

# Delivering value for all stakeholders

Annual Meeting of Shareholders  
January 25, 2022



Tom Polen  
Chairman, CEO, and President



# Caution Concerning Forward-Looking Statements

This presentation contains certain estimates and other forward-looking statements (as defined under Federal securities laws) regarding BD's future prospects and performance, including, but not limited to, future revenues, margins, and earnings per share, leverage targets, capital deployment, and the proposed spinoff of the diabetes care business. All such statements are based upon current expectations of BD and involve a number of business risks and uncertainties. Actual results could vary materially from anticipated results described, implied or projected in any forward-looking statement. For a discussion of certain factors that could cause our actual results to differ from our expectations in any forward-looking statements see our latest Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. BD expressly disclaims any undertaking to update or revise any forward-looking statements set forth herein to reflect events or circumstances after the date hereof, except as required by applicable laws or regulations.

# Caution Concerning Non-GAAP Financial Measures


To supplement financial measures prepared in accordance with generally accepted accounting principles in the United States. ("GAAP"), we use financial measures not prepared in accordance with GAAP, including base business margins, base revenue, adjusted earnings per share, adjusted gross margin, adjusted operating margin, free cash flow, free cash flow conversion and net leverage. BD management believes that the use of non-GAAP measures to adjust for items that are considered by management to be outside of BD's underlying operational results or that affect period to period comparability helps investors to gain a better understanding of our performance year-over-year, to analyze underlying trends in our businesses, to analyze our base operating results, and understand future prospects. Management uses these non-GAAP financial measures to measure and forecast the company's performance, especially when comparing such results to previous periods or forecasts. We believe presenting such adjusted metrics provides investors with greater transparency to the information used by BD management for its operational decision-making and for comparison for other companies within the medical technology industry. Although BD's management believes non-GAAP results are useful in evaluating the performance of its business, its reliance on these measures is limited since items excluded from such measures may have a material impact on BD's net income, earnings per share or cash flows calculated in accordance with GAAP. Therefore, management typically uses non-GAAP results in conjunction with GAAP results to address these limitations. BD strongly encourages investors to review its consolidated financial statements and publicly filed reports in their entirety and cautions investors that the non-GAAP measures used by BD may differ from similar measures used by other companies, even when similar terms are used to identify such measures. Non-GAAP measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures.

Reconciliations of these and other non-GAAP measures to the comparable GAAP measures are included in the financial tables at the end of this presentation and in our November 4, 2021, earnings press release. Within these financial tables, certain columns and rows may not add due to the use of rounded numbers. Percentages and earnings per share amounts presented are calculated from the underlying amounts. Current, prior-quarter and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments, integration and restructuring costs, spin-off related charges, certain transaction gains, certain legal defense and product remediation costs, certain regulatory costs, certain investment gains and asset impairments and the impact of the extinguishment of debt.


We also provide these measures, as well as revenues, on a currency-neutral basis after eliminating the effect of foreign currency translation, where applicable. We calculate foreign currency-neutral percentages 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. Reconciliations of these amounts to the most directly comparable GAAP measures are included in the financial tables at the end of this presentation and in our November 4, 2021, earnings press release.

# BD is an innovative med tech leader


*Unmatched scale and global reach to address healthcare's most pressing challenges*




**45B +**  
devices made annually




**190 +**  
countries served



**29,000 +**  
active patents

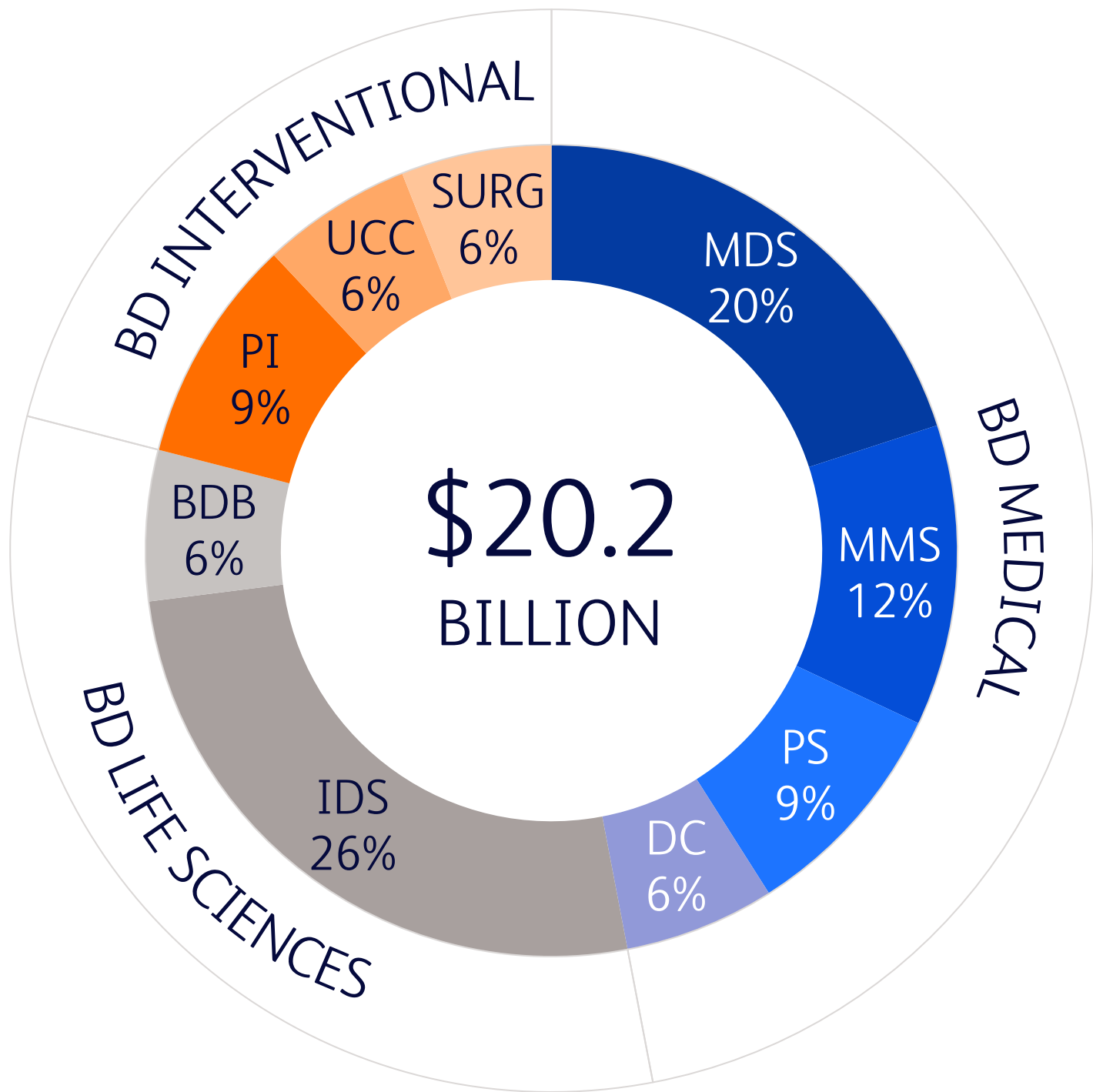


**\$1B +**  
annual R&D spending

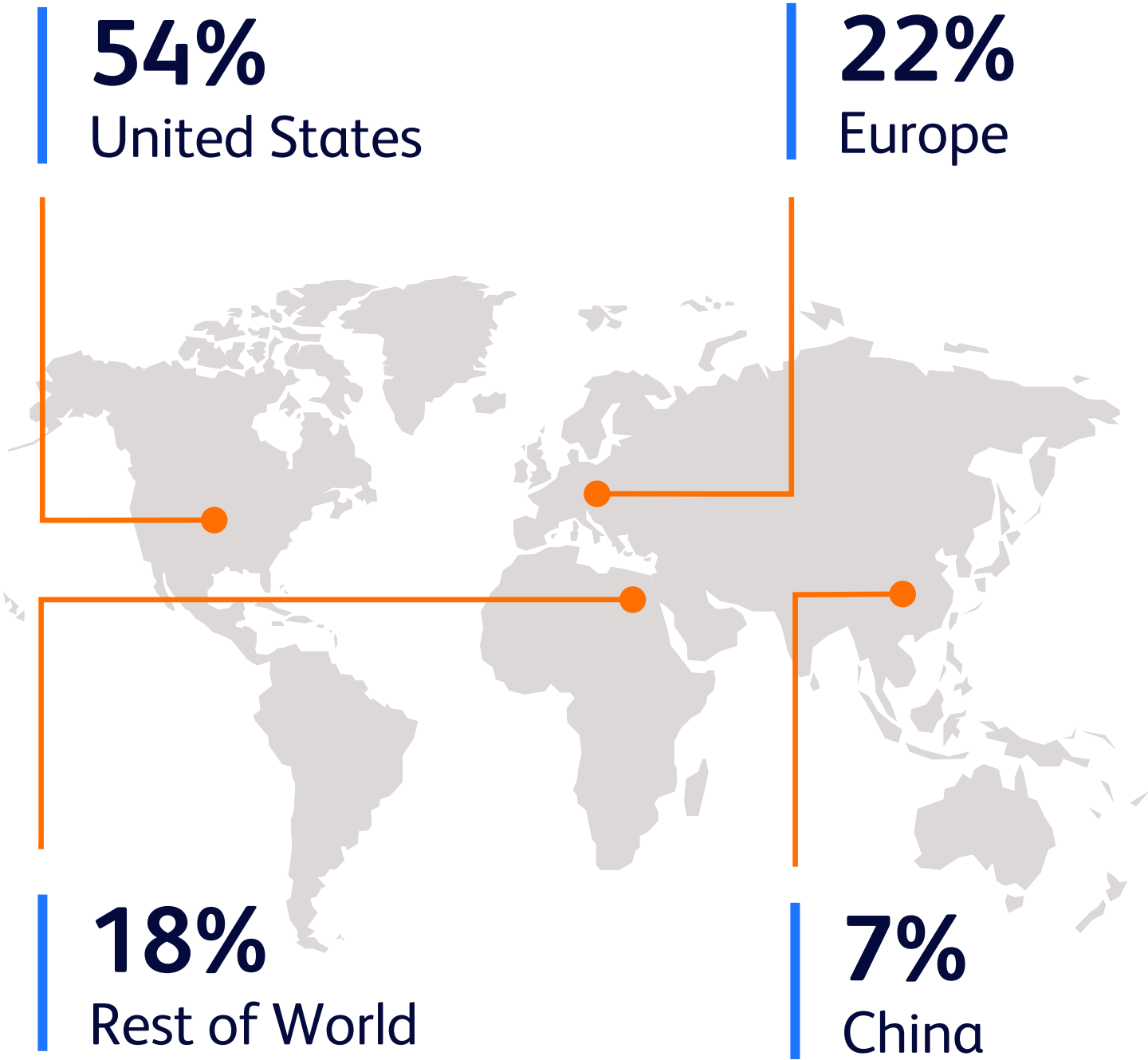


**75,000 +**  
BD associates

REVENUE BY SEGMENT



FY21 REVENUE BY REGION





# Delivered on FY21 goals amid unprecedented environment

*Strengthening our competitive position  
and long-term growth profile*

- ✓ Strong execution delivered revenue and EPS  
above expectations
- ✓ Industry leading role in COVID-19 response  
across diagnosis, treatment and prevention
- ✓ Future growth opportunities  
accelerated by Growth & Innovation Fund,  
COVID-19 reinvestment and tuck-in M&A







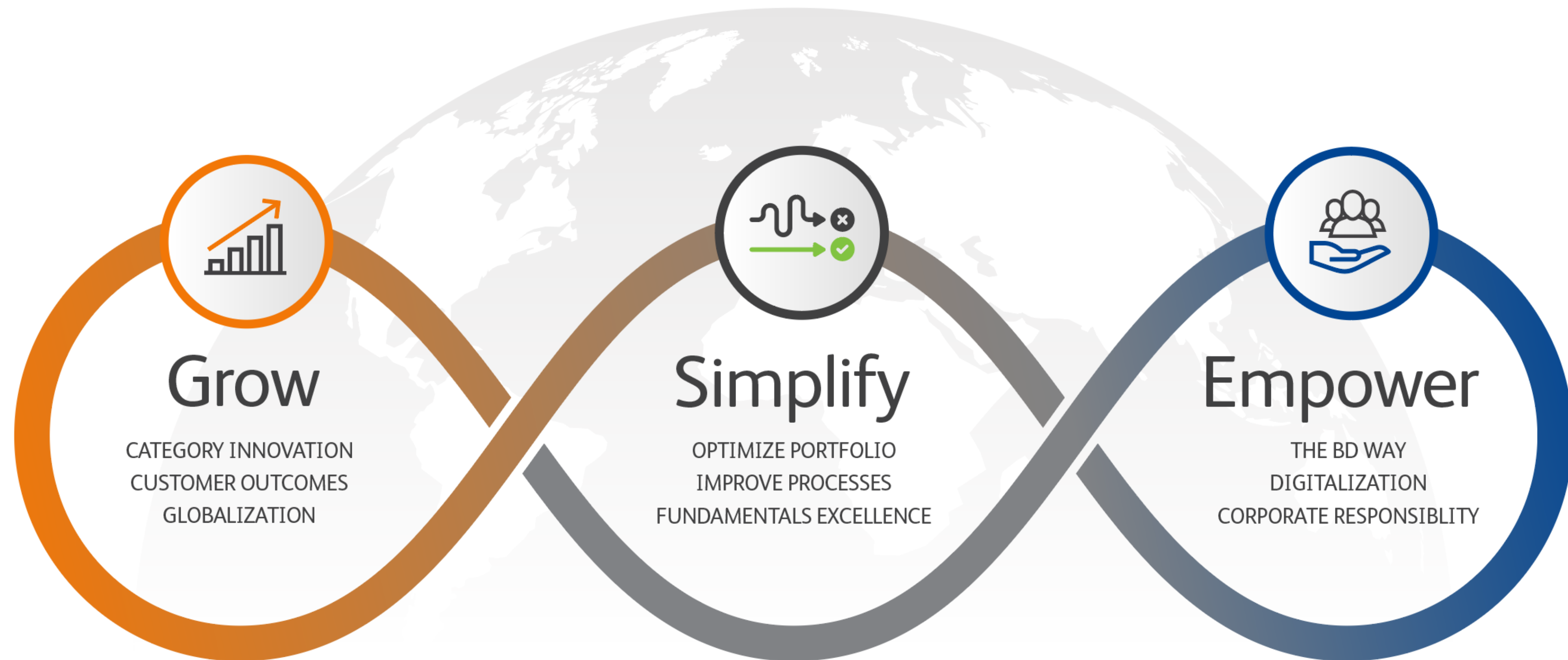
Delivered on FY21 goals amid  
unprecedented environment  
*Strengthening our competitive position  
and long-term growth profile*

- ✓ **Cash flow initiatives** demonstrating success:  
+31% or up \$1.1 billion
- ✓ **Strengthened balance sheet**  
from 3.4x<sup>1</sup> net leverage to 2.6x<sup>1</sup>
- ✓ **Returned \$2.8 billion to shareholders**  
through \$1.0 billion in dividends and  
\$1.75 billion in share repurchases



# Strong performance is creating momentum behind our BD2025 strategy

*Accelerating growth and driving stronger margins*



# Our plan for substantial, sustained shareholder value creation

1

Strengthened  
long-term  
targeted growth  
profile of 5.5%+

*Bold actions over the  
past 24 months have  
accelerated our  
BD 2025 strategy*

2

Reshaped  
innovation  
pipeline and  
tuck-in M&A  
strategy towards  
**higher growth  
markets**

*Increasing growth and  
margins in markets  
where BD is uniquely  
positioned to win*

3

Expanded  
simplification  
programs  
underway driving  
double-digit EPS

*Improving margins  
to pre-pandemic  
levels and beyond*

4

Disciplined and  
balanced capital  
deployment  
strategy

*Strong cash flow  
enables investment into  
business and capital  
return to shareholders*

5

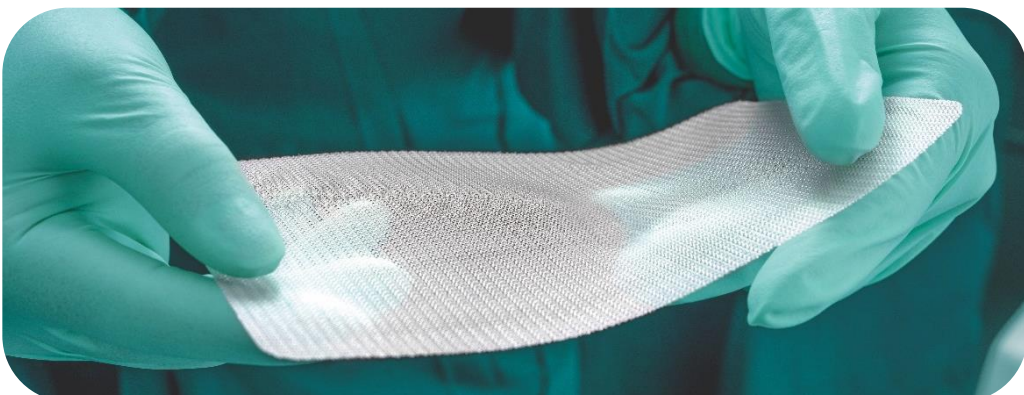
Strong team  
focused on  
execution  
and delivering  
shareholder value



# Two axes of growth: Durable Core and Transformative Solutions

DURABLE CORE: ~\$14B<sup>1</sup>

Backbone of healthcare



TRANSFORMATIVE SOLUTIONS: ~\$4B<sup>1</sup>

REINVENTING THE FUTURE OF  
HEALTHCARE



Smart connected care



New care settings



Chronic disease outcomes

1. FY21 revenue excluding \$2.0 billion of COVID only testing. Refer to the BD Q4 FY21 earnings presentation for a reconciliation back to GAAP revenue.



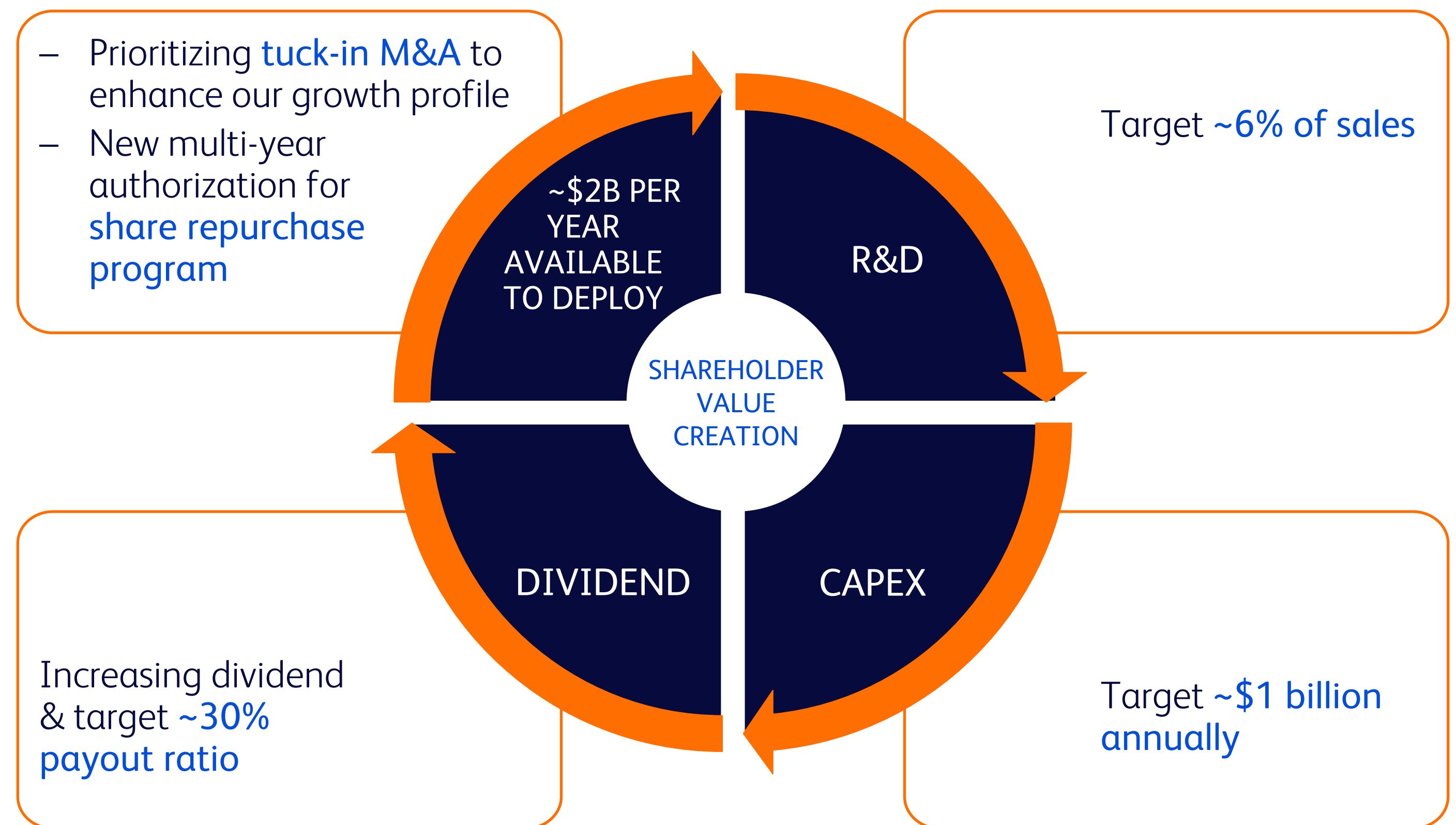
Disciplined financial policy, supported by strong cash flows, creates continuous value creation opportunities

Financial policy anchored on maintaining **a strong, flexible balance sheet**.

Managing capital deployment around our **2.5x long-term net leverage target** and **full investment grade credit ratings**

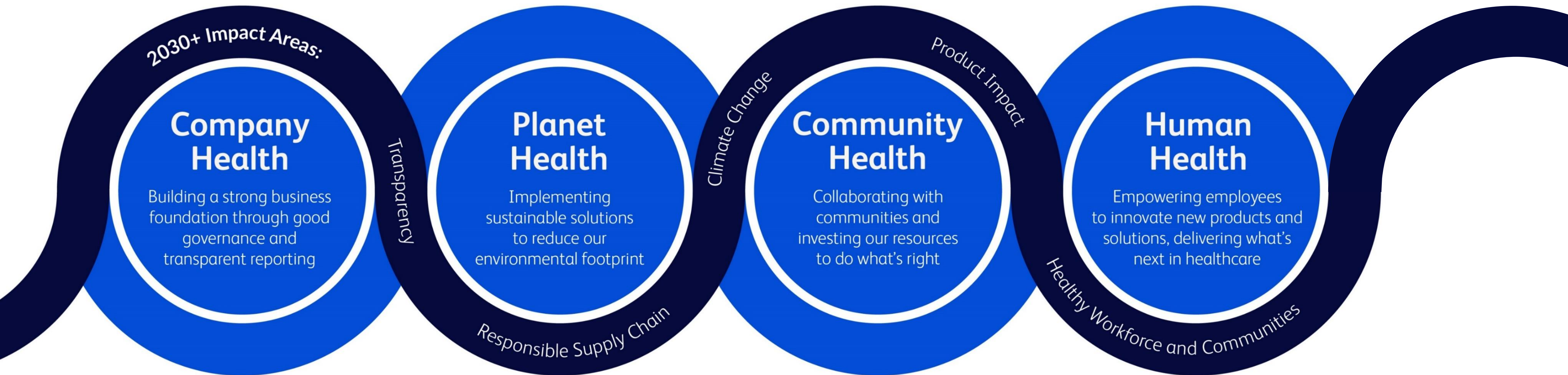
## ILLUSTRATIVE FY22 – FY25 CASH ALLOCATION

~\$18B available for deployment after investing in R&D





# Our ESG strategy and 2030+ goals support human health, communities and the planet



WE ARE  
COMMITTED  
TO:

- Setting **science-based targets** that will:
  - reduce our Scope 1 and 2 greenhouse gas emissions 46% by 2030 (from a 2019 baseline)
  - achieve carbon neutrality across our direct operations by 2040
- **Provide transparency** through established reporting frameworks
- Ensuring **equal pay by gender** worldwide
- **Paying competitive market rates** utilizing living wage assessments in key regions or countries
- **Improving employee ethnic and gender diversity** year over year



# Well-positioned for strong and expanding value creation

## Targeted long-term growth profile<sup>1</sup>



**STRONG CASH FLOW AND BALANCE SHEET PROVIDES  
ADDITIONAL VALUE CREATION OPPORTUNITIES**



# Appendix



# Basis of Presentation

- All dollar amounts presented are USD (\$) in millions, unless otherwise indicated, except per share figures.
- Certain financial information, described as FXN (defined below), excludes the impact of foreign currency translation.
- Revenue year-over-year change comparisons are on a FXN basis unless otherwise noted.
- All forward looking targets are through fiscal 2025, unless noted otherwise.
- Base business margins adjusts for the net impact of estimated COVID-19 diagnostic testing profitability and the related profit reinvestments back into our business.
- Base revenue denotes total revenues less estimated revenues for COVID-19 diagnostic testing
- COVID diagnostic testing includes our BD Veritor™ and BD Max™ COVID assays as well as estimated collection, transport, and swab related to COVID.
- FXN denotes currency neutral basis. We calculate foreign currency-neutral percentages 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.
- Unless noted otherwise, all references to market sizes, market share positions, and market growth rates (i.e. weighted average growth rate [WAMGR] and total addressable market [TAM]) are BD estimates.
- NewCo refers to the diabetes care business unit on a pro forma basis as an independent publicly traded company.
- RemainCo refers to BD on a pro forma basis post the separation of the diabetes care business.
- Total return refers to adjusted EPS growth plus dividend yield.



# Caution Concerning Products

Not all products in the coming section are launched, and some are only launched/available in some regions given regulatory authorizations. Furthermore:

The **BD Veritor System for Rapid Detection of SARS-CoV-2** has not been FDA cleared or approved, but has been authorized by FDA under an EUA for use by authorized laboratories, and has been authorized only for the detection of proteins from SARSCoV-2, not for any other viruses or pathogens.

The **BD Veritor System™ for Rapid Detection of SARS-CoV-2 and Flu A+B** have not been FDA cleared or approved; but have been authorized by FDA under an EUA for use by authorized laboratories; these products have been authorized only for the detection of proteins from SARS-CoV-2, influenza A and influenza B, not for any other viruses or pathogens.

The **BD Veritor At-Home COVID-19 Test** has not been FDA cleared or approved; but has been authorized by FDA under an EUA; the product has been authorized only for the detection of proteins from SARS- CoV-2, not for any other viruses or pathogens.

The **BD SARS-CoV-2 Reagents for BD MAX System™** has not been FDA cleared or approved, but has been authorized for emergency use by FDA under an EUA for use by authorized laboratories, and has been authorized only for the detection of nucleic acid from SARS-CoV-2, not for any other viruses or pathogens.

The **BD SARS-CoV-2/Flu for BD MAX System** has not been FDA cleared or approved, but has been authorized for emergency use by FDA under an EUA for use by authorized laboratories, and has been authorized only for the detection of nucleic acid of SARSCoV-2, influenza A, and influenza B, not for any other viruses or pathogens.

These products are only authorized for the duration of the declaration that circumstances exist justifying the authorization of emergency use of in vitro diagnostics for detection and/or diagnosis of COVID-19 under Section 564(b)(1) of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 360bbb3(b)(1), unless the declaration is terminated or authorization is revoked sooner.



# Supplemental Non-GAAP Reconciliation

## Yearly Reconciliation of Adjusted Change and Adjusted Foreign Currency Neutral Change

|  | Revenues          | Gross Profit    | SSG&A          | R&D            | Acquisitions and Other Restructurings | Other (Income) Expense | Operating Income | Interest Income (Expense) Net | Other Income, Net | Income Tax Provision | Net Income     | Diluted Earnings per Share |
|--|-------------------|-----------------|----------------|----------------|---------------------------------------|------------------------|------------------|-------------------------------|-------------------|----------------------|----------------|----------------------------|
| <b>Twelve Months Ended Sep 30, 2021</b>  |                   |                 |                |                |                                       |                        |                  |                               |                   |                      |                |                            |
| <b>Reported \$ for Twelve Months Ended Sep 30, 2021</b>                                    | <b>\$20,248</b>   | <b>\$9,427</b>  | <b>\$4,867</b> | <b>\$1,339</b> | <b>\$185</b>                          | <b>\$238</b>           | <b>\$2,799</b>   | <b>(\$460)</b>                | <b>(\$97)</b>     | <b>\$150</b>         | <b>\$2,092</b> | <b>\$6.85</b>              |
| <i>Reported % of Revenues</i>  |                   | 46.6%           | 24.0%          | 6.6%           |                                       |                        | 13.8%            |                               |                   |                      | 10.3%          |                            |
| <i>Reported effective tax rate</i>   |                   |                 |                |                |                                       |                        |                  |                               |                   | 6.7%                 |                |                            |
| <b>Specified items:</b>  |                   |                 |                |                |                                       |                        |                  |                               |                   |                      |                |                            |
| Purchase accounting adjustments pre-tax <sup>(1)</sup>                                     | -                 | 1,399           | (11)           | (7)            | -                                     | -                      | 1,417            | (7)                           | (5)               | -                    | 1,406          | 4.82                       |
| Integration costs pre-tax <sup>(2)</sup>   | -                 | -               | -              | -              | (135)                                 | -                      | 135              | -                             | -                 | -                    | 135            | 0.46                       |
| Restructuring costs pre-tax <sup>(2)</sup>   | -                 | -               | -              | -              | (50)                                  | -                      | 50               | -                             | -                 | -                    | 50             | 0.17                       |
| Separation & Related costs <sup>(3)</sup>  | -                 | -               | -              | -              | -                                     | (35)                   | 35               | -                             | -                 | -                    | 35             | 0.12                       |
| Transaction gain/loss, product and other litigation-related matters pre-tax <sup>(4)</sup> | -                 | 63              | -              | -              | -                                     | (203)                  | 265              | -                             | 6                 | -                    | 272            | 0.93                       |
| European regulatory initiatives-related costs pre-tax <sup>(5)</sup>                       | -                 | 41              | (1)            | (93)           | -                                     | -                      | 135              | -                             | -                 | -                    | 135            | 0.46                       |
| Investment gains/losses and asset impairments pre-tax <sup>(6)</sup>                       | -                 | -               | -              | -              | -                                     | -                      | -                | -                             | (46)              | -                    | (46)           | (0.16)                     |
| Impacts of debt extinguishment pre-tax   | -                 | -               | -              | -              | -                                     | -                      | -                | 6                             | 178               | -                    | 185            | 0.63                       |
| Income tax benefit of special items and impact of tax reform                               | -                 | -               | -              | -              | -                                     | -                      | -                | -                             | -                 | 353                  | (353)          | (1.21)                     |
| <b>Adjusted \$ for Twelve Months Ended Sep 30, 2021</b>                                    | <b>A \$20,248</b> | <b>\$10,930</b> | <b>\$4,855</b> | <b>\$1,239</b> | <b>\$0</b>                            | <b>\$0</b>             | <b>\$4,835</b>   | <b>(\$460)</b>                | <b>\$37</b>       | <b>\$503</b>         | <b>\$3,909</b> | <b>\$13.08</b>             |
| <i>Adjusted % of Adjusted Revenues</i>   |                   | 54.0%           | 24.0%          | 6.1%           |                                       |                        | 23.9%            |                               |                   |                      | 19.3%          |                            |
| <i>Adjusted FXN % of Adjusted Revenues (A adjusted for E)</i>                              |                   | 54.7%           | 24.0%          | 6.2%           |                                       |                        | 24.5%            |                               |                   |                      |                |                            |
| <i>Adjusted effective tax rate</i>   |                   |                 |                |                |                                       |                        |                  |                               |                   | 11.4%                |                |                            |

1. Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt.
2. Represents amounts associated with integration and restructuring activities resulting from acquisitions, as well as simplification and other cost saving initiatives.
3. Represents costs recorded to Other operating expense, net which were incurred for consulting, legal, tax and other advisory services associated with the planned spin-off of BD's Diabetes Care business.
4. The 2021 amount includes gains of \$158 million on sale-leaseback transactions. The amount in 2021 include charges to record product liability reserves, including related legal defense costs, of \$361 million. The sale-leaseback gains and product liability-related charges were recorded to Other operating expense, net. The amount in 2021 also include charges of \$56 million recorded to Cost of products sold related to the estimate of future product remediation costs.
5. Represents costs required to develop processes and systems to comply with regulations such as the EUMDR and GDPR.
6. The amount in 2021 includes unrealized gains recorded within Other (expense) income, net relating to certain investments.



# Free Cash Flow Reconciliation

| <i>Fiscal Year Ended September 30<sup>th</sup>,<br/>(\$ in millions)</i> | 2018                                     | 2019         | 2020         | 2021         |
|--|--|--------------|--------------|--------------|
| Net Cash Provided by Operating Activities (OCF)                          | 2,865                                    | 3,330        | 3,539        | 4,647        |
| Capital Expenditures   | (895)                                    | (957)        | (810)        | (1,231)      |
| <b>Free Cash Flow (FCF)</b>  | <b>1,970</b>                             | <b>2,373</b> | <b>2,729</b> | <b>3,416</b> |
|  | 2021 FCF from Covid Testing <sup>1</sup> |              |              | (800)        |
|  | <b>2021 Adjusted Free Cash Flow</b>      |              |              | <b>2,616</b> |



# Free Cash Flow Conversion Reconciliation

| <i>Fiscal Year Ended September 30<sup>th</sup>,<br/>(\$ in millions)</i> | 2018       | 2019       | 2020       | 2021       |
|--|------------|------------|------------|------------|
| Net Income Applicable to Common Shareholders                             | 159        | 1,082      | 767        | 2,002      |
| After-Tax Impact of Specified Items <sup>1</sup>                         | 2,674      | 2,127      | 2,114      | 1,818      |
| Adjusted Net Income for Common   | 2,833      | 3,208      | 2,881      | 3,819      |
| Free Cash Flow <sup>2</sup>  | 1,970      | 2,373      | 2,729      | 3,416      |
| <b>Free Cash Flow Conversion<sup>3</sup></b>                             | <b>69%</b> | <b>74%</b> | <b>95%</b> | <b>89%</b> |



# Net Leverage Reconciliation

| <i>Fiscal Ended September 30<sup>th</sup>, (\$ million)</i> | 2018 <sup>(1)</sup> | 2019          | 2020          | 2021          |
|---|---------------------|---------------|---------------|---------------|
| Net Income (Loss)   | (81)                | 1,233         | 874           | 2,092         |
| Provision for (Benefit from) Income Taxes                   | 1,044               | (57)          | 111           | 150           |
| Interest Expense  | 721                 | 639           | 528           | 469           |
| Depreciation & Amortization <sup>(2)</sup>                  | 2,032               | 2,253         | 2,154         | 2,273         |
| Stock Based Compensation                                    | 337                 | 261           | 244           | 237           |
| Specified Items <sup>(3)</sup>                              | 1,409               | 1,178         | 1,119         | 754           |
| <b>Adjusted EBITDA</b>                                      | <b>5,461</b>        | <b>5,507</b>  | <b>5,030</b>  | <b>5,975</b>  |
| Total Debt  | 21,496              | 19,390        | 17,931        | 17,610        |
| Cash & Equivalents  | 1,140               | 536           | 2,825         | 2,283         |
| Short-Term Investments                                      | 17                  | 30            | 20            | 12            |
| <b>Net Debt<sup>(4)</sup></b>                               | <b>20,338</b>       | <b>18,824</b> | <b>15,085</b> | <b>15,315</b> |
| <b>Net Leverage<sup>(5)</sup></b>                           | <b>3.7x</b>         | <b>3.4x</b>   | <b>3.0x</b>   | <b>2.6x</b>   |

1. Includes one remaining quarter of Bard

2. Purchase accounting is included in Depreciation & Amortization and is a specified item in the 10-K filings

3. Specified items include litigation-related charges, acquisition-related transaction costs, losses on debt extinguishment and other specified items in the 10-K filings

4. Net Debt defined as Total Debt minus Cash & Equivalents and Short-Term Investments

5. Net Leverage defined as Net Debt divided by Adjusted EBITDA

# Glossary

| Acronym | Defined Term                      | Acronym | Defined Term                        |
|---------|-----------------------------------|---------|-------------------------------------|
| AI      | Artificial intelligence           | IDS     | Integrated Diagnostics Solutions    |
| BDB     | Biosciences                       | LDD     | Low double-digit                    |
| BPS     | Basis points                      | M&A     | Mergers and acquisitions            |
| CAGR    | Compounded annual growth rate     | MDS     | Medication Delivery Solutions       |
| Capex   | Capital expenditures              | MMS     | Medication Management Solutions     |
| CFN     | CareFusion                        | MSD     | Mid-single digit                    |
| DC      | Diabetes Care                     | PI      | Peripheral Intervention             |
| DD      | Double digit                      | POC     | Point of care                       |
| EMR     | Electronic medical records        | PS      | Pharmaceutical Systems              |
| EPS     | Earnings per share                | R&D     | Research and development            |
| ERP     | Enterprise resource planning      | SURG    | Surgery                             |
| ESG     | Environmental, Social, Governance | TAM     | Total addressable market            |
| FCF     | Free cash flow                    | TB      | Tuberculosis                        |
| FY      | Fiscal year                       | UCC     | Urology & Critical Care             |
| HSD     | High single digit                 | WAMGR   | Weighted average market growth rate |