

Third Quarter Results Fiscal Year 2018

August 2nd, 2018



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 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. Adjustments to current and prior year periods as noted in the schedules in the appendix of this presentation.
- Reconciliations 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 future charges and costs could have a potentially significant impact on our future GAAP financial results.
- Basis of Presentation for Revenue Growth Metrics: All revenue amounts are presented on a GAAP basis. As such, YTD revenue amounts reflect BD standalone results in Q1 and BD + Bard results starting in Q2. In addition, revenue amounts reflect the BD / Bard portfolio alignment. Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment. Reconciliations of comparable FXN revenue growth to the comparable GAAP measure are included in our earnings release and the related financial schedules.
- A copy of our earnings release, including the financial schedules, is posted on the "Investors" section of the BD.com website.

Note: All figures on accompanying slides are rounded. Totals may not add due to rounding. Percentages are based on un-rounded figures. FXN = Estimated foreign exchange-neutral currency growth. \$ = Dollars in millions except per share data.

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Executive overview

Vincent A. Forlenza
Chairman and CEO

BD strategy and execution toward advancing the world of health

Our long-term strategy is focused on

- Providing **leading medical technologies** and **innovative solutions** for our customers and their patients,
- **Driving sustainable healthcare** by increasing access, driving better outcomes, mitigating system cost pressures, and improving health care safety, through:

Medical

- Improving medication management across the continuum of care
- Leading in infection prevention and health care safety

Life Sciences

- Enhancing the diagnosis of infectious disease and cancer
- Empowering research insights inside and outside the cell

Interventional

- Advancing the management of high burden diseases
- Enabling surgical and interventional procedures

Q3 FY 2018

Business highlights

Continued strong performance in the third quarter

- Mid-single digit revenue growth across all three segments
- Operating efficiencies, continuous improvement and synergy capture driving strong gross margin expansion
- Appointed three additional Bard leaders to key management roles for the company
- Completed acquisition of TVA Medical, Inc.
- Increasing revenue guidance and narrowing adjusted EPS guidance
- Strong year-to-date performance gives us confidence in our outlook as we move forward

Financial performance

Christopher Reidy

Executive Vice President, CFO and Chief Administrative Officer

Q3 FY 2018

Financial highlights

Revenue growth:

Q3 revenues driven by strength across all three segments

Margin Expansion:

Q3 gross margins of 58.0%, +340 bps FXN

Capital deployment:

- 4.2x gross leverage at June 30th
- \$400M Q3 debt paydown

	Third quarter	Year-to-date
Revenues⁽¹⁾	\$4,278	\$11,581
% Growth	+41.0%	+29.7%
Comparable FXN % Growth ⁽²⁾ <i>1H U.S. Dispensing Change and Q1 Hurricane Impact⁽³⁾</i>	+5.5%	+5.0% (0.8%)
Adjusted EPS⁽⁴⁾	\$2.91	\$8.08
% Growth	+18.3%	+14.0%
FXN % Growth	+11.0%	+8.0%

(1) All revenue amounts are presented on a GAAP basis. As such, YTD revenue amounts reflect BD standalone results in Q1 and BD + Bard results starting in Q2.

(2) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

(3) Represents estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2 and the hurricane in Puerto Rico on the Bard business in Q1.

(4) Current and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments (including the non-cash amortization of acquisition-related intangible assets); integration, restructuring and transaction costs; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment.

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Q3 FY 2018

Medical segment update

Revenues ⁽¹⁾	Third quarter			Year-to-date		
	\$	% Growth	Comparable FXN % Growth ⁽²⁾	\$	% Growth	Comparable FXN % Growth ⁽²⁾
Medical segment <i>1H U.S. Dispensing Change⁽³⁾</i>	\$2,246	+20.0%	+5.7%	\$6,270	+14.5%	+4.1% (1.1%)
Medication Delivery Solutions	977	+39.0%	+5.8%	2,677	+28.0%	+5.5%
Medication Management Solutions <i>1H U.S. Dispensing Change⁽³⁾</i>	610	+9.8%	+8.3%	1,778	3.2%	1.7% (3.7%)
Diabetes Care	276	+5.1%	+2.4%	820	+6.1%	+3.4%
Pharmaceutical Systems	383	+9.3%	+3.8%	994	+11.8%	+5.2%



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(2) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

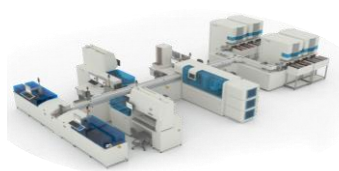
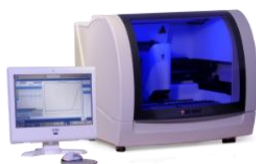
(3) Represents estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2.

Note: Figures are \$ millions. Totals may not add due to rounding.

Q3 FY 2018

Life Sciences segment update

Revenues	Third quarter			Year-to-date		
	\$	% Growth	FXN % Growth	\$	% Growth	FXN % Growth
Life Sciences segment	\$1,079	+8.2%	+5.6%	\$3,222	+9.7%	+6.7%
Diagnostic Systems	362	+7.9%	+5.0%	1,152	+13.1%	+10.1%
Prenalytical Systems	404	+7.4%	+5.2%	1,160	+6.1%	+3.4%
Biosciences	314	+9.7%	+6.8%	910	+10.3%	+7.0%



Note: Figures are \$ millions. Totals may not add due to rounding.

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Q3 FY 2018

Interventional segment update

Revenues	Third Quarter			Year-to-date
	\$	% Growth	Comparable FXN % Growth ⁽¹⁾	Comparable FXN % Growth ⁽¹⁾
Interventional Segment <i>Q1 Hurricane Impact⁽²⁾</i>	\$954	NM	+5.1%	+4.9% (1.2%)
Peripheral Intervention	353	NM	+8.1%	+9.9%
Surgery <i>Q1 Hurricane Impact⁽²⁾</i>	336	NM	+1.7%	+0.6% (3.2%)
Urology & Critical Care	265	NM	+5.6%	+4.6%



(1) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

(2) Represents estimated impact from the hurricane in Puerto Rico on the Bard business in Q1.

Note: Figures are \$ millions. Totals may not add due to rounding. NM = not meaningful.

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Q3 FY 2018

Geographic revenue highlights

Revenues ⁽¹⁾	Third quarter			Year-to-date		
	\$	% Growth	Comparable FXN % Growth ⁽²⁾	\$	% Growth	Comparable FXN % Growth ⁽²⁾
United States <i>1H U.S. Dispensing change and Q1 Hurricane Impact⁽¹⁾</i>	\$2,338	+45.9%	+5.9%	\$6,319	+30.0%	+3.7% (1.4%)
International	\$1,941	+35.4%	+5.1%	\$5,261	+29.3%	+6.6%
Developed Markets <i>1H U.S. Dispensing change and Q1 Hurricane Impact⁽¹⁾</i>	3,590	+41.8%	+4.6%	9,754	+29.8%	+3.8% (1.0%)
Emerging Markets	689	+36.9%	+10.5%	1,827	+29.5%	+11.6%
China	299	+69.9%	+13.2%	749	+47.9%	+13.0%

(1) All revenue amounts are presented on a GAAP basis. As such, YTD revenue amounts reflect BD standalone results in Q1 and BD + Bard results starting in Q2. In addition, revenue amounts reflect the BD/Bard portfolio alignment.

(2) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

(3) Represents estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2 and the hurricane in Puerto Rico on the Bard business in Q1.

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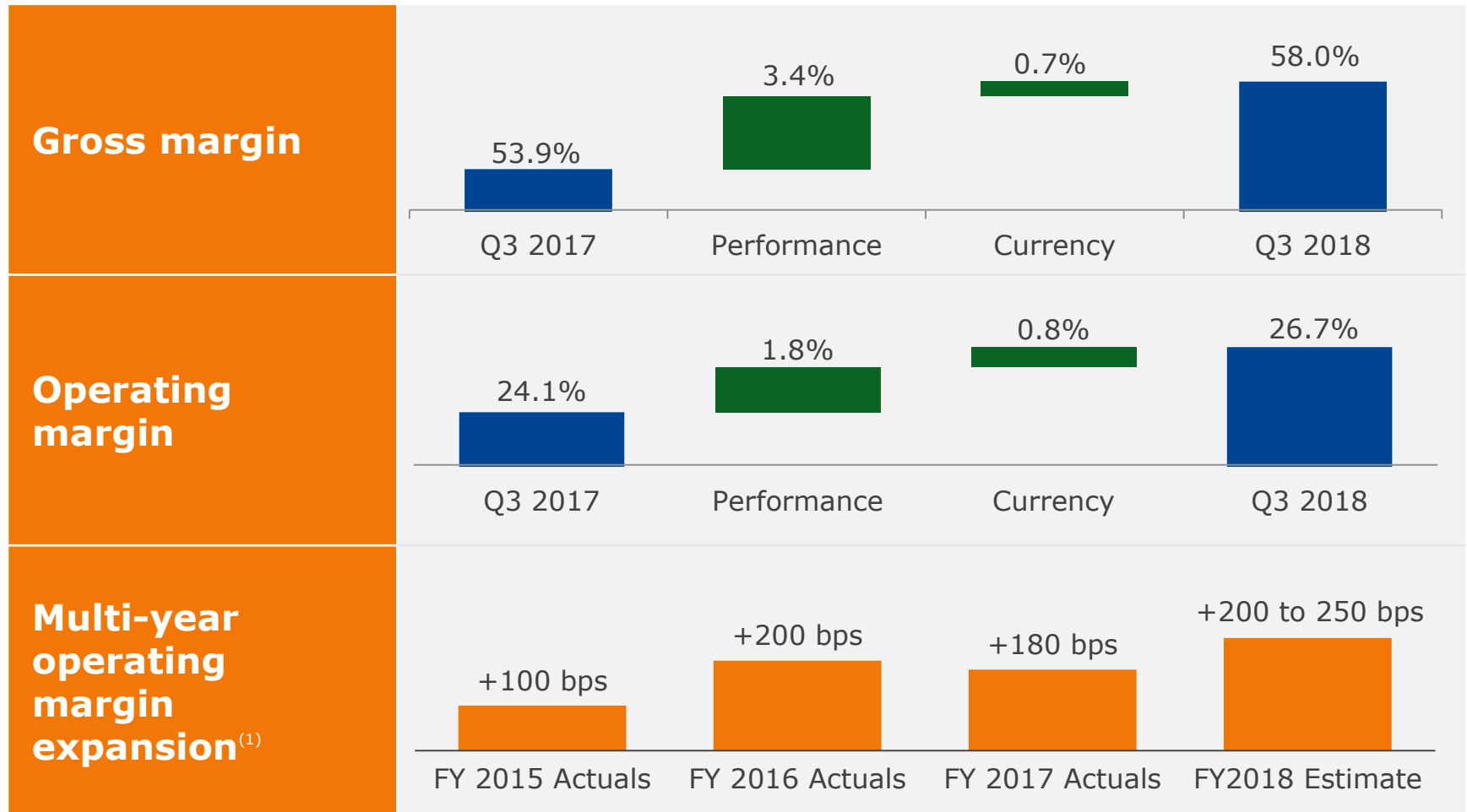


Q3 FY 2018 adjusted income statement

As adjusted	Q3 FY 2018	% Growth	% FXN Growth	Q3 FY 2017
Revenues <i>Comparable % FXN Growth⁽¹⁾</i>	\$4,278	41.0%	37.6% 5.5%	\$3,035
Gross profit % of revenues	2,481 58.0%	51.7%	46.2%	1,635 53.9%
SSG&A % of revenues	1,079 25.2%	(50.2%)	(46.7%)	719 23.7%
R&D % of revenues	258 6.0%	(39.1%)	(37.5%)	186 6.1%
Operating income % of revenues	1,143 26.7%	56.4%	47.9%	731 24.1%
Interest / Other, Net	123			88
Tax rate	18.0%			16.5%
Net Income	836	55.8%	46.7%	537
Preferred Dividend	38			n/a
Net Income applicable to common shareholders	798	48.7%	39.7%	537
Share Count	273.9			218.2
Adjusted EPS⁽²⁾	\$2.91	18.3%	11.0%	\$2.46

(1) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment. (2) Current and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments (including the non-cash amortization of acquisition-related intangible assets); integration, restructuring and transaction costs; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment. Note: Figures are \$ millions, except per share data. Totals may not add due to rounding. Above figures reflects favorable / (unfavorable) performance versus last year.

Q3 FY 2018 adjusted gross and operating margins



(1) Underlying margin expansion excludes currency and pension impacts for all periods.
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Guidance

Christopher Reidy

Executive Vice President, CFO and Chief Administrative Officer

FY 2018 revenue guidance

Comparable Revenues FXN % Guidance ⁽¹⁾	August Guidance	May Guidance
BD + Bard	5.5%+	5.0% to 5.5%
Underlying	6%+ ^(2,3)	5.5% to 6% ^(2,3)
Medical	5%+	4.0% to 5.0%
Life Sciences	6%+	5.0% to 6.0%
Interventional	5.5% to 6.5% ⁽²⁾	5.5% to 6.5% ⁽²⁾

(1) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

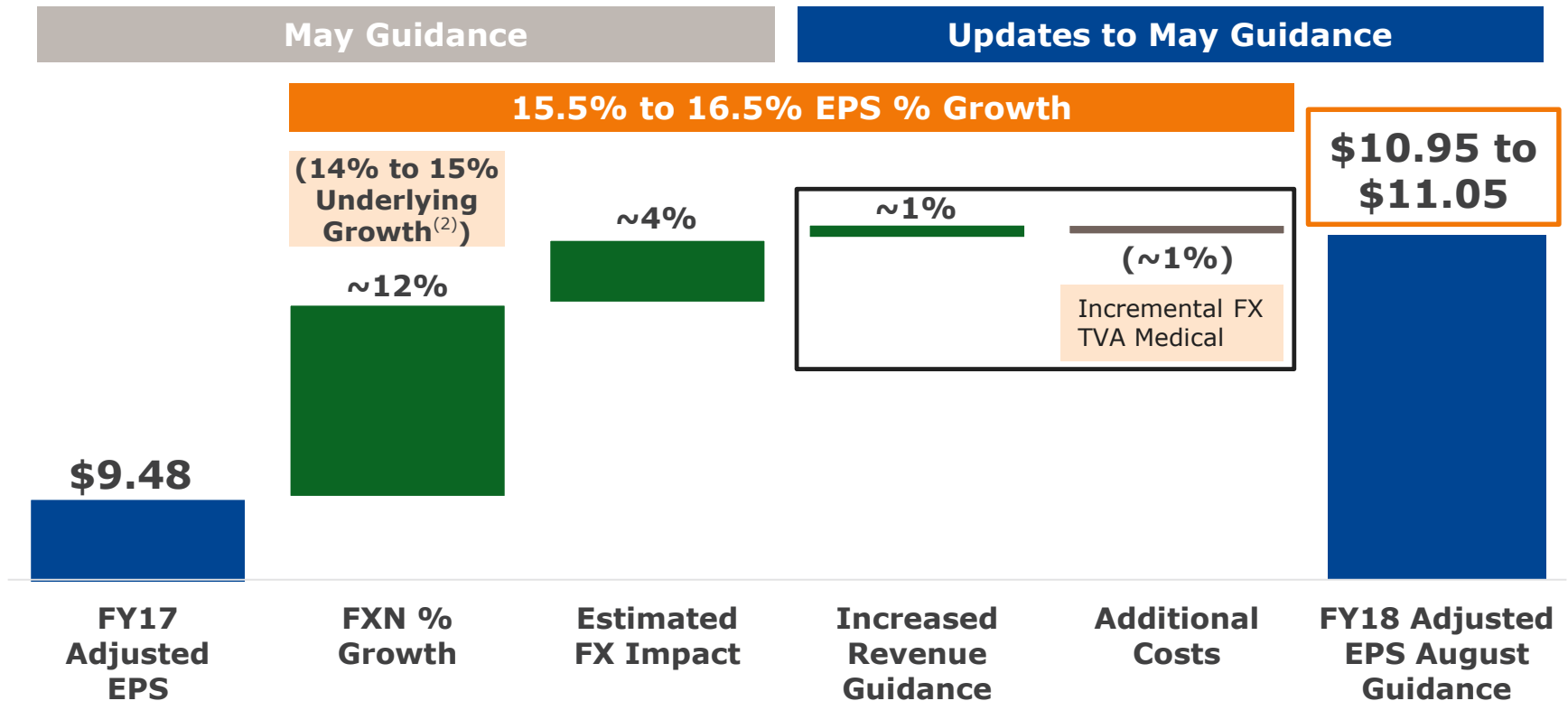
(2) Underlying Revenues FXN % Growth excludes the estimated sales impact from the hurricane in Puerto Rico on the Bard business in Q1.

(3) Underlying Revenues FXN % Growth excludes the estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2.

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FY 2018 adjusted EPS guidance⁽¹⁾



(1) Current and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments (including the non-cash amortization of acquisition-related intangible assets); integration, restructuring and transaction costs; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment.

(2) Underlying growth excludes the estimated (2 to 3%) EPS impact from the U.S. Dispensing revenue recognition change in Q1 and Q2.

Q3 FY 2018 guidance update

As adjusted	August Guidance	May Guidance
BD Comparable Revenues FXN % Growth⁽¹⁾	5.5%+	5.0% to 5.5%
Underlying Revenues FXN % Growth⁽²⁾	6.0%+	5.5% to 6.0%
Revenue – FX Impact	~2.5%	~2.5%
BD Reported Revenues	31.5%+	31.0% to 31.5%
Gross margin	56.0% to 57.0%	56.0% to 57.0%
SSG&A (% of sales)	24.5% to 25.5%	24.5% to 25.5%
R&D (% of sales)	6.0% to 7.0%	6.0% to 7.0%
Operating margin Operating margin expansion FXN	25.0% to 26.0% +200 to 250 bps	25.0% to 26.0% +200 to 250 bps
Interest/other, net ⁽³⁾	(\$500M to \$525M)	(\$500M to \$525M)
Effective tax rate	17.0% to 19.0%	17.0% to 19.0%
Preferred Dividend	(\$114M)	(\$114M)
Share count	~261M	~261M
Adjusted EPS	\$10.95 to \$11.05	\$10.90 to \$11.05
Adjusted EPS FXN % Growth	~12%	~12%
Adjusted EPS % Growth	15.5% to 16.5%	15% to 16.5%
Operating cash flow	~\$3.5B	~\$3.5B
Capital expenditures	\$850M to \$900M	\$850M to \$900M

(1) Comparable revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment. (2) Underlying Growth excludes the estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2 and the estimated sales impact from the hurricane in Puerto Rico on the Bard business in Q1. (3) Amounts previously reported by Bard as related to the Gore royalty revenue have been reclassified to Other Income to reflect the reporting classification by BD. (4) Current and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments (including the non-cash amortization of acquisition-related intangible assets); integration, restructuring and transaction costs; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment.

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Executive summary

Vincent A. Forlenza
Chairman and CEO

Q3 FY 2018

BD transformation update

	CareFusion	Bard
Integration	<ul style="list-style-type: none"> • Integration largely complete 	<ul style="list-style-type: none"> • Integration proceeding as planned
Cost Synergies	<ul style="list-style-type: none"> • Achieved ~\$350M cost synergies through FY 2018 	<ul style="list-style-type: none"> • Confident in achieving ~\$300M by FY 2020 • Realizing procurement cost savings • Implementing synergy project plan across businesses and functions
Revenue Synergies	<ul style="list-style-type: none"> • Good traction with our International MMS portfolio • International MDS and MMS have been growing high-single digits since the combination of BD + CFN 	<ul style="list-style-type: none"> • MDS vascular access salesforce cross-trained this summer • Trained and activated additional surgical salesforce in Europe

FY 2018 Planned Product Launches

Medical	Life Sciences	Interventional
<ul style="list-style-type: none"> • BD PhaSeal™ Optima • BD PureHub™ IV needless connector disinfectant caps ✓ IV Solutions – sodium chloride and 5% dextrose • IV Solutions – additional compounds in FY 2018 • Next Gen Accucath™ catheter ✓ BD Venflon™ I with BD Instaflash™ Needle Technology ✓ BD Venflon™ Pro Safety with BD Instaflash™ Needle Technology ✓ BD HealthSight™ integrated MMS platform ✓ BD Pyxis™ ES 1.5.2 ✓ BD Neopak™ XSi™ glass pre-fillable syringe 	<ul style="list-style-type: none"> ✓ BD MAX™ – Enteric Viral Panel (CE Mark) • BD MAX™ – TB ✓ BD MAX™ Check-Points CPO assay (CE Mark) ✓ BD Onclarity™ HPV (U.S. PMA) ✓ BD Synapsys™ Informatics DS platform ✓ BD AbSeq assays for protein expression ✓ Additional BD OptiBuild™ reagents / Sirigen dyes 	<ul style="list-style-type: none"> ✓ LifeStent™ 5Fr. ProSeries™ stent ✓ OptiFix™ open fixation system ✓ Lutonix™ AV catheter • Covera™ stent graft (AV access graft indication) ✓ Magic3™ catheter ✓ AllPoints™ port access system ✓ Echo 2™ position system with Ventralight™ ST mesh • Lutonix™ drug coated balloon catheter – Long Lesion (200mm+ balloon lengths for SFA treatment)

Key takeaways

Pleased with very strong year-to-date performance

- Mid-single digit year-to-date revenue growth in all three segments
- Strong performance and execution in our first two quarters combined as BD + Bard
- Operating efficiencies, continuous improvement and synergy capture driving strong gross margin expansion
- Increasing revenue growth guidance and narrowing adjusted EPS guidance
- Confident in our outlook as we move forward



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Q3 FY 2018 & Q3 FY 2017 Adjustment Reconciliations

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

Three Months Ended June 30, 2018

	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
Reported \$ for Three Months Ended June 30, 2018	\$ 4,278	\$ 2,017	\$ 1,081	\$ 277	\$ 146	\$ -	\$ 513	\$ (174)	\$ 308	\$ 53	\$ 594	\$ 2.03
<i>Reported % of Revenues</i>		47.1%	25.3%	6.5%			12.0%				13.9%	
<i>Reported effective tax rate</i>										8.2%		
Specified items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	398	(1)	-	-	-	400	(2)	36	-	433	1.58
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(33)	-	33	-	-	-	33	0.12
Integration costs pre-tax ⁽²⁾	-	-	-	-	(103)	-	103	-	-	-	103	0.37
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(11)	-	11	-	-	-	11	0.04
Hurricane recovery costs ⁽³⁾	-	3	-	-	-	-	3	-	-	-	3	0.01
Loss on debt extinguishment ⁽⁴⁾	-	-	-	-	-	-	-	-	3	-	3	0.01
Net impact of gain on sale of investment and asset impairments ⁽⁵⁾	-	63	-	(18)	-	-	81	-	(295)	-	(214)	(0.78)
Income tax benefit of special items	-	-	-	-	-	-	-	-	-	130	(130)	(0.48)
Adjusted \$ for Three Months Ended June 30, 2018	\$ 4,278	\$ 2,481	\$ 1,079	\$ 258	\$ -	\$ -	\$ 1,143	\$ (177)	\$ 53	\$ 184	\$ 836	\$ 2.91
<i>Adjusted % of Adjusted Revenues</i>		58.0%	25.2%	6.0%			26.7%				19.5%	
<i>Adjusted effective tax rate</i>										18.0%		

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 Income, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
Reported \$ for Three Months Ended June 30, 2017	\$ 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%		
Specified items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	131	-	-	-	-	132	(3)	(23)	-	106	0.48
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(8)	-	8	-	-	-	8	0.04
Integration costs pre-tax ⁽²⁾	-	-	-	-	(50)	-	50	-	-	-	50	0.23
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(23)	-	23	-	-	-	23	0.10
Financing impacts ⁽⁶⁾	-	-	-	-	-	-	-	87	-	-	87	0.39
Loss on debt extinguishment ⁽⁴⁾	-	-	-	-	-	-	-	-	31	-	31	0.14
Lease contract modification-related charge ⁽⁷⁾	-	-	-	-	-	(741)	741	-	-	-	741	3.36
Dilutive impact ⁽⁸⁾	-	-	-	-	-	-	-	-	-	-	-	0.18
Income tax benefit of special items	-	-	-	-	-	-	-	-	-	377	(377)	(1.71)
Adjusted \$ for Three Months Ended June 30, 2017	\$ 3,035	\$ 1,635	\$ 719	\$ 186	\$ -	\$ -	\$ 731	\$ (81)	\$ (7)	\$ 106	\$ 537	\$ 2.46
<i>Adjusted % of 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, 2018 versus June 30, 2017

Adjusted \$ change	C=A-B	\$ 1,243	\$ 845	\$ (361)	\$ (73)	\$ -	\$ 412	\$ (96)	\$ 61	\$ (77)	\$ 299	\$ 0.45
Adjusted % change	D=C/B	41.0%	51.7%	(50.2%)	(39.1%)	-	56.4%	(118.4%)	819.9%	(73.1%)	55.8%	18.3%
Foreign currency translation impact	E	\$ 103	\$ 90	\$ (25)	\$ (3)	\$ -	\$ 62	\$ -	\$ (3)	\$ (11)	\$ 49	\$ 0.18
Adjusted foreign currency neutral \$ change	F=C-E	\$ 1,140	\$ 755	\$ (336)	\$ (70)	\$ -	\$ 350	\$ (96)	\$ 63	\$ (67)	\$ 251	\$ 0.27
Adjusted foreign currency neutral % change	G=F/B	37.6%	46.2%	(46.7%)	(37.5%)	-	47.9%	(118.4%)	855.2%	(63.0%)	46.7%	11.0%

⁽¹⁾ Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$56 million recorded relative to Bard's inventory on the acquisition date.

⁽²⁾ Represents integration, restructuring and transaction costs which are associated with the Bard and CareFusion acquisitions, as well as restructuring and transaction costs associated with other portfolio rationalization initiatives.

⁽³⁾ Represents costs incurred as a result of hurricane-related damage to production facilities in Puerto Rico.

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

⁽⁵⁾ Represents the net amount recognized in the period related to BD's sale of its non-controlling interest in Vyair Medical, partially offset by \$81 million of charges recorded to write down the carrying value of certain intangible and other assets in the Biosciences unit.

⁽⁶⁾ Represents financing impacts associated with the Bard acquisition.

⁽⁷⁾ Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

⁽⁸⁾ Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition.

Q3 YTD FY 2018 & Q3 YTD FY 2017

Adjustment Reconciliations

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

Nine Months Ended June 30, 2018

	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
Reported \$ for Nine Months Ended June 30, 2018	\$ 11,581	\$ 5,171	\$ 2,912	\$ 728	\$ 604	\$ -	\$ 926	\$ (470)	\$ 302	\$ 313	\$ 446	\$ 1.27
<i>Reported % of Revenues</i>		44.6%	25.1%	6.3%			8.0%				3.8%	
<i>Reported effective tax rate</i>										41.2%		
Specified items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	1,292	(4)	-	-	-	1,297	(6)	68	-	1,358	5.21
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(288)	-	288	-	-	-	288	1.10
Integration costs pre-tax ⁽²⁾	-	-	-	-	(255)	-	255	-	-	-	255	0.98
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(61)	-	61	-	-	-	61	0.23
Financing costs pre-tax ⁽³⁾	-	-	-	-	-	-	-	49	-	-	49	0.19
Hurricane recovery costs ⁽⁴⁾	-	14	(1)	-	-	-	15	-	-	-	15	0.06
Loss on debt extinguishment ⁽⁵⁾	-	-	-	-	-	-	-	-	16	-	16	0.06
Net impact of gain on sale of investment and asset impairments ⁽⁶⁾	-	63	-	(18)	-	-	81	-	(295)	-	(214)	(0.82)
Dilutive impact ⁽⁷⁾	-	-	-	-	-	-	-	-	-	-	-	0.31
Income tax benefit of special items and impact of tax reform ⁽⁸⁾	-	-	-	-	-	-	-	-	-	133	(133)	(0.51)
Adjusted \$ for Nine Months Ended June 30, 2018	\$ 11,581	\$ 6,540	\$ 2,907	\$ 710	\$ -	\$ -	\$ 2,923	\$ (426)	\$ 91	\$ 445	\$ 2,143	\$ 8.08
<i>Adjusted % of Adjusted Revenues</i>		56.5%	25.1%	6.1%			25.2%				18.5%	
<i>Adjusted effective tax rate</i>										17.2%		

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
Reported \$ for Nine Months Ended June 30, 2017	\$ 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%		
Specified items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	397	-	-	-	-	398	(14)	(23)	-	361	1.64
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(54)	-	54	-	-	-	54	0.25
Integration costs pre-tax ⁽²⁾	-	-	-	-	(159)	-	159	-	-	-	159	0.72
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(30)	-	30	-	6	-	37	0.17
Financing impacts ⁽³⁾	-	-	-	-	-	-	-	87	-	-	87	0.40
Loss on debt extinguishment ⁽⁵⁾	-	-	-	-	-	-	-	-	73	-	73	0.33
Litigation-related item ⁽⁹⁾	-	-	-	-	-	336	(336)	-	-	-	(336)	(1.52)
Lease contract modification-related charge ⁽¹⁰⁾	-	-	-	-	-	(741)	741	-	-	-	741	3.36
Dilutive impact ⁽⁷⁾	-	-	-	-	-	-	-	-	-	-	-	0.22
Income tax benefit of special items	-	-	-	-	-	-	-	-	-	404	(404)	(1.83)
Adjusted \$ for Nine Months Ended June 30, 2017	\$ 8,927	\$ 4,786	\$ 2,151	\$ 554	\$ -	\$ -	\$ 2,081	\$ (260)	\$ 6	\$ 282	\$ 1,545	\$ 7.09
<i>Adjusted % of 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, 2018 versus June 30, 2017

Adjusted \$ change	\$ 2,654	\$ 1,754	\$ (756)	\$ (156)	\$ -	\$ -	\$ 842	\$ (166)	\$ 85	\$ (164)	\$ 598	\$ 0.99
Adjusted % change	29.7%	36.6%	(35.1%)	(28.2%)	-	-	40.5%	(63.7%)	1398.6%	(58.2%)	38.7%	14.0%
Foreign currency translation impact	\$ 302	\$ 214	\$ (72)	\$ (8)	\$ -	\$ -	\$ 134	\$ -	\$ (2)	\$ (24)	\$ 109	\$ 0.42
Adjusted foreign currency neutral \$ change	\$ 2,352	\$ 1,540	\$ (684)	\$ (149)	\$ -	\$ -	\$ 708	\$ (166)	\$ 87	\$ (140)	\$ 489	\$ 0.57
Adjusted foreign currency neutral % change	26.3%	32.2%	(31.8%)	(26.8%)	-	-	34.0%	(63.7%)	1425.4%	(49.7%)	31.6%	8.0%

⁽¹⁾ Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$478 million recorded relative to Bard's inventory on the acquisition date.

⁽²⁾ Represents integration, restructuring and transaction costs which are associated with the Bard and CareFusion acquisitions, as well as restructuring and transaction costs associated with other portfolio rationalization initiatives.

⁽³⁾ Represents financing impacts associated with the Bard acquisition.

⁽⁴⁾ Represents costs incurred as a result of hurricane-related damage to production facilities in Puerto Rico.

⁽⁵⁾ Represents losses recognized upon the extinguishment of certain long-term senior notes.

⁽⁶⁾ Represents the net amount recognized in the period related to BD's sale of its non-controlling interest in Vyaira Medical, partially offset by \$81 million of charges recorded to write down the carrying value of certain intangible and other assets in the Biosciences unit.

⁽⁷⁾ Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition and BD shares issued as consideration transferred to acquire Bard. The adjusted diluted average shares outstanding (in thousands) was 255,697

⁽⁸⁾ Includes additional tax expense, net, of \$275 million relating to new U.S. tax legislation. An estimated one-time transition tax payable of \$561 million, payable over an eight year period with 8% due in each of the first five years, was offset by a tax benefit of \$285 million related to the remeasurement of deferred tax balances due to the lower corporate tax rate at which they are expected to reverse in the future.

⁽⁹⁾ 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.

⁽¹⁰⁾ Represents a non-cash charge resulting from a modification to our dispensing equipment lease with customers.

Q3 FY 2018 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

	Three Months Ended June 30,						
	2018	2017	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings (Loss) per Share	\$ 2.03	\$(0.75)	\$ 2.78	\$ 0.16	\$ 2.62	370.7%	349.3%
Purchase accounting adjustments (\$433 million and \$106 million pre-tax, respectively) ⁽¹⁾	1.58	0.48		—			
Restructuring costs (\$33 million and \$8 million pre-tax, respectively) ⁽²⁾	0.12	0.04		—			
Integration costs (\$103 million and \$50 million pre-tax, respectively) ⁽²⁾	0.37	0.23		—			
Transaction costs (\$11 million and \$23 million pre-tax, respectively) ⁽²⁾	0.04	0.10		—			
Financing impacts (\$87 million pre-tax) ⁽³⁾	—	0.39		—			
Hurricane recovery costs (\$3 million pre-tax) ⁽⁴⁾	0.01	—		—			
Losses on debt extinguishment (\$3 million and \$31 million pre-tax, respectively) ⁽⁵⁾	0.01	0.14		—			
Net impact of gain on sale of investment and asset impairments (\$(214) million pre-tax) ⁽⁶⁾	(0.78)	—		0.01			
Lease contract modification-related charge (\$741 million pre-tax) ⁽⁷⁾	—	3.36		—			
Dilutive impact ⁽⁸⁾	—	0.18		—			
Income tax benefit of special items (\$(130) million and \$(377) million, respectively)	(0.48)	(1.71)		—			
Adjusted Diluted Earnings per Share	\$ 2.91	\$ 2.46	\$ 0.45	\$ 0.18	\$ 0.27	18.3%	11.0%

(1) Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$56 million recorded relative to Bard's inventory on the acquisition date.

(2) Represents restructuring, integration and transaction costs which are associated with the Bard and CareFusion acquisitions, as well as restructuring and transaction costs associated with other portfolio rationalization initiatives.

(3) Represents financing impacts associated with the Bard acquisition.

(4) Represents costs incurred as a result of hurricane-related damage to production facilities in Puerto Rico.

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

(6) Represents the net amount recognized in the period related to BD's sale of its non-controlling interest in Vyair Medical, partially offset by \$81 million of charges recorded to write down the carrying value of intangible and other assets in the Biosciences unit.

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

(8) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition.

Q3 YTD FY 2018 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

Nine Months Ended June 30,

	2018	2017	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 1.27	\$ 3.36	\$(2.09)	\$ 0.38	\$ (2.47)	(62.2)%	(73.5)%
Purchase accounting adjustments (\$1.4 billion and \$361 million pre-tax, respectively) ⁽¹⁾	5.21	1.64		0.01			
Restructuring costs (\$288 million and \$54 million pre-tax, respectively) ⁽²⁾	1.10	0.25		0.01			
Integration costs (\$255 million and \$159 million pre-tax, respectively) ⁽²⁾	0.98	0.72		0.01			
Transaction costs (\$61 million and \$37 million pre-tax, respectively) ⁽²⁾	0.23	0.17		—			
Financing impacts (\$49 million and \$87 million pre-tax, respectively) ⁽³⁾	0.19	0.40		—			
Hurricane recovery costs (\$15 million pre-tax) ⁽⁴⁾	0.06	—		—			
Losses on debt extinguishment (\$16 million and \$73 million pre-tax, respectively) ⁽⁵⁾	0.06	0.33		—			
Net impact of gain on sale of investment and asset impairments (\$(214) million pre-tax) ⁽⁶⁾	(0.82)	—		0.01			
Litigation-related item (\$(336) million pre-tax) ⁽⁷⁾	—	(1.52)		—			
Lease contract modification-related charge (\$741 million pre-tax) ⁽⁸⁾	—	3.36		—			
Dilutive Impact ⁽⁹⁾	0.31	0.22		—			
Income tax benefit of special items and impact of tax reform (\$133) million and \$(404) million, respectively) ⁽¹⁰⁾	(0.51)	(1.83)		(0.01)			
Adjusted Diluted Earnings per Share	\$ 8.08	\$ 7.09	\$ 0.99	\$ 0.42	\$ 0.57	14.0 %	8.0 %

- (1) Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$478 million recorded relative to Bard's inventory on the acquisition date.
- (2) Represents restructuring, integration and transaction costs which are associated with the Bard and CareFusion acquisitions, as well as restructuring and transaction costs associated with other portfolio rationalization initiatives.
- (3) Represents financing impacts associated with the Bard acquisition.
- (4) Represents costs incurred as a result of hurricane-related damage to production facilities in Puerto Rico.
- (5) Represents losses recognized upon the extinguishment of certain long-term senior notes.
- (6) Represents the net amount recognized in the period related to BD's sale of its non-controlling interest in Vyair Medical, partially offset by \$81 million of charges recorded to write down the carrying value of intangible and other assets in the Biosciences unit.
- (7) 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.
- (8) Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.
- (9) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition and BD shares issued as consideration transferred to acquire Bard. The adjusted diluted average shares outstanding (in thousands) was 255,697.
- (10) Includes additional tax expense, net, of \$275 million relating to new U.S. tax legislation. An estimated one-time transition tax payable of \$561 million, payable over an eight year period with 8% due in each of the first five years, was offset by a tax benefit of \$285 million related to the remeasurement of deferred tax balances due to the lower corporate tax rate at which they are expected to reverse in the future.

FY 2017 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

(Unaudited)

	Twelve Months Ended September 30,						
	2017	2016	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 4.60	\$ 4.49	\$ 0.11	\$ (0.23)	\$ 0.34	2.4%	7.6%
Purchase accounting adjustments (\$491 million and \$527 million pre-tax, respectively) ⁽¹⁾	2.20	2.42					
Restructuring costs (\$85 million and \$526 million pre-tax, respectively) ⁽²⁾	0.38	2.42					
Integration costs (\$237 million and \$192 million pre-tax, respectively) ⁽²⁾	1.06	0.88					
Transaction costs (\$39 million and \$10 million pre-tax, respectively) ⁽²⁾	0.17	0.04					
Financing costs (\$131 million pre-tax) ⁽³⁾	0.58	—					
Losses on debt extinguishment (\$73 million pre-tax) ⁽⁴⁾	0.33	—					
Lease contract modification-related charge (\$748 million pre-tax) ⁽⁵⁾	3.34	—					
Litigation-related item (\$(337) million pre-tax) ⁽⁶⁾	(1.51)	—					
Dilutive Impact ⁽⁷⁾	0.54	—					
Pension settlement charges (\$6 million pre-tax) ⁽⁸⁾	—	0.03					
Income tax benefit of special items (\$(495) million and \$(369) million, respectively)	(2.21)	(1.70)					
Adjusted Diluted Earnings per Share	\$ 9.48	\$ 8.59	\$ 0.89	\$ (0.24)	\$ 1.13	10.4%	13.2%

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

(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) Largely 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 218,323.

(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 2018 Reconciliation – FX Impact Emerging, Developed Markets & China

RECONCILIATION OF REPORTED REVENUE TO COMPARABLE REVENUE - EMERGING & DEVELOPED MARKETS, CHINA

	A	B	C	D=A+B+C	E	F	G	H	I=E+F+G+H	J=(A-E)/E	K	L=(D-I-K)/I
	BD	Bard		Comparable	BD	Bard	Presentation	Divestiture	Comparable	% Rptd	FX Impact	Comp
	Reported	Q1	Divestiture	Comparable	Reported	Reported	Alignment	Adjustments	Comparable	Change		FXN %
	2018	2018	Adjustments	2018	2017	2017	Adjustments	Adjustments	2017			Change
Three Months Ended June 30,												
DEVELOPED MARKETS	3,590		-	3,590	2,532	829	(3)	(11)	3,347	41.8	89	4.6
EMERGING MARKETS	689		-	689	503	107	-	(0)	610	36.9	14	10.5
CHINA	299		-	299	176	69	-	(0)	245	69.9	22	13.2
Nine Months Ended June 30,												
DEVELOPED MARKETS	9,754	848	(20)	10,582	7,516	2,469	(11)	(34)	9,939	29.8	263	3.8
EMERGING MARKETS	1,827	119	(1)	1,946	1,411	290	-	(1)	1,700	29.5	49	11.6
CHINA	749	72	(1)	820	506	182	-	(1)	688	47.9	43	13.0

Footnote Explanations

- 1 Represents re-alignment of certain BD products previously reported in the Medication and Procedural Solutions unit within the BD Medical Segment to the new BD Interventional Segment.
- 2 Represents the as-reported presentation of Bard product revenues, previously defined by disease state, aligned to BD's fiscal year and quarterly reporting cycle.
- 3 Represents the re-alignment of certain Bard products to the Medication Delivery Solutions unit (previously Medication and Procedural Solutions) within the BD Medical Segment. In addition, the remaining legacy Bard products have been re-aligned to units within the new BD Interventional Segment.
- 4 Represents re-alignment of Bard country reporting to align to BD's existing presentation.
- 5 Represents divestitures of BD Respiratory, Simplest and Spine and the pending divestiture of BD's soft tissue core needle biopsy product line and Bard's Aspira® product line of tunneled home drainage catheters and accessories.
- 6 Amounts represent revenues recognized between BD and Bard previously recognized as 3rd party revenue, which will be considered as intercompany revenue.

FY 2018 Outlook Reconciliation

	BD Including Bard			
	FY2017	FY2018 Outlook		
	Revenues	% Change	FX Impact	% Change FXN
BDX Revenue	\$ 12,093	31.5%+	~2.5%	29%+
Comparable Revenue Growth				
	FY2017	FY2018 Outlook		
	Revenues	% Change FXN Comparable		
BDX As Reported Revenue	\$ 12,093			
Divestitures Revenue ⁽¹⁾	(48)			
Bard As Reported	3,875			
Gore Royalty Classification	(173)			
Intercompany Adjustment	(14)			
BDX NewCo Comparable Revenue	\$ 15,732	5.5%+		
U.S. Dispensing Change & Bard Hurricane Impact		~0.5%		
NewCo Revenue Underlying		6%+		
BD Medical As Reported Revenue	\$ 8,105			
BD BU Re-alignment	(685)			
Bard BU Re-alignment	800			
Intercompany Adjustment	(14)			
BD Medical Comparable Revenue	\$ 8,205	5%+		
BD Life Sciences As Reported Revenue	\$ 3,988	6%+		
Bard Interventional as Reported	\$ -			
BD BU Re-alignment	685			
Bard As Reported	3,875			
Bard BU Re-alignment	(800)			
Divestitures Revenue ⁽¹⁾	(48)			
Gore Royalty Classification	(173)			
Bard Interventional Comparable Revenue	\$ 3,539	4.5% - 5.5%		
Hurricane Impact		~1%		
NewCo Interventional Revenue Underlying		5.5% - 6.5%		
BD Including Bard				
FY2018 Outlook				
	Full Year FY2018 Outlook	% Increase		
Adjusted Fully Diluted Earnings per Share	\$ 10.95 - 11.05	15.5% - 16.5%		
Estimated FX Impact		~4%		
Adjusted FXN Growth		~12%		

FXN - Foreign Currency Neutral

(1) Excludes the impact from the pending divestitures of BD's soft tissue core needle biopsy product line and Bard's Aspira product line of tunneled home drainage catheters and accessories.



Our focus on sustainable performance



INNOVATION

Developing new products and solutions that improve outcomes, reduce system costs and promote healthcare safety

Q3 Update

BD Product Security Partnership Program – Emphasizing collaboration across the industry to enhance cybersecurity of medical technology and devices



ACCESS

Providing access to affordable medical technologies to resource limited populations around the globally

Q3 Update

Committed to donate 25 million syringes to the WHO in the event of an influenza pandemic



EFFICIENCY

Working across the value chain to minimize environmental impact and maintain resilient global operations

Q3 Update

Published FY17 Sustainability Performance Update report, which outlined progress to our 2020 goals



EMPOWERMENT

Fostering a purpose-driven culture that supports an inclusive and diverse workplace and community engagement

Q3 Update

BD, Heart to Heart International and National Association of Free and Charitable Clinics announced 2018 grants to select U.S. clinics as part of a multi-year point of care testing initiative to improve patient outcomes