

# Annual Meeting of Shareholders

January 24, 2017

**Vincent A. Forlenza**

Chairman, Chief Executive Officer and President



## Forward-Looking Statements

- The materials presented today discuss targeted future performance objectives of BD. These objectives are forward-looking, are subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions and events, which are subject to change. Actual results will vary and those variations may be material. For a discussion of some of the important factors that could cause these variations, please consult the “Risk Factors” section of the Company’s Form 10-K.

## Non-GAAP Financial Measures

- These materials also include Non-GAAP financial measures. A reconciliation to the comparable GAAP measures can be found in the corresponding earnings release and the financial schedules for each particular reporting period.
- Certain financial information excludes the impact of foreign currency translation.
  - Note: FXN = Estimated foreign exchange-neutral currency growth.
- All figures on accompanying slides are rounded. Totals may not add due to rounding. Percentages are based on un-rounded figures.



# Topics for discussion



**Accelerating Our Strategy**



**Growth Drivers and Value Creation**



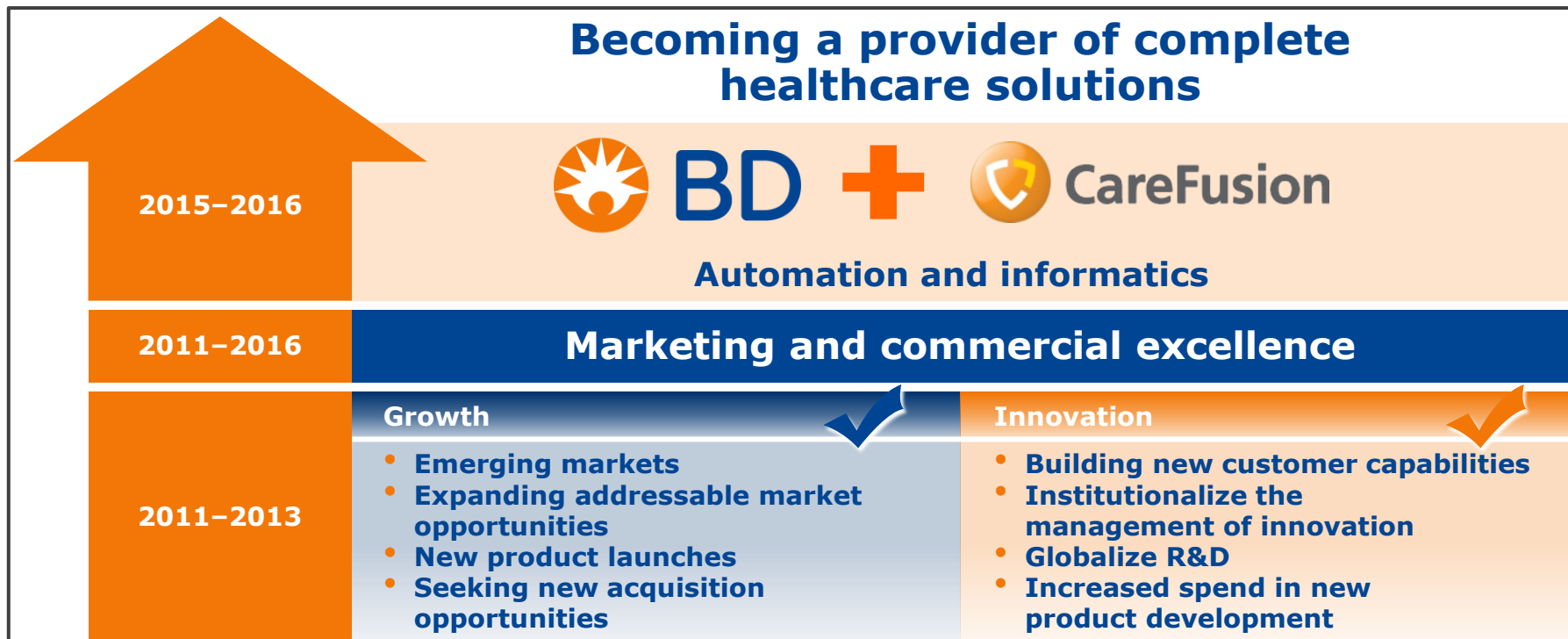
**Performance and Outlook**



**Advancing the World of Health**

# Accelerating our strategy

Built on an already strong foundation



# We will be even more relevant to these massive healthcare challenges

**\$21B**

direct U.S.  
medical costs  
incurred due to  
**medication  
errors**

**Over  
\$600B**

direct global  
medical costs  
from **diabetes**

**4 in 10**

people will be  
diagnosed with  
**cancer** in their  
lifetime

**20%**

of deaths are  
from  
**infectious  
diseases**

**\$22B**

direct medical  
costs from  
**AMR** and  
avoidable  
**sepsis costs**



# Continuing to move beyond the core

## Strengthening our portfolio through solutions

### BD LIFE SCIENCES

Discovery

Diagnostics

### BD MEDICAL

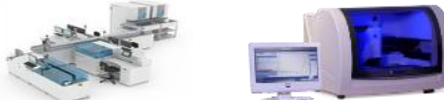
Medication management

**Informatics: Integrated workflow management and data analytics**

Enabling research insights inside and outside of the cell



Transforming the infectious disease lab of the future



Medication management across the continuum of care



Integrated diabetes management



Infection prevention and safety



# BD Life Sciences segment strategy

## PAS



**Reinforce #1 position  
in sample  
management with new  
product innovation**

**Enter lab informatics  
and POC blood  
collection markets**

## DS



**Transform infectious  
disease lab of the  
future**

**Re-establish  
leadership  
in women's health**

## BIO



**Expand #1 position in  
flow cytometry**

**Establish leadership in  
single-cell genomics  
and NGS library prep**

**Enter cell therapy  
tools market**

Expanding into **high-growth, high-impact markets**

# BD Medical strategic pillars

1



***Re-invent the medication management process across the care continuum***

2



***Prevent infections and improve safety for healthcare workers***

3



***Advance the treatment of diabetes and other chronic diseases***

4



***Expand globally***



# FY 2016 highlights

Extremely proud of our 1<sup>st</sup> fiscal year as “new” BD

- Solid FY 2016 performance from both segments
- Emerging markets remain a key growth driver
- Refocused portfolio through strategic divestitures
- Invested in key R&D projects to drive future growth
- Delivered 200 basis points of margin expansion and nearly 30% FXN earnings growth for FY 2016
- Set a solid foundation for FY 2017 and beyond

# BD growth profile

## Targeted P&L FY 2017 to FY 2019

Sustainable and consistent  
Strong core and adjacencies  
Best pipeline in our history  
2/3 developed, 1/3 emerging

Efficient capital and  
tax structures  
Increasing cash flow and  
strong balance sheet

**Drive for  
revenue growth** 5%+

**Operating margin  
expansion**



**Double-digit  
earnings growth**



**Rising dividend**



Operational and business  
process excellence  
targeted to drive ~100 bps  
margin expansion per year

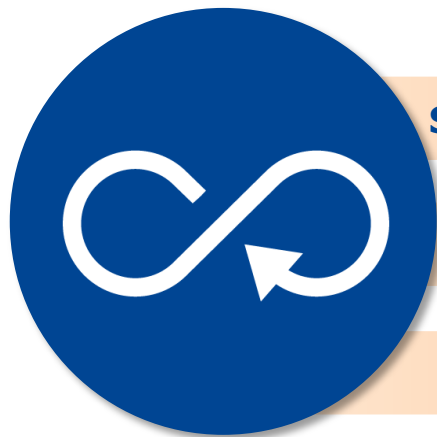
Nearly a half century  
of projected dividend  
increases by FY 2019

Note: FY2017 to FY2019 growth profile assumes current macro and FX environment, and does not include the impact of prospective M&A.



# Formula for growth

Consistent, sustainable revenue growth



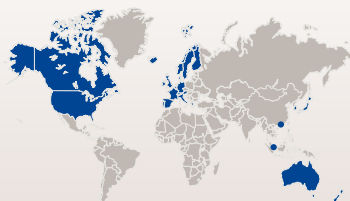
**Strong leadership position and robust pipeline**

**New adjacencies in high impact areas**

**Geographic expansion and revenue synergies**

**Pathway  
to 5%+  
revenue  
growth**

**BDX  
revenue  
growth  
formula –  
FY 2017 to  
FY 2019**



**2/3**

**Developed  
markets**

~4% growth



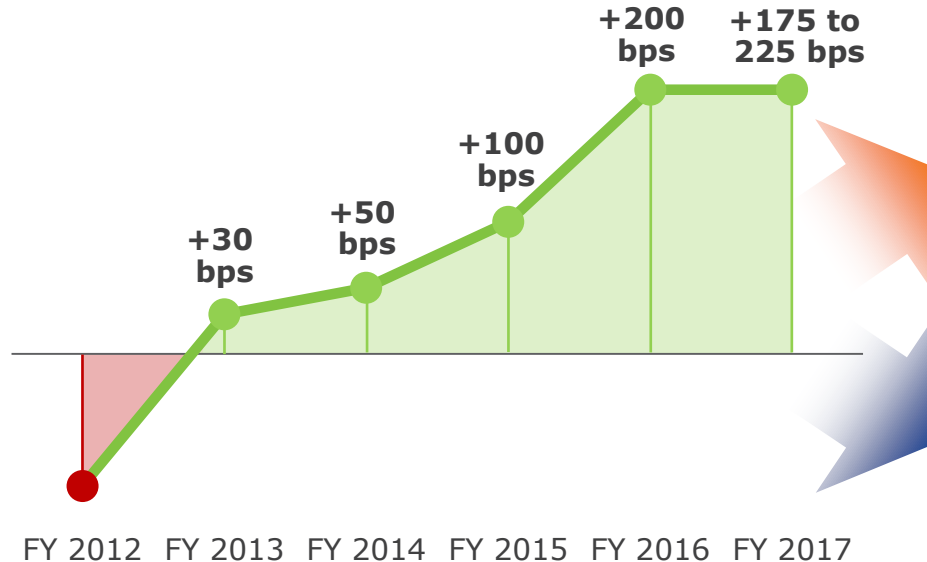
**1/3**

**Emerging  
markets**

high-single-  
digits growth

# Operating margin expansion

Profitability initiatives transforming margins



**Operational excellence**  
through best-in-class quality,  
global scale, automation and  
footprint harmonization

**Business process excellence**  
through centers of excellence,  
shared services and business  
process transformation

Note: Underlying margin expansion reflects annual basis points of operating margin expansion excluding the impact of foreign exchange and pension costs.

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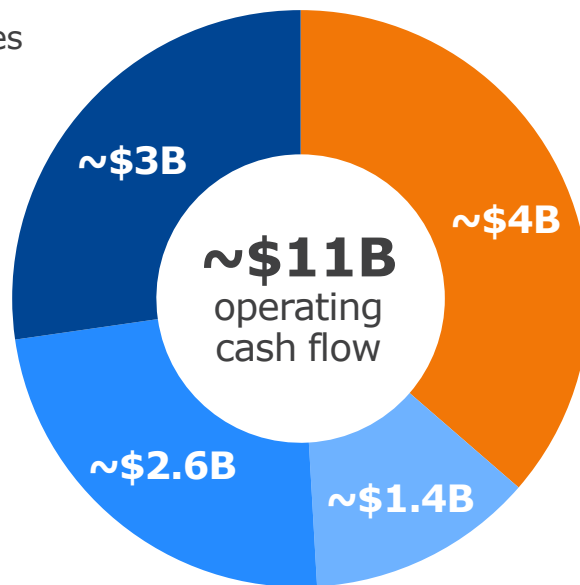
# Cash flow flexibility and opportunity

■ Capital expenditures

■ Dividends

■ Debt paydown

■ Remaining cash



FY 2016 – FY 2019

## Capital allocation framework

- Invest in the business
- Increasing dividends
- On track for 3x gross leverage by March 2017
- Evaluate M&A opportunities
- Return excess cash to shareholders

Note: FY 2016–FY 2019 dividends based on current plan.



# BD positive global health impact

Methods to advance societal and business goals

**Corporate philanthropy**

**Corporate social responsibility**

**Advocacy and public policy**

**Shared value creation**

**Creating Social Value**

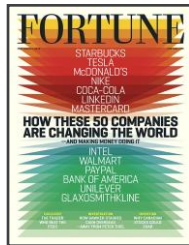
Addressing unmet societal needs

**Creating Shared Value**

Achieving beneficial commercial outcomes by addressing unmet societal needs

**Creating Business Value**

Achieving beneficial commercial outcomes



FTSE4Good

MEMBER OF

**Dow Jones Sustainability Indices**

In Collaboration with RobecoSAM



# Closing remarks

## **Accelerating Our Strategy**



Addressing pressing global healthcare challenges

## **Growth across Medical and Life Sciences**



Strong core, value-added services and full solutions with emerging digital capabilities

## **Strong Performance and Outlook**



Sustainable revenue growth and continued margin expansion driving double-digit earnings growth

## **Advancing the World of Health**



Focused on driving sustainable value for our customers, our end markets, and our stakeholders

Thank you

