Reported revenue decline due to divestitures and (~100 bps) estimated FX headwind

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY16</u>
<b>BDX As Reported Revenue</b>	\$ 2,986	\$ 3,067	\$ 3,198	\$ 3,231	\$ 12,483
Divestitures Revenue	\$ (216)	\$ (219)	\$ (202)	\$ (205)	\$ (843)
<b>BDX Comparable Revenue</b>	\$ 2,770	\$ 2,848	\$ 2,996	\$ 3,026	\$ 11,639



# FY 2017 Planned Product Launches

Medical Segment Program / Product	Planned Launch Date
• IV Solutions	➤ FY 2017
• BD Hyllok™	➤ FY 2017
• Rowa Cmax	➤ FY 2017
• Rowa VMAX® 210	➤ FY 2017
• BD Enterprise Pharmogistics™ 1.0	✔ Q1 FY 2017
• BD Pyxis™ ES Enterprise Server 1.5	➤ FY 2017
• BD Neopak™ Prefillable Syringes	✔ Q1 FY 2017

Life Sciences Segment Program / Product	Planned Launch Date
• BD MAX™ – Extended Enteric Bacterial	✔ Q3 FY 2017 U.S.
• BD MAX™ – Vaginitis / Vaginosis	✔ Q1 FY 2017 U.S.
• BD Kiestra™ Digital Imaging Application – Urine	✔ Q4 FY 2017 EU, CA & U.S.
• BD Phoenix™ CPO Detect (CRE)	➤ FY 2017 ex-U.S. & China
• BD Resolve™ (early access)	✔ Q1 FY 2017 U.S.
• BD FACSLyric™	✔ Q4 FY 2017 U.S.
• BD OptiBuild™ Wave 1	✔ Q1 FY 2017
• BD OptiBuild™ Wave 2	➤ FY 2017
• BD Horizon™ (Sirigen) Brilliant Blue 700 dye	✔ Q1 FY 2017
• BD Horizon™ Guided Panel Solution (GPS)	✔ Q1 FY 2017
• BD Precise™ WTA reagents	✔ Q2 FY 2017

