Delivering with excellence for our customers and patients

BD

Advancing the world of health™

Annual Report 2024

Tom Polen
Chairman of the Board,
Chief Executive Officer and President

To our shareholders, customers and associates,

2024 marked a pivotal year in the transformation of BD as a stronger, more innovative and more influential MedTech leader.

Since launching our BD 2025 strategy, we have made great strides to grow through leading innovations, expand margins through simplification and operational excellence, and empower our team to bring our strategy to life. Our work is enabling the healthcare of today and helping our customers build – and thrive in – the healthcare of tomorrow.

We are realizing our vision through our BD Excellence operating system and mindset. This is a concerted effort to become world-class in everything we do, whether that's how we manufacture products, serve customers or go to market. BD Excellence is, and will continue to be, transformative: improving quality and safety, enhancing customer service, speeding R&D timelines and reducing costs. Ultimately, this fuels more innovations that benefit billions of patients.

Excellence means succeeding together with our customers – harnessing advanced technologies to help them adapt to today's seismic shifts in care, brought on by rising costs, clinician shortages, increased patient complexities, and the rapid pace of technology that is revolutionizing how and where care is delivered.

Our innovative portfolio is positioned at the forefront of these significant shifts reshaping healthcare. We are combining AI, robotics, and informatics with deep customer and patient insights to deliver connected, intelligent solutions that improve both the quality and cost-efficiency of core processes underlying care delivery. Through our $4 billion connected care portfolio, we are advancing our leadership in intelligent medication management, and pharmacy and microbiology robotics. The acquisition of Edwards Lifesciences' Critical Care product group, now known as Advanced Patient Monitoring, expands our portfolio of smart, connected care solutions with leading monitoring technologies, including advanced AI algorithm clinical decision support tools.

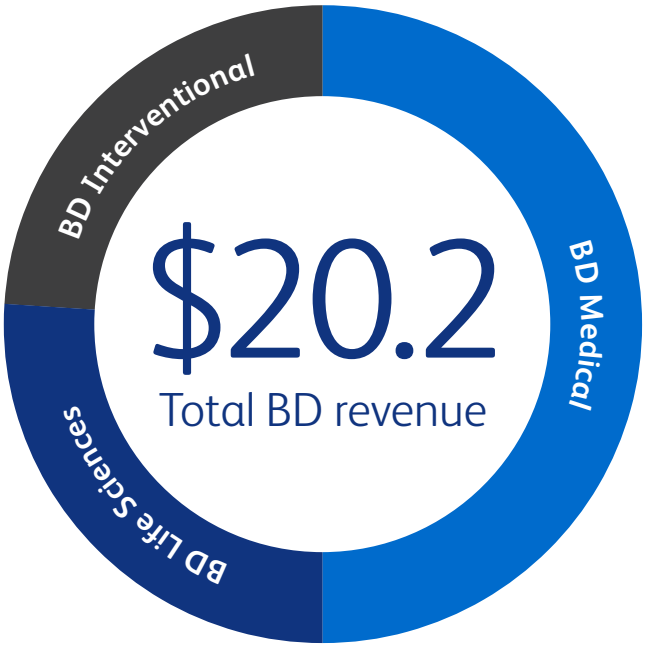
Our innovations are enabling care to be delivered in new settings, helping patients manage conditions at home – such as our BD® PureWick™ Urinary Incontinence Franchise – and enabling delivery of life-changing biologic drugs through our prefillable syringes like the BD® Neopak™ and BD Vystra™ self-injection devices. As the global leader in biologics drug delivery, with unmatched innovations and capacity, BD is ideally positioned to be the partner of choice for pharmaceutical innovators and capitalize on this significant growth potential. We continue to make great strides improving outcomes for those living with chronic disease. Innovations like BD FACSDiscover™ S8 Cell Sorters are enabling new insights into the human immune system and contributing to breakthroughs in cell and immune oncology therapies. The BD COR™ System and BD Onclarity™ HPV assay are helping to transform and expand cancer screening around the world by enabling women to self-sample at home for the virus strains that cause cervical cancer. Our impact continues through enabling advanced tissue repair and reconstruction with our resorbable mesh portfolio, comprised of BD® Phasix™ Mesh and GalaFLEX™ Scaffold.

We have built a strong innovation pipeline and are on track to meet our BD 2025 goal of launching 100 new products by the end of 2025. As we help to reshape the future of healthcare, our customers continue to rely on our more than 34 billion devices every year that deliver the healthcare of today across more than 190 countries.

Our efforts to simplify our company, along with our BD Excellence business system, supported BD in navigating and delivering solid growth amid transitory dynamics in the life science research and pharmaceutical markets, while also delivering strong FY24 outcomes in margins, EPS and cash flow. As a result, we are fueling more investment in innovation to support our customers in transforming care delivery. Across manufacturing, our teams completed over 500 Kaizen events this year, which led to improved quality and safety, waste reduction and meaningful savings. We increased operating efficiency double digits across our top 150 production lines, enabling more efficient use of capital. We have seen significant results in manufacturing and are expanding to bring our BD Excellence system to our commercial, R&D and other areas of the company.

Excellence advances not only our company performance, but our impact as a trusted corporate citizen. We are thinking big and doing more to empower our associates, serve our communities and protect our planet as we committed to in our corporate sustainability strategy: Together We Advance. We are exceeding the sustainability goals we set in 2021 and are on track to meet our 2030+ emission reduction goals. Notably, we reduced Scope 1 and 2 GHG emissions 18% versus our FY19 baseline, surpassing our goal. We doubled the number of sites using Green Electric Power and solar power, while reducing water usage by 21% and waste leaving the sites by 18%. In 2023, we achieved gender base pay equity globally and continue to hold ourselves accountable for equitable pay across our associate base. Our sustainability and ID&E efforts have been recognized by world-leading organizations including Fortune Magazine's Most Innovative Companies; Business Group on Health's Best Employer for Excellence in Employee Well-being; Disability Equality Index's Best Places to Work for Disability Inclusion; and 3BL's 100 Best Corporate Citizens, to name a few.

FY24 revenue by segment and business unit



BD Medical	**$10.1**
Medication Delivery Systems	$4.4
Medication Management Solutions	$3.3
Pharmaceutical Systems	$2.3
Advanced Patient Monitoring	$0.1
BD Life Sciences	**$5.2**
Integrated Diagnostics Solutions	$3.7
Biosciences	$1.5
BD Interventional	**$5.0**
Peripheral Intervention	$1.9
Surgery	$1.5
Urology and Critical Care	$1.6

Values in this exhibit reflect rounded numbers in billions of dollars.

Our priorities for fiscal 2025

Looking ahead, we recognize the complex landscape that our customers face, and we are working with agility to help them meet these changes and thrive in the healthcare of tomorrow. Throughout our more than 125 years as a company, we have been known for stepping up as healthcare evolves, and today is no different. We will continue to invest in our talent, strengthen our culture and provide opportunities at the forefront of the MedTech industry.

We start FY25 with momentum. We have a leading portfolio in attractive growth markets, strong innovation pipeline, winning commercial plans to support growth and our BD Excellence system that is simplifying the company. As we accelerate this system across the company, we will continue to drive healthy margin improvement and transform our quality systems and the way we work. This, in turn, will enable more investment in R&D, fuel go-to-market investment and make BD an even better place to work and an exciting destination to build a career.

We know that our industry is changing fast, and our stakeholders expect more. We are answering that call with bold thinking and innovations designed to deliver value for our customers and shareholders. Our commitment to strong execution is advancing industry-leading solutions for billions of patients worldwide. And, our excellence and simplification focus is designed to drive meaningful and durable growth while simultaneously creating value through purposeful capital allocation, and margin and cash flow increases. Most importantly, we will continue to attract, retain and empower the best talent who will continue to lead BD into this next chapter of growth and value creation.

I want to thank our associates for their dedication, ingenuity and commitment to excellence. I'm inspired by the work they are doing for billions of people around the world – together, they are delivering on our Purpose of *advancing the world of health*™.

Thank you for your support.

Tom Polen

Tom Polen
Chairman of the Board,
Chief Executive Officer and President

Corporate Officers

Thomas E. Polen
Chairman of the Board,
Chief Executive Officer and President

Richard Byrd
Executive Vice President and President,
Interventional Segment

Claudia Curtis
Senior Vice President,
Chief Ethics and Compliance Officer

Gary M. DeFazio
Senior Vice President, Corporate Secretary
and Associate General Counsel

Christopher J. DelOrefice
Executive Vice President and
Chief Financial Officer

Antoine C. Ezell
Executive Vice President, President of the
Americas and Chief Marketing Officer

Michael Feld
Executive Vice President and President,
Life Sciences Segment

Denise Russell Fleming
Executive Vice President, Technology and
Global Services and Chief Information Officer

Michael Garrison
Executive Vice President and President,
Medical Segment

Roland Goette
Executive Vice President and President, EMEA

Vishy Kanda
Executive Vice President and
Chief Strategy Officer

Elizabeth McCombs
Executive Vice President and
Chief Technology Officer

Pavan Mocherla
Executive Vice President and President,
Greater Asia

Shana Neal
Executive Vice President and
Chief People Officer

Michelle Quinn
Executive Vice President and General Counsel

Greg Rodetis
Senior Vice President,
Treasurer and Head of Investor Relations

Antoinette F. Segreto
Senior Vice President, Taxes

David Shan
Executive Vice President and
Chief Integrated Supply Chain Officer

Ronald P. Silverman, MD, FACS
Executive Vice President and
Chief Medical Officer

Ami E. Simunovich
Executive Vice President, Chief Quality and
Regulatory Officer and Public Affairs

Board of Directors

William M. "Bill" Brown [2,3]
Chief Executive Officer
– 3M Company

Catherine M. Burzik [3,4,5]
Former President and Chief Executive Officer
– Kinetic Concepts, Inc.

Carrie L. Byington, MD [1,5]
Professor
– University of California, San Diego

R. Andrew Eckert [1,2,4]
Former Chief Executive Officer
– Zelis

Claire M. Fraser, Ph.D. [2,3]
Former Director
– Institute for Genome Sciences,
University of Maryland School of Medicine

Jeffrey W. Henderson [1,2,4]
Former Chief Financial Officer
– Cardinal Health, Inc.

Christopher Jones [1,3,4]
Former Chief Executive Officer
– JWT Worldwide

Thomas E. Polen [4]
Chairman of the Board,
Chief Executive Officer and President

Timothy M. Ring [1,5]
Former Chairman and Chief Executive Officer
– C. R. Bard, Inc.

Bertram L. Scott [2,4,5]
Former Chief Executive Officer
– Affinity Health Plan

Joanne Waldstreicher, MD [3,5]
Former Chief Medical Officer
– Johnson & Johnson

Committees appointed by the Board of Directors

1 Audit Committee
2 Compensation and Human Capital Committee
3 Corporate Governance and Nominating Committee
4 Executive Committee
5 Quality and Regulatory Committee

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2024

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

COMMISSION FILE NUMBER: 001-4802

BECTON, DICKINSON AND COMPANY

(Exact name of registrant as specified in its charter)

New Jersey	**22-0760120**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
1 Becton Drive, Franklin Lakes, New Jersey	**07417-1880**
(Address of principal executive offices)	*(Zip code)*

Registrant's telephone number, including area code **(201) 847-6800**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common stock, par value $1.00	BDX	New York Stock Exchange
1.900% Notes due December 15, 2026	BDX26	New York Stock Exchange
3.020% Notes due May 24, 2025	BDX25	New York Stock Exchange
1.208% Notes due June 4, 2026	BDX/26A	New York Stock Exchange
1.213% Notes due February 12, 2036	BDX/36	New York Stock Exchange
0.034% Notes due August 13, 2025	BDX25A	New York Stock Exchange
3.519% Notes due February 8, 2031	BDX31	New York Stock Exchange
3.828% Notes due June 7, 2032	BDX32A	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a "large accelerated filer," an "accelerated filer," a "non-accelerated filer," a "smaller reporting company," or an "emerging growth company."

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

As of March 31, 2024, the aggregate market value of the registrant's outstanding common stock held by non-affiliates of the registrant was approximately $71,455,056,628.

As of October 31, 2024, 289,122,120 shares of the registrant's common stock were outstanding.

Documents Incorporated by Reference. Portions of the registrant's Proxy Statement for the Annual Meeting of Shareholders to be held January 28, 2025 are incorporated by reference into Part III hereof.

TABLE OF CONTENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

PART I

Item 1. *Business.*

General

Becton, Dickinson and Company (also referred to herein as "BD") was incorporated under the laws of the State of New Jersey in November 1906, as successor to a New York business started in 1897. BD's executive offices are located at 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, and its telephone number is (201) 847-6800. All references in this Form 10-K to "BD", "the Company", "we", "our" or "us" refer to Becton, Dickinson and Company and its domestic and foreign subsidiaries, unless otherwise indicated by the context.

BD is a global medical technology company engaged in the development, manufacture and sale of a broad range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. We provide customer solutions that are focused on improving medication management and patient safety; supporting infection prevention practices; equipping surgical and interventional procedures; improving drug delivery; aiding anesthesiology care; enhancing the diagnosis of infectious diseases and cancers; and advancing cellular research and applications.

Business Segments

BD's operations consist of three worldwide business segments: BD Medical, BD Life Sciences and BD Interventional. As is further described below, on September 3, 2024, BD completed its acquisition of Edwards Lifesciences' Critical Care product group ("Critical Care"), which was renamed as BD Advanced Patient Monitoring ("Advanced Patient Monitoring") and operates as a separate organizational unit within the Company's Medical segment. Information with respect to BD's business segments is included in Notes 8, 11 and 16, respectively, to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, and is incorporated herein by reference.

BD Medical

BD Medical produces a broad array of medical technologies and devices that are used to help improve healthcare delivery in a wide range of settings. The primary customers served by BD Medical are hospitals and clinics; physicians' office practices; consumers and retail pharmacies; governmental and nonprofit public health agencies; pharmaceutical companies; and healthcare workers. BD Medical consists of the following organizational units:

Organizational Unit	*Principal Product Lines*
Medication Delivery Solutions	Peripheral intravenous ("IV") catheters (conventional, safety); advanced peripheral catheters (guidewire assisted peripherally inserted venous catheters, midline catheters, port access); central lines (peripherally inserted central catheters); acute dialysis catheters; vascular access technology (ultrasonic imaging); vascular care (lock solutions, prefilled flush syringes, disinfecting caps); vascular preparation (skin antiseptics, dressings, securement); needle-free IV connectors and extensions sets; closed-system drug transfer devices; hazardous drug detection; conventional and safety hypodermic syringes and needles, anesthesia needles (spinal, epidural) and trays; enteral syringes; and sharps disposal systems.
Medication Management Solutions	IV medication safety and infusion therapy delivery systems, including infusion pumps, dedicated disposables, and IV fluids; medication compounding workflow systems; automated medication dispensing; automated supply management systems; medication inventory optimization and tracking systems; informatics and analytics solutions for enterprise medication management; and pharmacy automation systems.
Pharmaceutical Systems	Prefillable drug delivery systems - prefillable syringes, safety, shielding and self-injection systems and support services (combination product testing, technical and regulatory) - provided to pharmaceutical companies for use as containers for injectable pharmaceutical products, which are then placed on the market as drug/device combinations.
Advanced Patient Monitoring	Advanced hemodynamic monitoring systems used to measure a patient's heart function and fluid status in surgical and intensive care settings.

BD Life Sciences

BD Life Sciences provides products for the safe collection and transport of diagnostics specimens, and instruments and reagent systems to detect a broad range of infectious diseases, healthcare-associated infections and cancers. In addition, BD Life Sciences produces research and clinical tools that facilitate the study of cells, and the components of cells, to gain a better understanding of normal and disease processes. That information is used to aid the discovery and development of new drugs and vaccines, and to improve the diagnosis and management of diseases. The primary customers served by BD Life Sciences are hospitals, laboratories and clinics; blood banks; healthcare workers; physicians' office practices; academic and government institutions; and pharmaceutical and biotechnology companies. BD Life Sciences consists of the following organizational units:

Organizational Unit	*Principal Product Lines*
Integrated Diagnostic Solutions	Integrated systems for specimen collection; safety-engineered blood collection products and systems; automated blood culturing and tuberculosis culturing systems; molecular testing systems for infectious diseases and women's health; microorganism identification and drug susceptibility systems; liquid-based cytology systems and HPV tests for cervical cancer screening and genotyping; rapid diagnostic assays for testing of respiratory infections at the point of care; microbiology laboratory automation; and plated media for clinical and industrial applications.
Biosciences	Fluorescence-activated cell sorters and analyzers; antibodies and kits for performing cell analysis; reagents for life science research; solutions for high-throughput single-cell gene and protein expression analysis; and clinical oncology, immunological (HIV) and transplantation diagnostic/monitoring reagents, analyzers and informatics.

BD Interventional

BD Interventional provides vascular, urology, oncology and surgical specialty products that are intended to be used once and then discarded or are either temporarily or permanently implanted. The primary customers served by BD Interventional are hospitals, ambulatory surgery centers, individual healthcare professionals, extended care facilities, alternate site facilities, and patients via our Homecare business. BD Interventional consists of the following organizational units:

Organizational Unit	*Principal Product Lines*
Surgery	Hernia and soft tissue repair, biological grafts, bioresorbable grafts, biosurgery, and other surgical products, BD Surgiphor™ Antimicrobial Irrigation System, and BD ChloraPrep™ surgical infection prevention products.
Peripheral Intervention	Percutaneous transluminal angioplasty ("PTA") balloon catheters, radio frequency ablation catheters, peripheral vascular stents, self-expanding and balloon-expandable stent grafts, vascular grafts, drug coated balloons, ports, biopsy, chronic dialysis, inferior vena catheter filters, endovascular fistula creation devices and drainage products, and atherectomy and thrombectomy systems.
Urology and Critical Care	Urine management and measurement devices, indwelling, intermittent and external urine catheters, kidney stone management devices, Targeted Temperature Management, and fecal management devices.

Acquisitions

Edwards Lifesciences' Critical Care Product Group

On September 3, 2024, BD completed the acquisition of Critical Care, which was renamed as BD Advanced Patient Monitoring. The fair value of consideration transferred in connection with the acquisition was $3.911 billion. Since the acquisition date, financial results for Advanced Patient Monitoring's product offerings are being reported as a separate organizational unit within the Medical segment. BD funded the transaction with cash on hand, using net proceeds raised through debt issuances in the third quarter of fiscal year 2024, as further discussed in Note 16, and borrowings under our commercial paper program. Additional information regarding this acquisition is contained in Note 11 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, which is incorporated herein by reference.

Parata

On July 18, 2022, BD completed the acquisition of Parata Systems ("Parata"), an innovative provider of pharmacy automation solutions. The fair value of consideration transferred in connection with the acquisition was $1.548 billion. Since the acquisition date, financial results for Parata's product offerings are being reported within results for the Medical segment's Medication Management Solutions unit. Additional information regarding this acquisition is contained in Note 11 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, which is incorporated herein by reference.

Divestitures

Surgical Instrumentation Platform

In August 2023, BD completed the sale of the Interventional segment's Surgical Instrumentation platform pursuant to a definitive agreement that was signed in June 2023. BD recognized a pre-tax gain on the sale of approximately $268 million, which was recorded as a component of *Other operating expense (income), net* in fiscal year 2023. The historical financial results for the Surgical Instrumentation platform have not been classified as a discontinued operation. Additional information regarding this divestiture is contained in Note 2 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, which is incorporated herein by reference.

Spin-Off of Diabetes Care

On April 1, 2022, BD completed the separation and distribution of Embecta Corp. ("Embecta"), formerly BD's Diabetes Care business, into a separate, publicly-traded company. The historical results of the Diabetes Care business (previously included in BD's Medical segment), as well as interest expense related to indebtedness incurred by Embecta prior to the spin-off date, have been reflected as discontinued operations in our consolidated financial statements for all periods prior to the spin-off date of April 1, 2022. Additional disclosures regarding our spin-off of the Diabetes Care business are provided in Note 2 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, which is incorporated herein by reference.

International Operations

BD's products are manufactured and sold worldwide. For reporting purposes, we organize our operations outside the United States as follows: EMEA (which includes Europe, the Middle East and Africa); Greater Asia (which includes countries in Greater China, Japan, South Asia, Southeast Asia, Korea, and Australia and New Zealand); Latin America (which includes Mexico, Central America, the Caribbean and South America); and Canada. BD has manufacturing operations outside the United States in Bosnia and Herzegovina, Brazil, Canada, China, Dominican Republic, France, Germany, Hungary, India, Ireland, Israel, Italy, Japan, Malaysia, Mexico, the Netherlands, Singapore, Spain, and the United Kingdom. Geographic information with respect to BD's operations is included under the heading "Geographic Information" in Note 8 to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data.

Foreign economic conditions and exchange rate fluctuations have caused the profitability related to foreign revenues to fluctuate more than the profitability related to domestic revenues. BD believes its activities in some countries outside the United States involve greater risk than its domestic business due to the factors cited herein. See further discussion of these risks in Item 1A. Risk Factors.

Distribution

BD's products are marketed and distributed in the United States and internationally through independent distribution channels, as well as directly to hospitals and other healthcare related institutions by BD and independent sales representatives. BD uses acute care, non-acute care, laboratory and drug wholesaler distributors to broadly support our overall disposable product demand from our end user customers in the United States, while our capital equipment is mostly sold direct to our end user customers. In international markets, products are distributed either directly or through distributors, with the practice varying by country. BD's worldwide sales are not generally seasonal, with the exception of certain medical devices in the Medication Delivery Solutions business unit, and flu diagnostic products in the Integrated Diagnostic Systems business unit, both of which relate to seasonal diseases such as influenza. BD operates consolidated distribution facilities globally in order to better service its customers, optimize logistics, lower facilities costs and reduce finished goods inventory levels.

Raw Materials and Components

BD purchases many different types of raw materials and components, including plastics, glass, metals, textiles, paper products, agricultural products, electronic and mechanical sub-assemblies and various biological, chemical and petrochemical products. BD seeks to ensure continuity of supply by securing multiple options for sourcing. However, there are situations where raw materials and components are only available from one supplier, which are referred to as sole sourced. The use of sole sourced materials and components may be due to sourcing of proprietary and/or patented technology and processes that are intended to provide a unique market differentiation to our product. In other cases, while a raw material or component can be sourced from multiple manufacturers, only one supplier is qualified due to quality assurance, cost or other considerations. In order to provide alternate sources, BD must complete a rigorous qualification process, which most often includes completion of regulatory registration and approval. If clinical trials are not required, this qualification process can take 3-18 months depending on the criticality of the change. When clinical trials are required, this process may lengthen the qualification phase from one to three years. BD continuously assesses its sole sourced raw materials and components, and maintains business continuity plans with its suppliers. BD's continuity plans may include securing secondary supply with alternate suppliers, qualification of alternate manufacturing facilities, maintaining contingency stock, internal development of supply and establishment of technology escrow accounts. While BD works closely with its suppliers, no assurance can be given that these efforts will be successful, and there may be events that cause supply interruption, reduction or termination that adversely impact BD's ability to manufacture and sell certain products. See further discussion of the risks related to the supply chain and raw materials in Item 1A. Risk Factors.

Research and Development

BD conducts its research and development ("R&D") activities at its operating units and across global enterprise centers of excellence located in the United States, India, China, Singapore and Ireland. The majority of BD's R&D activities are conducted in North America. Outside North America, BD has a significant R&D presence in Greater Asia and Europe. BD also collaborates with certain universities, medical centers and other entities on R&D programs and retains individual consultants and partners to support its efforts in specialized fields.

Intellectual Property and Licenses

BD owns significant intellectual property, including patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks in the United States and other countries. BD is also licensed under domestic and foreign patents, patent applications, technology, trade secrets, know-how, copyrights and trademarks owned by others. In the aggregate, these intellectual property assets and licenses are of material importance to BD's business. BD believes, however, that no single patent, technology, trademark, intellectual property asset or license is material in relation to BD's business as a whole, or to any business segment.

Competition

BD operates in the increasingly complex and challenging medical technology marketplace. Technological advances and scientific discoveries have accelerated the pace of change in medical technology, the regulatory environment of medical products is becoming more complex and vigorous, and economic conditions have resulted in a challenging market. Companies of varying sizes compete in the global medical technology field. Some are more specialized than BD with respect to particular markets, and some have greater financial resources than BD. New companies have entered the field, particularly in the areas of molecular diagnostics, non-traditional point of care and at-home testing, safety-engineered devices and in the life sciences. Additionally, established companies have diversified their business activities into the medical technology area. Other firms engaged in the distribution of medical technology products have become manufacturers of medical devices and instruments as well. Acquisitions and collaborations by and among companies seeking a competitive advantage also affect the competitive environment. In addition, the entry into the market of low-

cost manufacturers has created increased pricing pressures. BD competes in this evolving marketplace on the basis of many factors, including price, quality, innovation, service, reputation, distribution and promotion. The impact of these factors on BD's competitive position varies among BD's various product offerings. In order to remain competitive in the industries in which it operates and to boost supply reliability and productivity, BD continues to make investments in R&D, quality management, quality improvement, product innovation, manufacturing and supply chain. See further discussion of the risks relating to competition in the medical technology industry in Item 1A. Risk Factors.

Market Access and Third-Party Reimbursement

BD's customers and their patients rely on public and private payers to reimburse some or all the cost of procedures, products and services. BD actively engages with the payer community, medical societies and other stakeholders in order to navigate market access trends and appropriately communicate value propositions for a broad range of BD medical technologies. However, BD has no direct control over payer decision-making with respect to coverage and payment levels for BD products.

The manner and level of reimbursement is determined at the payer's discretion and may depend on a variety of factors, including but not limited to site of care, procedure(s) performed, patient diagnosis, the device(s) and/or drug(s) utilized, available budget, health equity, beneficiary access or a combination of these factors. The providers that we serve are also evaluating changes in the healthcare reimbursement landscape and coverage elements leading to their own decision-making on what they will ultimately pay for various medical technologies or procedures, which could positively or negatively impact sales of BD products in any given country for any given product at any given time.

Vertical integration of health systems has created a concentrated market among commercial payers in the U.S. and there is an increased focus globally on payment policies that serve to control healthcare spending while also rewarding quality and patient outcomes. Governments around the world continue to consider and transition to value-based payment reforms that would drive improved value and quality- and resource-based reimbursement. For example, the Centers for Medicare & Medicaid Services' (CMS) established a 2030 goal of transitioning all Medicare fee-for-service beneficiaries to a "care relationship" to ensure the agency's accountability of quality and cost of care. Whether these changes are driven by legislative efforts, strategic alliances or market conditions, the global landscape continues to enhance cost control efforts through "pay for performance" mechanisms and bidding and tender policies that focus on quality and performance.

Examining reimbursement and continually assessing the broader healthcare funding landscape is a strategic consideration in the development and marketing of medical technology. Advancing coding, coverage and payment strategies reduce barriers to adoption, improve affordability and are critical to ensuring patient and provider access to medical technologies. Market access strategies are also critical in ensuring commercial priorities are meeting the demand for critical healthcare needs globally and locally.

Regulation

General

BD's operations are global and are affected by complex state, federal and international laws relating to healthcare, environmental protection, occupational health and safety, antitrust, anti-corruption, marketing, fraud and abuse (including anti-kickback and false claims laws), export control, product safety and efficacy, employment, privacy and other areas.

BD's medical technology products and operations are subject to regulation by the U.S. Food and Drug Administration ("FDA") and various other federal and state agencies, as well as by foreign governmental agencies. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, advertising, marketing and distribution, and market surveillance of BD's medical products. The scope of the activities of these agencies, particularly in the Europe, Japan, Latin America, and Asia Pacific regions in which BD operates, has been increasing.

In order to market or sell most of its products, BD must secure authorization from the FDA and counterpart foreign regulatory agencies. After a device has received 510(k) clearance, premarket (PMA) approval or other marketing authorization for a specific intended use, any change or modification that significantly affects its safety or effectiveness, such as a significant change or changes in the design, materials, method of manufacture or intended use, may require a new marketing authorization. The determination as to whether or not a modification or series of modifications could significantly affect the device's safety or effectiveness is initially left to the manufacturer to assess using available guidance; however, regulators may review this determination to evaluate the regulatory status of the modified product at any time and may require the manufacturer to cease marketing and recall the modified device until a new marketing authorization is obtained.

BD actively maintains Quality Systems that establish standards for its product design, manufacturing, and distribution processes, in accordance with ISO standards and FDA regulation. These agencies engage in periodic reviews and inspections of BD's quality systems, as well as product performance and advertising and promotional materials. These regulatory controls, as well as any changes in agency policies, can affect the time and cost associated with the development, introduction and continued availability of new and existing products. Where possible, BD anticipates these factors in its product development and planning processes. These agencies have the authority to take various administrative and legal actions against BD, such as product recalls, product seizures and other civil and criminal sanctions, for violations of applicable requirements. BD also undertakes voluntary compliance actions, such as voluntary recalls. In some cases, BD may determine that an identified product issue does not require a voluntary recall action. Should a regulator disagree with such a determination, the regulator may require BD to cease marketing of and recall the device until the issue has been corrected. In addition, BD may be required to seek an additional marketing authorization prior to marketing the corrected device.

BD also is subject to various federal and state laws, and laws outside the United States, concerning healthcare fraud and abuse (including false claims laws and anti-kickback laws), global anti-corruption, transportation, safety and health, and customs and exports. Many of the agencies enforcing these laws have increased their enforcement activities with respect to medical device manufacturers in recent years. This is part of a general trend toward increased regulation and enforcement activity within and outside the United States.

In addition, the federal government has enacted the Sunshine Act provisions requiring BD to publicly report gifts and payments made to physicians and teaching hospitals. Countries outside the United States have enacted similar local laws requiring medical device companies to report transfers of value to healthcare providers licensed in those countries. Failure to comply with these laws could result in a range of fines, penalties and/or other sanctions.

Consent Decree with FDA

Our U.S. infusion pump organizational unit is operating under an amended consent decree originally entered into by Cardinal Health 303, Inc. with the FDA in 2007 related to its Alaris™ SE infusion pumps. In 2009, the decree was amended (the "Consent Decree") to include all infusion pumps manufactured by or for CareFusion 303, Inc., which was acquired by BD in 2015. CareFusion 303, Inc. remains the legal manufacturer of BD Alaris™ infusion pumps. The Consent Decree does not apply to intravenous administration sets and accessories.

Following an inspection that began in March 2020 of our Medication Management Systems facility in San Diego, California (CareFusion 303, Inc.), the FDA issued a Form 483 Notice (the "2020 Form 483 Notice") that contained a number of observations regarding the site's compliance with FDA's Quality System, reporting of corrections and removals, and Medical Device Reporting (MDR) regulations. In December 2021, the FDA issued to CareFusion 303, Inc. a letter of non-compliance with respect to the Consent Decree (the "Non-Compliance Letter") stating that, among other things, it had determined that certain of the corrective actions with respect to the 2020 Form 483 Notice appeared to be adequate, some were still in progress such that adequacy could not be determined yet, and certain others were not adequate (e.g., complaint handling and

corrective and preventive actions, design verification and medical device reporting). Per the terms of the Non-Compliance Letter, CareFusion 303, Inc. provided the FDA with a proposed comprehensive corrective action plan ("CAP") and has retained an independent expert to conduct periodic audits of the CareFusion 303, Inc. infusion pump facilities through 2025. CareFusion 303, Inc. has and will continue to update its CAP to address any observations that may arise during the course of these audits.

In addition, CareFusion 303, Inc. received an additional Form 483 Notice in May 2024 following an FDA inspection ("2024 Form 483 Notice") that contained observations related to the site's compliance with the FDA's quality system regulations and MDR regulation related to its Infusion quality management system (covered by the Consent Decree) and separate Dispensing quality management system (which is not subject of the Consent Decree). On November 22, 2024, BD received a Warning Letter from the FDA, which is limited to CareFusion 303, Inc.'s Dispensing quality management system and BD Pyxis™ products ("Dispensing Warning Letter"). See "— FDA Warning Letters" below for further information.

The FDA's review of our responses to the observations specific to the Infusion quality management system in the 2024 Form 483 Notice and the CAP is ongoing, and no assurances can be given regarding further action by the FDA as a result of the observations, including but not limited to action pursuant to the Consent Decree, or that corrective actions proposed by CareFusion 303, Inc. will be adequate to address these observations. Additionally, we cannot currently predict the amount of additional monetary investment that will be incurred to resolve this matter or the matter's ultimate impact on our business.

The Consent Decree authorizes the FDA, in the event of any violations in the future, to order us to cease manufacturing and distributing infusion pumps, recall products and take other actions. We may be required to pay damages of $15,000 per day per violation if we fail to comply with any provision of the Consent Decree, up to $15 million per year.

We may be obligated to pay more costs in the future because, among other things, the FDA may determine that we are not fully compliant with the Consent Decree and Non-Compliance Letter and therefore impose penalties under the Consent Decree, and/or we may also be subject to future proceedings and litigation relating to the matters addressed in the Consent Decree, including, but not limited to, additional fines, penalties, other monetary remedies, and expansion of the terms of the Consent Decree. As of September 30, 2024, we do not believe that a loss is probable in connection with the Consent Decree, and accordingly, we have no accruals associated with compliance with the Consent Decree.

As previously disclosed, on July 21, 2023, BD received 510(k) clearance from the FDA for its updated BD Alaris™ Infusion System, which enables both remediation and a return to market for the BD Alaris™ Infusion System. This clearance covers updated hardware features for Point-of-Care Unit (PCU), large volume pumps, syringe pumps, patient-controlled analgesia (PCA) pumps, respiratory monitoring and auto-identification modules. It also covers a new BD Alaris™ Infusion System software version with enhanced cybersecurity, along with interoperability features that enable smart, connected care with electronic medical record systems. To address all open recalls and ensure all devices at customer sites are running the most recent version of the BD Alaris™ Infusion System Software, all of the current BD Alaris™ Infusion System devices in the U.S. market will be remediated or replaced with the updated 510(k) cleared version over the next several years.

FDA Warning Letters

On January 11, 2018, BD received a Warning Letter from the FDA with respect to our former BD Preanalytical Systems ("PAS") unit, citing certain alleged violations of quality system regulations and of law. The Warning Letter states that, until BD resolves the outstanding issues covered by the Warning Letter, the FDA will not approve any premarket submissions for Class III devices to which the non-conformances are reasonably related or grant requests for certificates to foreign governments. BD has worked closely with the FDA and implemented corrective actions to address the quality management system concerns identified in the Warning Letter. In March 2020, the FDA conducted a subsequent inspection of PAS, which it classified as

Voluntary Action Indicated, which means the FDA will not take or recommend any administrative or regulatory action as a result of the unit's response to the observations associated with the quality management concerns in the inspection. BD continues to work with the FDA to generate additional clinical evidence and file 510(k)s as remaining commitments associated with the Warning Letter. As of September 30, 2024, BD has received seven FDA clearances. The FDA review of these remaining commitments is ongoing, and no assurances can be given regarding further action by the FDA as a result of these commitments, including but not limited to action pursuant to the Warning Letter.

As noted above, on November 22, 2024, BD received the Dispensing Warning Letter following an inspection of its facility located in San Diego, California, citing certain alleged violations of the quality system regulations, MDR regulation, the corrections and removals reporting regulation and law. The Dispensing Warning Letter states that, until BD resolves the outstanding issues covered by the Dispensing Warning Letter, the FDA will not approve any premarket submissions for Class III devices and may not grant requests for certificates to foreign governments concerning devices to which the non-conformances are reasonably related. As requested by the Dispensing Warning Letter, BD is preparing a comprehensive response to address FDA's feedback in the Dispensing Warning Letter, which may include implementing additional corrective actions; however, no assurances can be given regarding further action by the FDA as a result of the noted non-conformities, or that corrective actions proposed and taken by CareFusion 303, Inc. will be adequate to address the non-conformities. Any failure to adequately address the Dispensing Warning Letter may result in regulatory actions initiated by the FDA without further notice, which may include, but are not limited to, seizure, injunction and civil monetary penalties. As a result, the ultimate resolution of the Dispensing Warning Letter and its impact on the Company's operations is unknown at this time. In connection with the receipt of the Dispensing Warning Letter, the Company recorded an accrual in the fourth quarter of fiscal year 2024. See Note 6 to the consolidated financial statements in "Item 8. Financial Statements and Supplementary Data." It is possible that the amount of the Company's liability could exceed its currently accrued amount.

Ethylene Oxide/Sterilization

On October 28, 2019, BD entered into a consent order with the Environmental Protection Division of the Georgia Department of Natural Resources (the "EPD"), following the filing of a complaint and motion for temporary restraining order by the EPD seeking to enjoin BD from continuing sterilization operations at its Covington, Georgia facility. Under the terms of the consent order, which has been amended two times upon mutual agreement of BD and EPD, BD voluntarily agreed to a number of operational changes at its Covington and Madison, Georgia facilities, as well as at its distribution center in Covington, designed to further reduce ethylene oxide emissions, including but not limited to operating at a reduced capacity until successful implementation of fugitive emission control technology, ongoing ambient air monitoring and operational controls at such facilities. Following submission of data relating to the implementation of these operational changes, BD was permitted to return to normal operations in December 2021 at its facilities in Georgia in accordance with the operating conditions set forth in its permit applications, including a condition to continue ambient air monitoring. The final air permits for (i) the Covington and Madison facilities and (ii) the Covington distribution center were issued by the EPD on May 5, 2023, and July 2, 2024, respectively. By correspondence dated September 6, 2024, the EPD notified BD that the consent order had been terminated by the full and complete performance of each condition.

At a broader level, there is increased focus on the use and emission of ethylene oxide by the U.S. Environmental Protection Agency ("EPA") and state environmental regulatory agencies. Additional regulatory requirements associated with the use and emission of ethylene oxide may be imposed in the future, either domestically or outside the U.S. Ethylene oxide is the most frequently used sterilant for medical devices and healthcare products in the U.S., and in certain cases is the only option to sterilize critical medical device products for the safe administration to patients. Any such increased regulation could require BD or sterilization service providers, including providers used by BD, to temporarily suspend operations to install additional emissions control technology, limit the use of ethylene oxide or take other actions, which would impact BD's operations and further reduce the available capacity to sterilize medical devices and healthcare products, and could also result in additional costs. To this end, BD has proactively installed fugitive emissions controls at our

facilities in East Columbus, NE and Sandy, UT. On April 5, 2024, the final National Emission Standards for Hazardous Air Pollutants ("NESHAP"): Ethylene Oxide Emissions Standards for Sterilization Facilities regulation issued by the EPA became effective. Companies generally have two years from the effective date to comply with the new requirements of the NESHAP. We are in the process of implementing certain changes to our facilities in accordance with NESHAP's requirements, and such measures will require additional implementation and ongoing operational costs, including investments in certain new technologies.

In addition, on April 13, 2023, the EPA published a Pesticide Registration Review; Proposed Interim Decision and Draft Risk Assessment Addendum for Ethylene Oxide ("PID"). The EPA has not yet finalized the PID, which regulates the use of ethylene oxide as a sterilant and is intended to mitigate any human health and environmental risks associated with its use. We cannot predict what the final PID adopted by the EPA may require and therefore we are not able to assess the impact on our sterilization facilities, on the third-party sterilization facilities that BD utilizes and on our operations more generally.

If any new or existing regulatory requirements or rulemaking result in the suspension, curtailment or interruption of sterilization operations at BD or at medical device sterilizers used by BD, or otherwise limit the availability of third-party sterilization capacity, this could interrupt or otherwise adversely impact production of certain of our products or lead to civil litigation or other claims against BD. BD has business continuity plans in place to mitigate the impact of any such disruptions, although these plans may not be able to fully offset such impact, for the reasons noted above.

For further discussion of risks relating to the regulations to which we are subject, see Item 1A. Risk Factors.

Human Capital Management

At BD, our associates are guided by our purpose of *advancing the world of health*^{TM} and The BD WAY, our cultural foundation that encompasses our core values, servant leadership expectations and the mindset we bring to our work. Our associates are empowered to contribute their unique ideas and experiences to fuel innovation and improve patient outcomes. As of September 30, 2024, BD is comprised of approximately 74,000 associates located in 61 countries. Attracting, developing and retaining talented people in all different functions is crucial to executing our strategy and our ability to compete effectively in a highly competitive medical technology industry. Our ability to recruit and retain such talent depends on several factors, including compensation and benefits, talent development and career opportunities, and our unique culture. To that end, we continually invest in our associates to be an employer of choice.

Inclusion, Diversity & Equity

For BD, diversity refers to the practice of including the many communities and backgrounds that make up our Company and the world we serve. Diversity reflects our culture of inclusion, welcoming people of all different ethnicities, abilities, cultures, genders, religions, ages, sexual orientation, identity, experiences and tenure, as well as people with diverse opinions, perspectives, lifestyles, and ideas. Our associates possess a broad range of beliefs and experiences which have helped BD achieve our leadership position in the medical technology industry and the global marketplace. A key component of our journey to continually build a better BD is our commitment to global inclusion, diversity and equity ("ID&E"). We believe this commitment, coupled with our purpose and culture, allows us to better understand patient and customer needs and develop innovative technologies to meet those needs.

Each year, we establish annual corporate ID&E goals focused on fostering an inclusive workplace — fair treatment, equal access and opportunity, and acceptance for everyone. In addition, our executive leaders serve as sponsors to our nine global Associate Resource Groups ("ARGs") that enable all associates to contribute their talents and skills to help advance opportunity for everyone. Our ARGs are empowered to set strategic goals aligned with their mission and centered around efforts to advance our company, local communities and each BD associates' career, while fostering a sense of belonging, allyship, and professional development opportunities.

Externally, we are building on our existing momentum and remain involved in efforts to help the medical technology industry in supporting ID&E by improving health equity and expanding access, including by partnering with the Advanced Medical Technology Association ("AdvaMed"). We remain committed to sustaining meaningful, long-term strategic partnerships and programs to help address equitable access to care and advance the health of our communities around the world. This work impacts under-resourced communities, both in developed and underdeveloped countries. Through the recently launched BD Community Investment Fund, we are investing over $2 million across more than 25 communities in FY2025, where BD has a significant footprint and share of the employment market. Grant recipients are community-based nonprofits with missions that are strategically aligned to BD's health equity strategy and are working to address equal access to healthcare and social determinants of health in their communities.

BD also has a longstanding history of associate volunteerism that is enabled through our public-private partnerships and collaborations with non-government organizations. We sponsor volunteer service trips and other meaningful volunteer opportunities to help strengthen health systems and enable an environment that can maintain critical competencies and resources needed to improve delivery of care. Associates are empowered to serve organizations and causes that are important to them in their local communities. This includes a matching gift program, paid time off to volunteer, and an award program to give grants to non-profit organizations in honor of associates who engage in exceptional volunteer efforts.

These collective efforts have garnered recognitions including being named among Fortune's most innovative companies and by TIME as one of the world's best companies. BD received the Business Group on Health "Best Employers: Excellence in Health & Well-being Award" for its commitment to advancing employee well-being, and was recognized as a best place to work for disability inclusion for the sixth consecutive year. In addition, the company was named among America's Climate Leaders by USA TODAY; the 100 Best Corporate Citizens by 3BL, ranking second in the healthcare equipment and services industry for the second consecutive year. We remain committed and accountable to the work required within our company and beyond our corporate walls to build and maintain equity, acceptance, and accessibility for everyone.

BD 2024 Workforce Diverse Representation

	Gender (Global)	Year-Over-Year Change	Race (U.S. Only)	Year-Over-Year Change
Executive	29%	(1.0)%	23%	+0.1%
Management	42%	+0.7%	30%	+0.2%
All associates	49%	+0.1%	42%	(0.8)%

For the above table, we define "executives" as associates in positions of vice president and above. "Management" positions are defined as those in manager, director or equivalent roles. Ratios are determined by dividing the number of diverse associates by the total number of associates including associates who have not disclosed race and/or gender. Year-over-year change is a percentage point.

Associate Growth and Development

At BD we hold ourselves and each other accountable for learning and growing every day, which underscores our growth mindset culture. Our commitment to continuous improvement helps us become the best version of ourselves and we invest significant resources to develop talent with the right capabilities to deliver the growth and innovation needed to support our strategy and customers, both for today and for the future. Our enhanced Strategic Organizational Planning process is focused on building the organizational capabilities required in the years to come, and we offer associates and managers a robust offering of tools to help in their personal and professional development, including career development plans, mentoring programs, and in-house learning opportunities, including BD University, our in-house continuing education curriculum delivered through a "leaders-as-teachers" approach. We remain committed to investing in our next generation of leaders, including by offering our associates a number of leadership development programs, designed to enable our BD

culture, cultivate leadership, and develop key organizational skills. We take an inclusive approach to delivering such programs, providing content in various formats that include digital, virtual, and in person. Through these learning opportunities, we aim to help our associates learn when and how they like. Our robust manager curriculum is designed to help our more than 8,000 people managers become more effective servant leaders who are equipped with resources to create work environments that facilitate growth and success. We have also applied our growth mindset philosophy to our performance management approach with an increased focus on continuous learning and development to help us all achieve our best.

Associate Engagement

As we strive to be an employer of choice, we believe it is critical that our associates are informed, engaged, and can provide feedback. We communicate frequently and transparently with our associates through a variety of communication methods, including video and written communications, town hall meetings, associate surveys, and our company intranet, and acknowledge individual contributions to BD through a number of rewards and recognition award programs.

Our efforts to seek ongoing feedback help us better understand what we are doing well and how we can improve the associate experience. In addition to encouraging a speak-up culture between associates, their managers, and cross-functional teams, we conduct employee engagement surveys to provide all associates with an opportunity to share their perspectives and we take appropriate action in response.

In addition to helping associates stay engaged, we also work to foster and reinforce an inclusive culture where diverse perspectives are valued. This year, our ARGs continued to host company-wide dialogues and panel sessions to advance our business and cultural priorities and engage and foster conversations and awareness among associates.

Compensation, Benefits and Well-being

Our total rewards program is designed to attract and retain top talent and to incentivize performance aligned with our business strategy and values. We offer a comprehensive total rewards program aimed at promoting overall well-being in support of the varying health, home-life, and financial needs of our diverse and global associates. Through our integrated global approach to well-being, we provide support, education, and resources to empower associates across all geographies to prioritize their well-being and build resilience in the physical, emotional, financial, and social areas of life. To enable associates to take action in support of their overall well-being, our total rewards packages (which vary by location) include market-competitive pay, broad-based stock grants and bonuses, healthcare benefits and retirement savings plans, paid time off and family leave, flexible work schedules, on-site health and fitness centers, free physicals and flu vaccinations, well-being education and resources, employee assistance programs and other mental health support and resources. Each year we review and implement program enhancements and investments to ensure our benefits are inclusive and representative of the needs of BD associates and their families. Additionally, over the last several years in the U.S., we have increased efforts to mitigate the impact of rising healthcare costs and to offer more cost effective benefit options, with a specific focus on affordability for BD associates earning $55,000 per year or less.

BD is also committed to compensating all associates fairly and equitably for their contributions to company performance. Aligned with our priority focus on pay equity, we regularly conduct comprehensive audits, internal and external analyses, salary benchmarking and bias assessments to identify and remedy unexplained disparities.

Available Information

BD maintains a website at www.bd.com. BD makes available its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q, and its Current Reports on Form 8-K (and amendments to those reports) as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"). These filings may be obtained and printed free of charge at www.bd.com/investors.

In addition, the written charters of the Audit Committee, the Compensation and Human Capital Committee, the Corporate Governance and Nominating Committee, the Executive Committee and the Quality and Regulatory Committee of the Board of Directors, BD's Corporate Governance Principles and its Code of Conduct, are available and may be printed free of charge at BD's website at https://investors.bd.com/corporate-governance. Printed copies of these materials, this 2024 Annual Report on Form 10-K, and BD's reports and statements filed with, or furnished to, the SEC, may also be obtained, without charge, by contacting the Corporate Secretary, BD, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, telephone 201-847-6800. In addition, the SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

BD also routinely posts important information for investors on its website at www.bd.com/investors. BD may use this website as a means of disclosing material, non-public information and for complying with its disclosure obligations under Regulation FD adopted by the SEC. Accordingly, investors should monitor the Investor Relations portion of BD's website noted above, in addition to following BD's press releases, SEC filings, and public conference calls and webcasts. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this Annual Report.

Forward-Looking Statements

BD and its representatives may from time-to-time make certain forward-looking statements in publicly-released materials, both written and oral, including statements contained in filings with the SEC and in its reports to shareholders. Additional information regarding BD's forward-looking statements is contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 1A. *Risk Factors.*

An investment in BD involves a variety of risks and uncertainties. The following describes some of the material risks that could adversely affect BD's business, financial condition, operating results or cash flows. We may also be adversely impacted by other risks not presently known to us or that we currently consider immaterial.

Business, Economic and Industry Risks

Global economic conditions, including inflation and supply chain disruptions, could continue to adversely affect our operations.

General global economic downturns and macroeconomic trends, including heightened inflation, capital market volatility, interest rate and currency rate fluctuations, economic slowdown or recession, have contributed to conditions that have impacted, and may continue to impact, demand for our products and services, or the prices we can charge for our products, disrupt aspects of our supply chain, impair our ability to produce our products, increase borrowing costs and exacerbate other risks that affect our business, financial condition and results of operations. In addition, general economic conditions may impact the healthcare industry, including reductions in capital spending, changes in the delivery of healthcare services and increasing labor disputes or shortages, which could in turn affect demand for our products and services. Both domestic and international markets experienced inflationary pressures in fiscal year 2024 and we expect inflation to persist in the future but at lower levels than in recent years. In addition, currency exchange rates have been especially volatile in the recent past, and these currency fluctuations have affected, and may continue to affect, the reported value of our

assets and liabilities, as well as our cash flows.

We have also experienced, and may continue to experience, challenges in our global supply chain, including shortages in supply, or disruptions in production and shipments, of certain materials or components used in our products, and related price increases. While to date, we have been able to manage the challenges associated with these delays and shortages without significant disruption to our business, no assurance can be given that these efforts will continue to be successful.

Our international operations subject us to certain business risks.

A substantial amount of our sales come from our operations outside the U.S., and we intend to continue to pursue growth opportunities in foreign markets, especially in emerging markets. Our foreign operations subject us to certain commercial, political and financial risks. In addition to fluctuations in foreign currency exchange (discussed above), our business in these foreign markets is subject to changing political, social, and geopolitical conditions, such as the evolving situations in Ukraine, the Middle East and Asia. These conditions include instability resulting from war, terrorism, insurrections and civil unrest, political conflict, and changing economic conditions, such as inflation, deflation, interest rate volatility and credit availability. Additionally, a number of factors, including U.S. relations with or among the governments of the foreign countries in which we operate, changes to international trade agreements and treaties, changes in tax laws and regulations, economic sanctions, export controls, restrictions on the ability to transfer capital across borders, tariffs and other increases in trade protectionism and barriers to market participation, or the weakening or loss of certain intellectual property rights in some countries, may affect our business, financial condition and results of operations. Foreign regulatory requirements, including those related to the testing, authorization, and labeling of products and import or export licensing requirements, could affect the availability of our products in these markets. In addition to these broader market conditions, our operations may also be impacted by a variety of local factors, such as competition from local companies, local product preferences and requirements, changes in local healthcare payment systems and healthcare delivery systems, changes resulting from new political administrations, and labor force instability.

The success of our operations outside the U.S. also depends, in part, on our ability to make necessary infrastructure enhancements to, among other things, our production facilities and sales and distribution networks and manage and staff widespread international operations. These and other factors may adversely impact our ability to pursue our growth strategy in these markets.

In addition, our international operations are governed by the U.S. Foreign Corrupt Practices Act and similar foreign anti-corruption laws. Global enforcement of anti-corruption laws has increased substantially in recent years, with more enforcement proceedings by U.S. and foreign governmental agencies and the imposition of significant fines and penalties. While we have implemented policies and procedures relating to compliance with these laws, our international operations, which often involve customer relationships with foreign governments, create the risk that there may be unauthorized payments or offers of payments made by employees, consultants, sales agents or distributors. We are also subject to certain U.S. and foreign laws and regulations that restrict BD from transacting business with, or making investments in, certain countries, governments, entities and individuals subject to U.S. or foreign economic sanctions or export restrictions. Any alleged or actual violations of these laws may subject us to government investigations and significant criminal or civil sanctions and other liabilities, and negatively affect our reputation and could result in a material adverse effect on our business, results of operations, financial condition and cash flows.

The medical technology industry is very competitive.

We are a global company that faces significant competition from a wide range of existing competitors and new market entrants. These include large medical device companies with multiple product lines, some of which may have greater financial and other resources than we do, as well as firms which are more specialized than we are with respect to particular markets or product lines. Nontraditional entrants, such as technology companies, are also entering into the healthcare industry and some may have greater financial and other

resources than we do. We face competition across all our product lines and in each market in which our products are sold on the basis of product features, clinical or economic outcomes, product quality, availability, price, services and other factors.

Our ability to compete is also impacted by changing customer and patient preferences and requirements, including increased focus on products using materials of concern and demand for more sustainable products, and for products incorporating digital capabilities, including artificial intelligence, as well as changes in the ways healthcare services are delivered, such as the transition of more care from acute to non-acute settings and increased focus on chronic disease management. In particular, the shift of care from acute to non-acute settings may also place financial pressure on hospitals and broader healthcare systems that could result in less demand for our products and services. Cost containment efforts by governments and the private sector are also resulting in increased emphasis on products that reduce costs, improve clinical results and expand patient access. In addition, changes in regulatory or market standards, including, without limitation, cybersecurity requirements, often require significant investment to maintain compliance to relevant standards. Our ability to remain competitive will depend on how well we meet these changing market and regulatory demands in terms of our product offerings and go-to-market approaches.

The medical technology industry is also subject to rapid technological change, discovery and frequent product introductions. The development of new or improved products, processes or technologies by other companies that provide better features, pricing, clinical outcomes or economic value may render our current products or subsequently developed products obsolete or less competitive. In some instances, competitors, including pharmaceutical companies, also offer (or are attempting to develop) alternative therapies for disease states that may be delivered without a medical device. Lower cost producers have also created pricing pressure, particularly in developing markets.

The medical technology industry has also experienced a significant amount of consolidation, resulting in companies with greater scale and market presence than BD. Traditional distributors are also manufacturers of medical devices, providing another source of competition. In addition, healthcare systems and other providers are consolidating, resulting in greater purchasing power for these companies. As a result, competition among medical device suppliers to provide goods and services has increased. Group purchasing organizations and integrated health delivery networks have also served to concentrate purchasing decisions for some customers, which has led to downward pricing pressure for medical device suppliers. Further consolidation in the industry could intensify competition among medical device suppliers and exert additional pressure on the demand for and prices of our products.

We are subject to foreign currency exchange risk.

A substantial amount of our revenue is derived from international operations, and we anticipate that a significant portion of our future sales will continue to come from outside the U.S. The revenues we report with respect to our operations outside the U.S. have been and may continue to be adversely affected by fluctuations in foreign currency exchange rates, which are caused by a number of factors, including changes in a country's political and economic policies and inflationary conditions. Furthermore, currency exchange rates have been especially volatile in the recent past, and these currency fluctuations have affected, and may continue to affect, the reported value of our assets and liabilities, as well as our cash flows. A discussion of the financial impact of exchange rate fluctuations and the ways and extent to which we may attempt to address any impact is contained in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. Any exchange rate hedging activities we engage in may only offset a portion of the adverse financial impact resulting from unfavorable changes in foreign currency exchange rates. We cannot predict with any certainty changes in foreign currency exchange rates or the degree to which we can effectively mitigate these risks.

Market dynamics, changes in reimbursement practices and coverage policies and third-party payer cost containment measures could affect the demand for our products and the prices at which they are sold.

The sale of our products and services, as well as access to them, depends, in part, on the healthcare funding landscape and how healthcare providers and facilities are reimbursed by public and private payers. Coverage policies and reimbursement levels can vary across the payer community globally, regionally, and locally, and may affect which products customers purchase, the market acceptance rate for new technologies and the prices customers are willing to pay for those products in a particular jurisdiction. In addition, third-party payers are increasingly challenging the reimbursement models and prices charged for medical products and services. Any changes to the reimbursement landscape, or adverse decisions relating to our products by administrators of these systems could significantly reduce reimbursement for procedures using our products or result in denial of reimbursement for those products, which could adversely affect customer demand, or the price customers are willing to pay for such products. See "Third-Party Reimbursement" under "Item 1. Business."

A global trend towards limiting growth of healthcare costs may also put industry-wide pressure on medical device or clinical diagnostic pricing. In the U.S., these include value-based purchasing and managed care arrangements. Governments in China and other countries continue to use various mechanisms to control healthcare expenditures, including increased use of competitive bidding and tenders, price regulation (such as volume-based procurement programs ("VoBP")), government imposed payback provisions, and changes in reimbursement practices and policies on average selling prices for our products, which have unfavorably impacted our revenues and may continue to impact our results of operations in certain countries.

Our future growth is dependent in part upon the development of new products, and there can be no assurance that such products will be developed.

A significant element of our strategy is to increase revenue growth by focusing on innovation and new product development. New product development requires significant investment in R&D, clinical trials and regulatory approvals. The results of our product development efforts may be affected by a number of factors, including our ability to anticipate customer needs, innovate and develop new products and technologies, successfully complete clinical trials, obtain regulatory approvals and reimbursement in the U.S. and abroad, manufacture products in a cost-effective manner, obtain appropriate intellectual property rights, and gain and maintain market acceptance of our products. In addition, patents attained by others can preclude or delay our commercialization of a product. There can be no assurance that any products now in development, or that we may seek to develop in the future, will achieve technological feasibility, obtain regulatory approval or gain market acceptance. If we are unable to develop and launch new products, our ability to maintain or expand our market position in the markets in which we participate may be negatively impacted. Even if we successfully develop new products or enhancements or new generations of existing products, they may be quickly rendered obsolete by changing customer preferences, changing industry or regulatory standards, or competitors' innovations.

We are subject to risks associated with public health crises, such as pandemics and epidemics, which could have a material adverse effect on our business. The nature and extent of impacts from any such events are highly uncertain and unpredictable.

We are subject to risks associated with public health crises, such as pandemics and epidemics. Such events could result in preventative or protective measures or other actions by governments and private health institutions that could negatively impact local or global economic conditions and result in reductions in the demand for certain of our products, negatively impacting our business, financial condition and results of operations.

In addition, public health crises could result in significant volatility in our global supply chain network, including shortages in supply or disruptions or delays in shipments, as well as price increases, of certain materials or components used in our products and increases in transportation costs.

The scope and duration of any future public health crisis, the pace at which government restrictions are imposed and lifted, the scope of additional actions taken to mitigate the spread of disease, global vaccination and booster rates, the speed and extent to which global markets and utilization rates for our products fully recover from the disruptions caused by such a public health crisis, and the impact of these factors on our business, financial condition and results of operations, will depend on future developments that are highly uncertain and cannot be predicted with confidence.

To the extent any such public health crises affect our operations and global economic conditions more generally, it may also have the effect of heightening many of the other risks described herein.

Reductions in customers' research budgets or government funding may adversely affect our business.

We sell products to researchers at pharmaceutical and biotechnology companies, academic institutions, government laboratories and private foundations. Research and development spending of our customers can fluctuate based on spending priorities and general economic conditions. A number of these customers are also dependent for their funding upon grants from U.S. government agencies, such as the U.S. National Institutes of Health, and similar agencies in other countries. The level of government funding of research and development is unpredictable. The availability of governmental research funding may be adversely affected by economic conditions and governmental spending reductions, particularly during periods of economic uncertainty. Any reduction or delay in governmental funding could cause our customers to delay or forgo purchases of our products.

We need to attract and retain key employees to be competitive.

Our ability to compete effectively depends upon our ability to attract and retain executives, key employees and other associates. Competition for experienced employees, particularly for persons with certain technical competencies in some geographies, can be a challenge. Additionally, we need qualified managers and skilled employees with technical, manufacturing and distribution experience to operate our business successfully. Our ability to recruit and retain such talent will depend on a number of factors, including how BD's compensation, benefits, work location, corporate culture and work environment compares with those offered by our competitors and other local employers. While there has been a slight improvement in what had been an intensely competitive labor market, there continues to be pressure on skilled labor in certain markets. A sustained labor shortage or increased turnover rates within our employee base has led to, and may continue to lead to, increased costs, such as an increase in overtime necessary to meet demand and increased wages and benefit costs to attract and retain skilled employees, and could negatively affect our ability to efficiently operate our manufacturing and distribution facilities and overall business. If we cannot effectively recruit and retain qualified executives and skilled employees, we could encounter operational disruptions or other negative consequences to our business, financial condition or results of operations.

Operational Risks

Cybersecurity incidents and breaches or breakdowns of our information and technology systems or infrastructure could have a material adverse effect on our operations.

We rely on a large number of information and technology ("IT") systems and related infrastructure, including services provided to us by third-party vendors to operate our business. We collect, use, store, transfer and otherwise process electronic information in our day-to-day operations, including personal, confidential, or proprietary information of BD and its customers, vendors and other business partners, and patients. Some of our products and systems collect personal, confidential or proprietary information regarding patients and patient therapy on behalf of our customers and some of our products are internet enabled or connect to our IT systems for maintenance and other purposes. We also have products and systems that connect to the internet, hospital networks, electronic medical record systems or electronic health record systems. In addition, we rely on networks and services, including internet sites, cloud and software-as-a-service ("SaaS") solutions, platform-as-a-service ("PaaS") solutions, data hosting and processing facilities, artificial intelligence, tools and other hardware, software (including open-source software) and technical applications and platforms, including some

that are managed, hosted, provided and/or used by third-party vendors, to operate our business. Further, we expect that the breadth and complexity of our IT systems and infrastructure will increase as we expand our product offerings to utilize cloud technologies and potentially artificial intelligence, which present inherent enterprise technology risks, including those related to privacy, data protection and cybersecurity, that need to be managed. The foregoing could expose us to further risk of potential breaches, failures, interruptions and disruptions.

While we are continuing to modernize our IT systems and infrastructure (such as hardware, software and operating systems), there are still technologies in operation that are more vulnerable to risk of failures, interruptions and disruptions. In addition, while we continue to enhance business continuity and disaster recovery plans and strategies, there is no guarantee that such plans and strategies will be effective or account for all eventualities. We have experienced, and could in the future experience, the failure, interruption or disruption of the functionality of our IT systems and infrastructure, or those of third-party vendors upon which we rely, which could impair our ability or that of our customers, suppliers and other business partners to conduct business, result in the loss of BD trade secrets or otherwise compromise personal, confidential or proprietary information of BD or its customers, suppliers and other business partners, or of patients, result in efficacy or safety concerns for certain of our products, result in reputational harm to our business and result in actions by regulatory bodies or civil litigation.

Cyberattacks continue to increase in frequency, sophistication and intensity, and are increasingly difficult to detect for periods of time, especially as they relate to attacks on third-party vendors. Such attacks are often carried out by motivated and highly skilled actors, who are increasingly well-resourced. Our IT systems and infrastructure, as well as those of various third parties on which we rely, have experienced, and are likely to continue to experience, a variety of cyberattacks, including, but not limited to, unauthorized access, malicious code execution and/or phishing attacks, which has resulted, and could in the future result, in our and our customers' personal, confidential or proprietary information being accessed, destroyed, lost, stolen or otherwise compromised and increased costs for cybersecurity measures or remediation. For example, through our cybersecurity monitoring tools and processes, we recently identified incidents of unauthorized activity on a portion of our IT systems, in which certain information relating to BD's IT infrastructure and service credentials for certain BD Diagnostics Solutions, BD Pyxis™, and Parata products utilized by laboratories, hospitals and pharmacies (the "Product Service Credentials") were accessed and/or exfiltrated. After becoming aware of the incidents, BD terminated the unauthorized access, applied additional security measures, and is working with customers to update these Product Service Credentials. While an unauthorized party would have to penetrate a customer's local network and, in some cases, may also need to be physically present at the instrument in order to use these Product Service Credentials, until these credentials are updated, there is a risk of unauthorized access that may impact the confidentiality, integrity and/or availability of the relevant products and associated systems or data. To date, we have not been made aware of any unauthorized use of these Product Service Credentials. As of the date of this filing, the incidents have not had, and we do not expect them to have, a material impact on BD's overall business operations, financial condition or results of operations.

In addition, certain factors, such as growth through acquisitions, rapid technology evolution, including increased adoption of artificial intelligence, and geopolitical events, have increased cybersecurity risks. In this increasingly hostile environment, we, and our third-party vendors could experience, a loss, unauthorized access to or disclosure or other compromise of personal, confidential or proprietary information, including information regarding third parties, such as customers and patients, due to a number of causes, including, but not limited to, the exploitation of system vulnerabilities, cyberattacks, unauthorized access to our products, improper data handling, breakdowns of our IT systems and infrastructure or other cybersecurity incidents or breaches. These cybersecurity incidents and breaches could adversely affect our reputation, financial condition, results of operations or competitive position in the market and result in other significant negative consequences, including lost revenue, manufacturing challenges or disruption, diversion of management attention, litigation, regulatory action and damage to our relationships with vendors, business partners and customers.

Unauthorized tampering, adulteration or interference with our products, including through cyberattacks, may also create issues with product functionality that could result in a loss of data, risk to patient safety and product recalls or field actions, as well as impact our compliance with privacy, data protection and other laws and regulations and could result in reputational damage and actions by regulatory bodies or civil litigation.

In addition, acquisitions, and the integration of acquired companies into the Company's existing and future IT systems and infrastructure, including with third-party vendors and processes, inherently presents cybersecurity risks, such as exposing us to vulnerabilities and threats that were previously unknown or unmanaged. While we attempt to mitigate these risks through due diligence, risk assessments and the implementation of cybersecurity controls and protocols during and after the acquisition process, there can be no assurance that such measures will be sufficient to prevent, mitigate or remediate cybersecurity incidents or breaches, which could have a material adverse effect on our business, financial condition and results of operations.

While we have made investments intended to address threats presented by cybersecurity incidents and breaches, continue to dedicate significant resources intended to protect our products and systems from cybersecurity incidents and breaches, and continue to work with government authorities and third-party vendors to detect and reduce the risk of future cybersecurity incidents and breaches, there can be no assurances that these protective measures will be sufficient to prevent cybersecurity incidents or breaches that could have a material adverse impact on our business.

Cost volatility could adversely affect our operations.

Our results of operations could be negatively impacted by volatility in the cost of raw materials, components, labor, freight, energy and other production costs that, in turn, increases the costs of producing and distributing our products. New laws or regulations adopted in response to climate change could also increase energy, conversion and transportation costs, as well as the costs of certain raw materials and components. In particular, we purchase supplies of resins, which are oil-based components used to manufacture certain products, and any significant increase in resin costs, whether due to inflationary pressure, supply constraints, regulatory changes or otherwise**,** could adversely impact future operating results. Increases in oil prices can also increase our packaging and transportation costs. The costs of raw materials, transportation, construction, services, and energy necessary for the production and distribution of our products continues to increase and be volatile. These prices may continue to fluctuate based on many factors beyond our control. While we have implemented cost containment measures, progressed selective price increases and taken other actions to mitigate these inflationary pressures in our supply chain, we may not be able to completely offset all the increases in our operational costs.

A reduction or interruption in the supply of certain raw materials and components could adversely affect our operating results.

We purchase many different types of raw materials and components used in our products, some of which are not available from multiple sources. In addition, for quality assurance, cost-effectiveness and other reasons, certain raw materials and components are purchased from sole suppliers. The price and supply of these materials and components has been, and may in the future be, impacted or disrupted for reasons beyond our control, including supplier shutdowns, supplier capacity constraints, supplier insolvencies, labor disruptions or shortages, transportation delays, inflationary pricing pressures, work stoppages, extreme weather events, geopolitical developments, global economic uncertainty or downturns, sanctions and trade restrictions, and other governmental regulatory actions (such as in the area of materials of concern) and any such changes or disruptions could adversely affect our business, results of operations, financial condition and cash flows. We have experienced, and may continue to experience, significant challenges to our global transportation channels and other aspects of our global supply chain network, including to the cost and availability of energy, raw materials and components due to shortages, labor strikes, and cost inflation. We continuously explore

alternative routes, transportation modes, and replenishment timings to preempt and mitigate associated risks, but no assurance can be given that these efforts will adequately address these challenges and disruptions.

While we work with suppliers to ensure continuity of supply and service, no assurance can be given that these efforts will be successful. In addition, due to regulatory requirements relating to the qualification of suppliers, we may not be able to establish additional or replacement sources on a timely basis or without excessive cost. The termination, reduction or interruption in supply of these raw materials and components could adversely impact our ability to manufacture and sell certain of our products, which could have an adverse impact on our business, financial condition and results of operations.

Interruption of our manufacturing or sterilization operations could adversely affect our business.

We have manufacturing sites all over the world. In some instances, however, the manufacturing of certain of our product lines is concentrated in one or a few of our plants. Interruption to our manufacturing operations resulting from system outages, cybersecurity incidents or breaches, weather or natural disasters, regulatory requirements, labor disruptions, equipment failure or other issues in our manufacturing process, could adversely affect our ability to manufacture our products. In some instances, we may not be able to transition manufacturing to other BD sites or a third party to replace the lost production. A significant interruption of our manufacturing operations could result in lost revenues and damage to our relationships with customers.

In addition, many of our products require sterilization prior to sale, and we utilize both BD facilities and third parties for this process. In some instances, only a few facilities are qualified under applicable regulations to conduct this sterilization. To the extent we or our third-party providers are unable to sterilize our products, whether due to lack of capacity, availability of materials for sterilization (including cobalt), regulatory requirements or otherwise, we may be unable to transition sterilization to other sites or modalities in a timely or cost-effective manner, or at all, which could have an adverse impact on our operating results and financial condition.

At a broader level, there is increased focus on the use and emission of ethylene oxide by the EPA and state environmental regulatory agencies. Additional regulatory requirements associated with the use and emission of ethylene oxide for sterilization may be imposed in the future, both domestically and outside the U.S. On April 5, 2024, the final National Emission Standards for Hazardous Air Pollutants ("NESHAP"): Ethylene Oxide Emissions Standards for Sterilization Facilities regulation issued by the EPA became effective. Companies generally have two years from the effective date to comply with the new requirements of the NESHAP. We are in the process of implementing certain changes to our facilities in accordance with NESHAP's requirements, and such measures will require additional implementation and ongoing operational costs, including investments in certain new technologies.

In addition, on April 13, 2023, the EPA published a Pesticide Registration Review: Proposed Interim Decision and Draft Risk Assessment Addendum for Ethylene Oxide ("PID"). The EPA has not yet finalized the PID, which regulates the use of ethylene oxide as a sterilant and is intended to mitigate any human health and environmental risks associated with its use. We cannot predict what the final PID adopted by the EPA may require and therefore we are not able to assess the impact on our sterilization facilities, on the third-party sterilization facilities that BD utilizes and our operations more generally.

This increased regulation could require BD or sterilization service providers, including providers used by BD, to temporarily suspend operations to install additional emissions control technology, limit the use of ethylene oxide or take other actions, which would impact BD's operations and further reduce the available capacity to sterilize medical devices and healthcare products, and could also result in additional costs. If any existing regulatory requirements or any such regulatory actions or rulemaking result in the suspension or interruption of sterilization operations at BD or at medical device sterilizers used by BD, or otherwise limit the availability of third-party sterilization capacity, this could interrupt or otherwise adversely impact production of certain of our products or lead to civil litigation or other claims against BD. BD has business continuity plans in

place to mitigate the impact of any such disruption, although these plans may not be able to fully offset such impact, for the reasons noted above. See "Item 1. Business - Regulation" for a discussion of the consent order BD entered into with the Environmental Protection Division of the Georgia Department of Natural Resources and the risk related to sterilization operations generally.

Climate change, or legal, regulatory or market measures to address climate change, could adversely affect our business, financial condition or results of operations.

Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases ("GHG") in the atmosphere may present risks to our business and operations. Extreme weather or other conditions, such as hurricanes, tornadoes, windstorms, wildfires or flooding, which may result from climate change could adversely impact our operations and supply chain, including the availability and cost of raw materials and components required for the operation of our business, and human capital issues for BD and companies within our supply chain. In addition, access to and pricing of certain natural resources, such as water, could impact our manufacturing operations. Such conditions could also result in physical damage to our products, plants and distribution centers, as well as the infrastructure and facilities of our suppliers and of hospitals, medical care facilities and other customers.

There has been increased focus by federal, international, state and local regulatory and legislative bodies to combat and/or limit the effects of climate change through a variety of means, including regulating GHG emissions (and requirements to disclose climate-related risks and metrics, including GHG emissions), policies mandating or promoting the use of renewable or zero-carbon energy and sustainability initiatives, and additional taxes on fuel and energy. There has been, and in the future there may be additional, legislation or regulations enacted or promulgated in the United States and in other jurisdictions in which we do business that impose more stringent restrictions and requirements on our operations than our historical legal or regulatory obligations as well as additional disclosure or reporting requirements. We have experienced, and companies in our supply chain may experience, increased compliance burdens and costs to meet the regulatory obligations. Such increased compliance burdens and costs could cause disruption in the sourcing, manufacturing and distribution of our products and adversely affect our business, financial condition or results of operations.

Additionally, the impacts of climate change may further influence customer and other stakeholder preferences and requirements. This includes increased demand for more sustainable products, including products with lower environmental footprints, and for companies to produce and demonstrate progress against sustainability goals and GHG reduction targets, including product-level GHG emissions data. Failure to meet stakeholder expectations or our own goals or commitments relating to sustainability or GHG emissions reductions, provide sustainable products or demonstrate GHG reductions could potentially result in loss of market share, reputational impacts, or an inability to attract and retain customers.

Legal, Quality and Regulatory Risks

We are subject to lawsuits.

We are or have been a defendant in a number of lawsuits, including, among others, purported class action lawsuits for alleged antitrust violations and violations of federal securities laws, environmental and product liability claims (including pending claims relating to ethylene oxide, our hernia repair implant products, surgical continence and pelvic organ prolapse products for women, vena cava filter products and implantable ports, which involve, or could in the future involve, lawsuits seeking class action status or seeking to establish multi-district litigation or other consolidated proceedings) and suits alleging patent infringement. We also are or have been subject to government investigations and civil investigative demands seeking information with respect to alleged violations of law, including in connection with federal and/or state healthcare programs (such as Medicare or Medicaid), the federal securities laws, federal contracting requirements and/or sales and marketing practices, among other things. A more detailed description of certain litigation to which we are a party is contained in Note 6 to the consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data." We could be subject to additional lawsuits, governmental investigations, subpoenas and civil investigative demands in the future. Any such lawsuits, governmental investigations, subpoenas and

civil investigative demands could ultimately have a material adverse effect on our results of operations, financial condition and liquidity, and could distract management from the operations of the business.

Reserves established for estimated losses with respect to legal proceedings do not represent an exact calculation of our actual liability, but instead represent our estimate of the probable loss at the time the reserve is established to the extent future losses are probable and reasonably estimable. Due to the inherent uncertainty of litigation and our underlying loss reserve estimates, additional reserves may be established or current reserves may be significantly increased from time-to-time. Also, in some instances, we are not able to reasonably estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which we are a party. In view of these uncertainties, we could incur charges materially in excess of any currently established accruals and, to the extent available, excess liability insurance. In addition, even if the Company believes it has meritorious defenses, from time to time the Company engages in settlement discussions and mediation and considers settlements taking into account various factors including, among other things, developments in such legal proceedings and the resulting risks and uncertainties. These activities have resulted in settlements for certain matters and going forward could result in further settlements, any of which may be confidential and could be significant and result in charges in excess of accruals. Any such future charges, individually or in the aggregate, could have a material adverse effect on our results of operations, financial condition and/or liquidity.

With respect to certain litigation, we believe that some settlements and judgments, as well as legal defense costs, may be covered in whole or in part under applicable insurance policies with a limited number of insurance companies, or, in some circumstances, indemnification obligations owed to us by other parties. However, amounts recovered under these arrangements may be less than the stated coverage limits or less than otherwise expected and may not be adequate to cover damages and/or costs. In addition, there is no guarantee that insurers or other parties will pay claims or that coverage or indemnity will be otherwise available. Also, for certain product liability claims or lawsuits, BD does not maintain or has limited remaining insurance coverage, and we may not be able to obtain additional insurance on acceptable terms or at all that will provide adequate protection against potential liabilities.

We are subject to extensive regulation.

Our operations are global and are affected by complex state, federal and international laws relating to healthcare, environmental protection, occupational health and safety, antitrust, anti-corruption, marketing, fraud and abuse (including anti-kickback and false claims laws), export control, product safety and efficacy, employment, labor, privacy and data protection, taxation, artificial intelligence and other areas. Violations of these laws can result in criminal or civil sanctions, including substantial fines and, in some cases, exclusion from participation in healthcare programs such as Medicare and Medicaid. Environmental laws, particularly with respect to climate change and the emission of greenhouse gases, are also becoming more stringent throughout the world, which may increase our costs of operations or necessitate closures of, or changes to, our manufacturing plants or processes or those of our suppliers, or result in liability to BD. The enactment of additional laws and reporting requirements in the future or changes in the interpretation of existing laws or regulations, may increase our compliance costs or otherwise adversely impact our operations and financial performance. For example, the FDA's increased oversight of laboratory developed tests may impact certain of our customers and, as a result, could affect our financial performance.

We are subject to extensive regulation by the FDA pursuant to the Federal Food, Drug and Cosmetic Act, by comparable agencies in foreign countries, and by other regulatory agencies and governing bodies. Most of our products must receive authorization from the FDA or counterpart regulatory agencies in other countries before they can be marketed or sold. This process may require us to incur significant costs in terms of time and resources, and these costs have been increasing due to increased requirements from the FDA and comparable governing bodies for supporting data for submissions. The regulatory process may also require changes to our products or result in limitations on the indicated uses of our products. Governmental agencies may also impose new requirements regarding registration, including, but not limited to, labeling updates or changes to prohibited materials that require us to modify or re-register products already on the market or otherwise impact our ability

to market our products in those countries. In addition, changes we have made, or may make in the future, to our products have been, or may in the future be, subject to U.S. or foreign regulatory review, including additional 510(k) clearance, PMA approval and other marketing authorizations (such as, but not limited to, with respect to BD Alaris™ pumps and related sets and BD Vacutainer™). We have made modifications to certain of our products in the past and have determined based on our review of our internal documentation and data and the applicable FDA or foreign regulations and guidance that in certain instances new 510(k) clearances or other premarket submissions were not required. We may make similar modifications or add additional features in the future that we believe do not require a new clearance or approval. If the FDA or a foreign regulator disagrees with our determinations, we may be required to cease marketing and/or to recall the modified product until we obtain a new marketing authorization, which could result in lost revenue, additional costs and damage to our reputation. Such non-compliance may also subject the Company to civil and criminal, monetary and non-monetary penalties, or other actions being taken with respect to products in the field. Marketing authorization and the time needed to secure such authorization is uncertain and we may not be able to obtain such authorization on the timeline or conditions we expect or at all. Our ability to obtain and maintain regulatory approvals from the FDA or foreign regulators may be difficult and could increase the cost of compliance and impact our ability to market our products.

Following the introduction of a product, these agencies also periodically review our manufacturing processes and product performance. Our failure to comply with the applicable good manufacturing practices, adverse event reporting and other post market requirements of these agencies could delay or prevent the production, marketing or sale of our products and result in delays or suspensions of regulatory clearances, warning letters or consent decrees, closure of manufacturing sites, import bans, seizures or recalls of products, civil or criminal sanctions and damage to our reputation. More stringent oversight by the FDA and other agencies in recent years has resulted in increased enforcement activity, which increases our compliance risk.

Our CareFusion 303, Inc. subsidiary is operating under a Consent Decree that affects our BD Alaris™ infusion pump business in the U.S. We are also currently operating under two warning letters issued by the FDA for our Dispensing and Specimen Management businesses. For more information regarding the consent decree and warning letters, see “Regulation” under Item 1. Business.

As previously disclosed, on July 21, 2023, BD received 510(k) clearance from the FDA for its updated BD Alaris™ Infusion System, which enables both remediation and a return to market for the BD Alaris™ Infusion System. In accordance with our commitments to the FDA, all of the current BD Alaris™ Infusion System devices in the U.S. market will be remediated or replaced with the updated 510(k) cleared version over the next several years. The overall timing and cost of replacement or remediation of the BD Alaris™ Infusion Systems and return to market in the U.S. may be impacted by, among other things, customer readiness, supply continuity, and our continued engagement with the FDA.

In addition, the European Union (“EU”) has adopted the EU Medical Device Regulation (the “EU MDR”) and the In Vitro Diagnostic Regulation (the “EU IVDR”), each of which impose stricter requirements for the marketing and sale of medical devices, including in the area of clinical evidence requirements, quality systems and post-market surveillance. The EU MDR has been fully operational for previously approved self-certified medical devices since May 2021. The application of the EU MDR has been extended until 2027 for certain devices considered higher-risk and to 2028 for other devices. This longer transition timeline applies only to devices that are transitioning to MDR and meet other specific conditions set out in the EU IVDR. The EU IVDR has been fully applicable for manufacturers of in vitro diagnostic medical devices since May 2022. Complying with and maintaining devices under these regulations requires us to incur significant expenditures. Additionally, the availability of EU notified body services certified to the new requirements is limited, which may delay the marketing approval for some of our products under the EU MDR. Any such delays, or any failure to meet these requirements could adversely impact our business in the EU and other regions that tie their product registrations to EU conformity requirements.

We are also subject to complex and frequently changing privacy and data protection laws, rules and regulations in the U.S. and a significant number of other countries where BD operates, regarding the collection, use, storage, security, transfer and other processing of personal data. These laws, rules and regulations require companies to, among other things, proactively implement effective programs and enhance internal policies, business practices, processes, and controls and could impose significant limitations and additional compliance costs on us. In addition, these laws, rules and regulations require us to embed privacy, security and data protection requirements in all assets impacting the processing of personal data and could also require us to modify current or future products or services, which may harm our future financial results. Any actual or perceived noncompliance with these laws, rules and regulations, our internal policies and procedures or our contracts governing the processing of personal data could result in significant consequences for BD, including, among other things, business interruption, sanctions and significant pecuniary fines, regulatory inquiries and investigations, adverse publicity, loss of competitive advantage and customer trust, as well as privacy litigation and civil lawsuits with damages.

The importance of privacy and data protection laws, rules and regulations for the healthcare and med-tech industry specifically is constantly growing, as personal data is an integral part of doing business in our sector, and the legal standards are evolving and becoming more complex worldwide. A significant number of countries where we operate have enacted privacy or data protection laws, rules and regulations, the majority of which have extraterritorial scope, creating significant compliance challenges as we seek to maintain our global reach, with significant penalties for non-compliance, based on total worldwide annual revenue from the preceding financial year. In some cases, there are restrictions on the transfer of personal data outside the home country. More recently, privacy and data protection regulators are paying special attention to emerging issues linked to new digital technologies, such as the use of artificial intelligence, biometrics, and surveillance technologies, which pose unique challenges to existing privacy and data protection paradigms.

In addition, certain privacy and data protection laws, rules and regulations may apply to us indirectly through our customers, manufacturers, suppliers or other third-party partners. For example, non-compliance with applicable laws, rules or regulations by a third-party partner that is processing personal data on our behalf may be deemed non-compliant by us or a failure by us to conduct proper due diligence on the third party, which could result in material fines or litigation. We also could be subject to additional expenses and liabilities in the event of a cybersecurity incident or breach, or the failure of an IT system owned or operated by us or a third party with which we partner or its vendor.

Finally, changes in the tax laws and regulations of the jurisdictions in which we operate could increase our tax expense and/or tax payments, increase tax uncertainty and have a material adverse impact on our results of operations. For example, the Organization for Economic Cooperation and Development (OECD) published Pillar Two Model Rules which impose a 15% minimum tax on income of large multinational enterprises in the jurisdictions in which they operate. Pillar Two is effective in some of the jurisdictions in which we operate beginning in fiscal year 2025. We continue to evaluate the impacts of the enacted Pillar Two legislation. Tax laws, inclusive of Pillar Two legislation, in the U.S. and in other countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes could have a material impact on our effective tax rate and on our business, results of operations, financial condition, and cash flows.

Defects or quality issues associated with our products could adversely affect the results of our operations.

The design, manufacture and marketing of medical devices involve certain inherent risks. Manufacturing or design defects, component failures, unapproved or improper use of our products, or inadequate disclosure of risks or other information relating to the use of our products can lead to injury or other serious adverse events. Such events have in the past and could in the future lead to recalls or safety alerts relating to our products (either voluntary or as required by the FDA or similar governmental authorities in other countries), and could result, in certain cases, in the removal of a product from the market. A recall could result in significant costs, lost sales and customers, enforcement actions and/or investigations by state and federal governments or other enforcement bodies, as well as negative publicity and damage to our reputation that could reduce future demand for our products. Personal injuries relating to the use of our products can also result in

significant product liability claims being brought against us. In some circumstances, such adverse events could also cause delays in regulatory approval of new products or the imposition of post-market approval requirements.

Our operations are dependent in part on patents and other intellectual property assets.

Many of our businesses rely on patent, trademark and other intellectual property assets. These intellectual property assets, in the aggregate, are of material importance to our business. We can lose the protection afforded by these intellectual property assets through patent expirations, legal challenges or governmental action. Any patent applications we own or license may not result in patents being issued and any issued patents we obtain may not provide us with any competitive advantage. Furthermore, we may fail to accurately predict all of the countries where patent protection will ultimately be desirable, and if we fail to timely file a patent application in any such country, we may be precluded from doing so at a later date. Patents attained by competitors, particularly as patents on our products expire, may also adversely affect our competitive position. Competitors may design around our intellectual property to develop competing technologies and products without infringing our intellectual property rights. In addition, competitors may seek to invalidate patents on our products or claim that our products infringe upon, misappropriate or otherwise violate their intellectual property, which could result in a loss of competitive advantage or the payment of significant legal fees, damage awards and past or future royalties, as well as injunctions against future sales of our products. We also operate in countries that do not protect intellectual property rights to the same extent as in the U.S., which could make it easier for competitors to compete with us in those countries.

We also rely on trade secrets and proprietary know-how with which we seek to protect our products, in part, by confidentiality agreements with certain employees, consultants and other parties. These agreements may not adequately protect our trade secrets and other proprietary rights. These agreements may be breached and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently developed by our competitors.

The loss of a significant portion of our portfolio of intellectual property assets may have an adverse effect on our earnings, financial condition or cash flows.

Risks Relating to Our Indebtedness

We may not be able to service all of our indebtedness.

We depend on cash on hand and cash flows from operations to make scheduled debt payments. However, our ability to generate sufficient cash flow from operations of the Company and to utilize other methods to make scheduled payments will depend on a range of economic, competitive and business factors, many of which are outside of our control. There can be no assurance that these sources will be adequate. If we are unable to service our indebtedness and fund our operations, we will be forced to reduce or delay capital expenditures, seek additional capital, sell assets or refinance our indebtedness. Any such action may not be successful and we may be unable to service our indebtedness and fund our operations, which could have a material adverse effect on our business, financial condition or results of operations. Additionally, we may not be able to refinance existing debt on favorable or comparable terms.

The agreements that govern our indebtedness impose restrictions that may affect our ability to operate our businesses.

The agreements that govern our indebtedness contain various affirmative and negative covenants that may, subject to certain significant exceptions, restrict the ability of certain of our subsidiaries to incur debt and the ability of us and certain of our subsidiaries to, among other things, have liens on our property, and/or merge or consolidate with any other person or sell or convey certain of our assets to any one person, engage in certain transactions with affiliates and change the nature of our business. In addition, the agreements also require us to comply with certain financial covenants, including financial ratios. Our ability and the ability of our subsidiaries to comply with these provisions may be affected by events beyond our control. Failure to comply with these

covenants could result in an event of default, which, if not cured or waived, could accelerate our repayment obligations and could result in a default and acceleration under other agreements containing cross-default provisions. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations.

Risks Relating to the Spin-off of Embecta Corp.

On April 1, 2022, we completed the spin-off of Embecta Corp. (Embecta) (NASDAQ: EMBC), which holds our former Diabetes Care business and is now one of the world's largest pure-play diabetes management companies in the world. The spin-off is intended to be a tax-free transaction for U.S. federal income tax purposes. If any facts, assumptions, representations, and undertakings from BD and Embecta regarding the past and future conduct of their respective businesses and other matters are incorrect or not otherwise satisfied, the spin-off may not qualify for tax-free treatment, which could result in significant U.S. federal income tax liabilities for BD and its shareholders.

General Business Risks

We cannot guarantee that any of our strategic acquisitions, investments or alliances will be successful.

We seek to supplement our internal growth through strategic acquisitions, investments and alliances. Such transactions are inherently risky, and the integration of any newly-acquired business requires significant effort and management attention. The success of any acquisition, investment or alliance may be affected by a number of factors, including our ability to properly assess and value the potential business opportunity or to successfully integrate any business we may acquire into our existing business. There can be no assurance that any past or future transaction will be successful.

Natural disasters, war and other events beyond our control could disrupt our business and adversely affect our future revenues and operating income.

Natural disasters, such as hurricanes, tornadoes, windstorms, earthquakes, wildfires, floods and other extreme weather events (including those caused by climate change), war, global health crises, terrorism, social or political unrest, labor disruptions and international conflicts and other events beyond our control, and actions taken by the U.S. and other governments or by our customers or suppliers in response to such events, could cause significant economic disruption and political and social instability in the U.S. and areas outside of the U.S. in which we operate. These events could result in decreased demand for our products, adversely affect our manufacturing and distribution capabilities, or increase the costs for or cause interruptions in the supply of materials from our suppliers.

Information About our Executive Officers

The following is a list of the executive officers of BD, their ages and all positions and offices held by each of them during the past five years. There is no family relationship between any executive officer or director of BD.

Name	Age	Position
Thomas E. Polen	51	Chairman since April 2021; Chief Executive Officer since January 2020; President since April 2017; Chief Operating Officer from October 2018 to January 2020; and Executive Vice President and President - Medical Segment from October 2014 to April 2017.
Richard Byrd	57	Executive Vice President and President, Interventional Segment since September 2022; Worldwide President, BD Medication Delivery Solutions from March 2019 to September 2022; Worldwide President, Preanalytical Systems from December 2016 to February 2019.
Christopher J. DelOrefice	53	Executive Vice President and Chief Financial Officer since September 2021; Vice President, Investor Relations, Johnson & Johnson from August 2018 to September 2021; and Chief Financial Officer, North America Hospital Medical Devices, Johnson & Johnson from June 2017 to August 2018.
Antoine C. Ezell	55	Executive Vice President, President of the Americas and Chief Marketing Officer since October 2020; Executive Vice President and Chief Marketing Officer from January 2020 to October 2020; Vice President, Connected Care and Insulins, Eli Lilly and Company from January 2019 to January 2020; and prior thereto, Vice President, Enterprise Capabilities and Solutions, Eli Lilly; Chief Marketing Officer, Elanco Animal Health; and Chief Customer Officer, Eli Lilly.
Michael Feld	44	Executive Vice President and President, Life Sciences since August 2024; President of Hach (Veralto Corporation) from September 2023 to August 2024; Senior Vice President and General Manager of Danaher Corporation from June 2022 to September 2023; and President of Mammotome (Danaher Corporation) from January 2019 to September 2022.
Michael Garrison	56	Executive Vice President and President, Medical Segment since September 2022; Worldwide President, BD Medication Management Solutions from March 2020 to September 2022; Worldwide President, BD Surgery from December 2018 to March 2020; Vice President and General Manager Worldwide Infusion Systems from July 2016 to December 2018.
Roland Goette	62	Executive Vice President and President, EMEA since May 2017.
Pavan Mocherla	55	Executive Vice President and President, Greater Asia since July 2022; Country General Manager, South Asia/Managing Director from December 2017 to June 2022.
Shana Neal	59	Executive Vice President and Chief People Officer since April 2022; Chief Human Resources Officer of Owens & Minor from April 2018 to March 2022.
Michelle Quinn	56	Executive Vice President and General Counsel since April 2023; Senior Vice President, Deputy General Counsel and Chief Ethics and Compliance Officer from February 2022 to April 2023; Senior Vice President, Chief Ethics & Compliance Officer, Chief Regulatory Counsel from May 2019 to January 2023; Senior Vice President, Chief Compliance Officer from February 2019 to May 2019.
David Shan	54	Executive Vice President and Chief Integrated Supply Chain Officer since January 2023; Executive Vice President and Chief Quality Officer from March 2020 to August 2023; Senior Vice President, Global Supply Chain from May 2018 to August 2020.

Item 1B. ***Unresolved Staff Comments.***

None.

Item 1C. ***Cybersecurity.***

Risk Management and Strategy

BD's cybersecurity risk management program is focused on maintaining the confidentiality, integrity and availability of BD products, manufacturing and distribution operational technology ("OT"), enterprise IT and BD data. We incorporate cybersecurity risk management into our systems and processes, which we strive to align with multiple industry-leading cybersecurity standards, including the Joint Security Plan issued by the Health Sector Coordinating Council for BD products and guidelines issued by the National Institute of Standards and Technology (NIST) for our manufacturing and distribution OT and enterprise IT.

Our commitment to cybersecurity includes a total life cycle approach to protecting BD products, manufacturing and distribution OT, enterprise IT and BD data. Using various tools and techniques, we proactively monitor for suspicious activity and perform risk assessments (including independent third-party risk assessments), penetration testing and vulnerability scanning to identify potential threats and vulnerabilities. We also collaborate with government and industry leaders to gather and share cybersecurity threat intelligence. We provide mandatory annual cybersecurity awareness training for our 70,000+ associates, and we send phishing simulation emails monthly to all associates who use a BD email address and an assigned computing device. We also use tools to monitor unintentional sharing of personal, confidential and proprietary information. Our cybersecurity risk management program includes a documented incident response and critical incident management plan to identify, assess and manage the potential impact of cybersecurity threats or vulnerabilities and prioritize risk mitigation and/or remediation measures to safeguard BD products, manufacturing and distribution OT, enterprise IT and BD data.

We strive to align BD Information Security policies and procedures with industry best practices, including the NIST Cybersecurity Framework, International Organization for Standardization ("ISO")/International Electrotechnical Commission (IEC) 27001:2022 standards for information security, Underwriters Laboratories ("UL") 2900-1 Cybersecurity Standard for Medical Devices, and U.S. Food and Drug Administration's pre-market and post-market guidance for cybersecurity in medical devices. In 2022, BD achieved ISO/IEC 27001:2022 certification at the enterprise level, demonstrating that BD's Information Security Management System (ISMS) conforms to internationally recognized cybersecurity standards. In July 2024, BD engaged a third-party auditor to complete its second enterprise-level annual surveillance audit for ISO 27001, which determined that BD continues to meet these rigorous standards. These policies and procedures establish processes for handling data, assets, systems and other technology resources to help protect BD products, manufacturing and distribution OT, enterprise IT and BD data.

We also incorporate cybersecurity risk management into our Enterprise Risk Management ("ERM") program. Through our ERM program, we identify, assess and manage a broad range of risks across our businesses, regions and functions, and we align our risk management efforts with our corporate strategy. Our enterprise IT, manufacturing and distribution OT, third-party and product cybersecurity risks are each assessed as part of our ERM program. As part of our cybersecurity risk management program, we engage a range of third-party experts each year, including advisors, consultants and auditors, to evaluate and enhance our program through security attestations and certifications, maturity assessments and security testing. We also engage third parties for staff augmentation to strengthen our cybersecurity program through additional dedicated resources. In addition, we actively engage with intelligence agencies, law enforcement, and advocacy and industry groups.

We also identify, assess and manage risks associated with our use of third-party service providers and maintain a third-party risk management program that monitors third-party cybersecurity risk throughout the procurement lifecycle—from planning and sourcing through relationship conclusion. This program includes supplier cybersecurity vetting at the time of engagement, cybersecurity risk assessments and cybersecurity vulnerability monitoring. Our third-party risk management program is aligned with NIST and ISO/IEC frameworks and is focused on continuous improvement through intelligence sharing with industry groups.

There can be no assurance that such measures will be sufficient to prevent, mitigate or remediate cybersecurity incidents or breaches. Although we have experienced cyberattacks as discussed in "Item 1A, Risk Factors" above, based on the information available as of the date of this Annual Report on Form 10-K, we are not aware of any risks from cybersecurity threats, that have materially affected or are reasonably likely to materially affect BD. Despite our efforts in implementing and maintaining our cybersecurity risk management program, there can be no assurance that we, or the third parties with which we interact, will not experience a cybersecurity incident or breach in the future that may materially affect us. For further discussion of how our business, results of operations, and financial condition could be materially adversely affected by risks from cybersecurity threats, see "Item 1A, Risk Factors."

Governance

The Board and its committees provide oversight of our ERM program, including our cybersecurity risk management program and the protection and resilience of BD products, manufacturing and distribution OT, enterprise IT and BD data. In addition, our management periodically conducts cybersecurity crisis simulations with the full Board to raise awareness of cybersecurity risks and enhance our incident preparedness. We also provide Board members the opportunity to take a cybersecurity training course through an external service provider. The Board delegates oversight of our cybersecurity risk management program to the Audit Committee and the Quality and Regulatory Committee (QRC). The Audit Committee regularly reviews our cybersecurity risk management program with respect to manufacturing and distribution OT and enterprise IT, and the QRC reviews our product cybersecurity program.

Our cybersecurity risk management program is led by our Chief Information Security Officer ("CISO"), whose organization is responsible for identifying, assessing and managing risks from cybersecurity threats. Our CISO has over 20 years of experience leading information security, data risk management, application/system development and engineering teams at multiple large, global and publicly traded companies—including several Fortune 500 companies. Our CISO holds Certified Information Systems Security Professional ("CISSP"), Certified Information Security Manager ("CISM"), Certified Information Privacy Professional ("CIPP") and Security+ certifications and contributes to healthcare industry working groups, most recently serving as chair of the Health Information Sharing and Analysis Center (the "HISAC") Information Security Risk Management Working Group. Our CISO reports to our Chief Information Officer (CIO), who has overall responsibility for the cybersecurity risk management program and organization. Our CIO has more than 25 years of experience in information technology, business transformation, cybersecurity and technology solutions, including leadership roles at multiple large, global and publicly traded companies—including several Fortune 500 companies. Our Vice President, Research and Development, Product Security ("VP of Product Security") also supports our cybersecurity risk management program by leading a team of product security professionals focused on implementing security by design, security in use and product end of life strategies across our portfolio of software-based products. Our VP of Product Security has more than 15 years of experience in the medical device industry, including at another publicly traded company managing product security. Our VP of Product Security has received training from the SANS Institute and contributes to healthcare industry groups such as the Health Sector Coordinating Counsel – Joint Cybersecurity Working Group.

Our CISO is supported by and is a member of our Cybersecurity Strategy and Risk Committee ("CSRC"), which is a management-level governance body for oversight of all of our cybersecurity risk. Our VP of Product Security is also a member of the CSRC. On a quarterly basis, our CSRC receives information from our CISO regarding BD's enterprise IT, manufacturing and distribution OT and product security programs, including the Company's strategy and progress on key initiatives. We also have an executive-level Enterprise Risk Committee (ERC) that oversees our ERM program and aims to create an enterprise-wide culture that promotes open discussion regarding risk and opportunities and integrates effective risk management into our goals and objectives. As part of integrating cybersecurity risk management into our ERM program, our ERC receives updates from our CIO and CISO on BD's cybersecurity risk management strategy and program on a regular basis.

In addition to our CSRC and our ERC, we have established processes providing for the escalation of certain cybersecurity incidents and breaches. We maintain a global response plan that sets forth a detailed incident management and reporting protocol designed to respond to cybersecurity incidents and breaches appropriately and efficiently. Our operational team is responsible for communicating the impact and status of certain cybersecurity incidents and breaches to senior management, including the CISO, based on its assessment of the significance of the cybersecurity incident or breach. We also have a committee consisting of senior members of our management, including our CIO and CISO, to evaluate cybersecurity incidents and breaches reported to the committee by our CISO on an ad-hoc basis for potential material impacts on BD, including its financial condition and results of operations, and assess BD's public disclosure obligations. The CIO, CISO and other members of the committees are informed about the status, effectiveness and risks associated with our cybersecurity risk management program through their management of and participation in the cybersecurity risk management processes, policies and operations described above.

Our CIO and CISO provide updates to the Audit Committee, and our VP of Product Security provides updates to the QRC, multiple times per year regarding BD's cybersecurity risk management program, including the results of third-party assessments, progress towards cybersecurity goals and objectives, product cybersecurity matters, third-party risk management, regulatory compliance and other topics as needed. We also have processes by which certain cybersecurity incidents and breaches are escalated and reported to the Board of Directors or a Board committee, as appropriate, based on our management's assessment of risk.

Item 2. ***Properties.***

BD's executive offices are located in Franklin Lakes, New Jersey. As of September 30, 2024, BD owned or leased 302 facilities throughout the world, comprising approximately 26,555,343 square feet of manufacturing, warehousing, administrative, and research facilities. The U.S. facilities, including those in Puerto Rico, comprise approximately 7,962,022 square feet of owned and 4,537,419 square feet of leased space. The international facilities comprise approximately 10,547,043 square feet of owned and 3,508,859 square feet of leased space. Sales offices and distribution centers included in the total square footage are also located throughout the world.

Operations in each of BD's business segments are conducted at both U.S. and international locations. Particularly in the international marketplace, facilities often serve more than one business segment and are used for multiple purposes, such as administrative/sales, manufacturing and/or warehousing/distribution. BD generally seeks to own its manufacturing facilities, although some are leased.

BD believes that its facilities are of good construction and in good physical condition, are suitable and adequate for the operations conducted at those facilities, and are, with minor exceptions, fully utilized and operating at normal capacity.

The U.S. facilities are located in Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Washington D.C., Washington, Wisconsin, and Puerto Rico.

The international facilities are as follows:

- *Europe, Middle East, Africa*, which includes facilities in Austria, Belgium, Bosnia, the Czech Republic, Denmark, Egypt, England, Finland, France, Germany, Ghana, Greece, Hungary, Ireland, Israel, Italy, Kenya, Luxembourg, Netherlands, Norway, Poland, Portugal, Russia, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey, and the United Arab Emirates.

- *Greater Asia*, which includes facilities in Australia, Bangladesh, China, India, Indonesia, Japan, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

- *Latin America & Caribbean*, which includes facilities in Argentina, Barbados, Brazil, Chile, Colombia, the Dominican Republic, Mexico, Peru and Uruguay.

- *Canada*.

Item 3. ***Legal Proceedings.***

Information with respect to certain legal proceedings is included in Note 6 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, and is incorporated herein by reference.

Item 4. ***Mine Safety Disclosures.***

Not applicable.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.***

BD's common stock is listed on the New York Stock Exchange under the symbol "BDX". As of November 1, 2024, there were approximately 10,012 shareholders of record.

The table below sets forth certain information regarding BD's purchases of its common stock during the fiscal quarter ended September 30, 2024.

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs (2)
July 1-31, 2024	1,164	$ 240.58	—	6,681,777
August 1-31, 2024	249	232.02	—	6,681,777
September 1-30, 2024	—	—	—	6,681,777
Total	1,413	$ 239.07	—	6,681,777

(1) Includes 1,413 shares purchased during the quarter in open market transactions by the trust relating to BD's Deferred Compensation and Retirement Benefit Restoration Plan and 1996 Directors' Deferral Plan.

(2) Represents shares available under a repurchase program authorized by the Board of Directors on November 3, 2021, for 10 million shares, for which there is no expiration date.

Item 6. **(*Reserved)***

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following commentary should be read in conjunction with the consolidated financial statements and accompanying notes presented in this report. Within the tables presented throughout this discussion, certain columns may not add due to the use of rounded numbers for disclosure purposes. Percentages and earnings per share amounts presented are calculated from the underlying amounts. References to years throughout this discussion relate to our fiscal years, which end on September 30.

Company Overview

Description of the Company and Business Segments

Becton, Dickinson and Company ("BD") is a global medical technology company engaged in the development, manufacture and sale of a broad range of medical supplies, devices, laboratory equipment and diagnostic products used by healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public. The Company's organizational structure is based upon three principal business segments, BD Medical ("Medical"), BD Life Sciences ("Life Sciences") and BD Interventional ("Interventional").

BD's products are manufactured and sold worldwide. Our products are marketed in the United States and internationally through independent distribution channels and directly to end-users by BD and independent sales representatives. We organize our operations outside the United States as follows: EMEA (which includes Europe, the Middle East and Africa); Greater Asia (which includes countries in Greater China, Japan, South Asia, Southeast Asia, Korea, Australia and New Zealand); Latin America (which includes Mexico, Central America, the Caribbean and South America); and Canada. We continue to pursue growth opportunities in emerging markets, which include the following geographic regions: Eastern Europe, the Middle East and Africa (collectively referred to below as "EMA"), as well as, Latin America and certain countries within Greater Asia.

Strategic Objectives

BD remains focused on delivering durable growth, creating shareholder value and making appropriate investments for the future. BD 2025, our vehicle for value creation, is anchored in three key pillars: grow, simplify and empower. BD's management team aligns our operating model and investments with these key strategic pillars through continuous focus on the following underlying objectives:

Grow

- Accelerating innovation in smart devices, robotics, analytics, and artificial intelligence in order to enable new care settings, improve outcomes, streamline care workflows, and reduce costs within healthcare settings;
- Focusing on a strong portfolio of core leading products, solutions and services that deliver greater benefits to patients, healthcare workers and researchers;
- Investing in research and development that leads to and expands category leadership, as well as results in a robust product pipeline;
- Leveraging our global scale in order to provide equitable access to affordable medical technologies around the world, including in under-resourced markets;
- Supplementing our internal growth through strategic acquisitions in faster growing market segments; and
- Focusing on cash management and an efficient capital structure in order to drive balance sheet productivity and strong shareholder returns.

Simplify

- Driving operating effectiveness and margin expansion through deployment of our BD Excellence program to increase factory productivity and asset efficiencies;

- Reducing complexity, increasing agility and improving customer experience by rationalizing our product portfolio, as well as by simplifying and optimizing our architecture and operating model;
- Making strategic investments that prioritize a culture of quality and our quality management system to ensure we are a best-in-class, proactive quality-driven organization;
- Enhancing customer experiences through the digitalization of internal processes and go-to-market approaches;
- Collaborating across our supply chain to responsibly source materials and goods, as well as to reduce environmental impacts; and
- Continuing our investments in an enterprise-wide renewable energy strategy to create more resilient operations.

Empower

- Fostering a purpose-driven culture with a focus on positive impact to all stakeholders–customers, patients, employees, shareholders and communities;
- Cultivating an inclusive work environment that welcomes and celebrates diverse backgrounds and perspectives;
- Growing and enabling talent through training, development and reskilling strategies; and
- Driving sustainability initiatives within our organizational units to support enterprise-wide collaboration towards our sustainability strategy.

In assessing the outcomes of these strategies as well as BD's financial condition and operating performance, management generally reviews forecast data, monthly actual results, including segment sales, and other similar information. We also consider trends related to certain key financial data, including gross profit margin, selling and administrative expense, investment in research and development, return on invested capital, and cash flows.

Acquisition of Edwards Lifesciences' Critical Care Product Group

On September 3, 2024, we completed the acquisition of Edwards Lifesciences' Critical Care product group ("Critical Care"), which we renamed as BD Advanced Patient Monitoring ("Advanced Patient Monitoring"), for total consideration of $3.911 billion. Advanced Patient Monitoring is a global leader in advanced monitoring solutions that expands BD's portfolio of smart connected care solutions with its growing set of leading monitoring technologies, advanced AI-enabled clinical decision tools and robust innovation pipeline that complement our existing technologies serving operating rooms and intensive care units.

BD reports the results associated with Advanced Patient Monitoring's product offerings as a separate organizational unit within our Medical segment and additional disclosures relating to this acquisition are provided in Notes 8, 11 and 16 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

BD's Spin-Off of Diabetes Care and Sale of Surgical Instrumentation Platform

In August 2023, we completed the sale of the Interventional segment's Surgical Instrumentation platform. The historical financial results for this platform have not been classified as a discontinued operation.

In April 2022, we completed the spin-off of our former Diabetes Care business as a separate publicly traded company. The historical results of the Diabetes Care business that was contributed in the spin-off were reflected as discontinued operations in our consolidated financial statements.

Additional disclosures regarding the sale and spin-off are provided in Note 2 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Key Trends Affecting Results of Operations

Our operations, supply chain, suppliers and customers are exposed to various global macroeconomic factors and we continually evaluate macroeconomic conditions to assess their potential impact to our operations and financial results. Macroeconomic factors which affected our operations and impacted results in fiscal year 2024 included the following:

- As anticipated, market dynamics in China, such as volume-based procurement programs ("VoBP") and the government's focus to improve compliance of healthcare practitioners, had an adverse impact on our results of operations and these dynamics could continue to unfavorably impact our results of operations.
- As is further discussed below, our labor costs were generally higher in our fiscal year 2024 compared with the prior-year period.

We have experienced, and may continue to experience, temporary shortages in supply of certain materials or components that are used in our products. The stable flow of global transport is critical to our operations and as such, events affecting the flow of logistics around the globe may adversely impact our supply chain and distribution channels. In general, major disruptions in the sourcing, manufacturing and distribution of our products could adversely impact our results of operations.

In addition, current healthcare delivery has transitioned more care from acute to non-acute settings and has increased focus on chronic disease management; this transition has placed additional financial pressure on hospitals and the broader healthcare system. Healthcare institutions may take actions to mitigate any persistent pressures on their budgets and such actions could impact the future demand for our products and services. Additionally, a deterioration of staffing levels within healthcare systems may affect the prioritization of healthcare services, which could also impact the demand for certain of our products. Also, reductions or delays in governmental research funding and/or higher interest rates could cause customers for our instruments and reagents to delay or forgo purchases of these products.

Certain geopolitical conditions, including the evolving situations in Ukraine, the Middle East and Asia, may impact global macroeconomic conditions, including those discussed above. While these geopolitical conditions have not materially impacted our results of operations to date, the continuation and/or an escalation of these evolving situations may weaken the global economy and could result in additional inflationary pressures and supply chain constraints, including the unavailability and cost of energy.

We continue to invest in research and development, strategic tuck-in acquisitions, geographic expansion, and new product programs to drive further revenue and profit growth. Our ability to sustain our long-term growth will depend on a number of factors, including our ability to expand our core business (including strategic geographical expansion), and develop innovative new products, as well as continue to improve operating efficiency and organizational effectiveness.

We have been mitigating the impacts of the macroeconomic and other factors discussed above through various strategies which leverage our procurement, logistics and manufacturing capabilities. However, there can be no assurance that we will be able to effectively mitigate these pressures in future periods and an inability to offset these pressures through our strategies, at least in part, could adversely impact our results of operations. Due to the significant uncertainty that exists relative to the duration and overall impact of the macroeconomic and other factors discussed above, our future operating performance, particularly in the short-term, may be subject to volatility. The impacts of macroeconomic and other conditions on our business, results of operations, financial condition and cash flows are dependent on certain factors, including those discussed in Part I, Item 1A. Risk Factors.

Summary of Financial Results

Worldwide revenues in 2024 of $20.178 billion increased 4.2% from the prior-year period. This increase reflected the following impacts:

	Increase (decrease) in current-year revenues
Volume/other (a)	4.2 %
Pricing	0.7 %
Foreign currency impact	(0.1)%
Impact due to sale of Surgical Instrumentation platform	(0.7)%
Acquisition of Advanced Patient Monitoring	0.4 %
Other (b)	(0.3)%
Increase in revenues from the prior-year period	4.2 %

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

(b) Represents the recognition of accruals resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to the current fiscal year. Additional disclosures regarding these legislative and legal matters are provided in Notes 6 and 8 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Our financial position remains strong, with cash flows from continuing operating activities totaling $3.844 billion in 2024. At September 30, 2024, we had $2.301 billion in cash and equivalents and short-term investments, including restricted cash. We continued to return value to our shareholders in the form of dividends and during fiscal year 2024, we paid cash dividends to common shareholders of $1.100 billion.

Each reporting period, we face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that fluctuate from the beginning of such period. The fiscal year 2024 impact of foreign currency translation on our revenues is provided above and the impact on our earnings is provided further below. We evaluate our results of operations on both a reported and a foreign currency-neutral basis, which excludes the impact of fluctuations in foreign currency exchange rates. As exchange rates are an important factor in understanding period-to-period comparisons, we believe the presentation of results on a foreign currency-neutral basis in addition to reported results helps improve investors' ability to understand our operating results and evaluate our performance in comparison to prior periods. Foreign currency-neutral ("FXN") information compares results between periods as if exchange rates had remained constant period-over-period. We use results on a foreign currency-neutral basis as one measure to evaluate our performance. 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. These results should be considered in addition to, not as a substitute for, results reported in accordance with U.S. generally accepted accounting principles ("GAAP"). Results on a foreign currency-neutral basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with U.S. GAAP.

Results of Operations

Updates to Financial Results Reported in Earnings Release

On November 7, 2024, we furnished a Current Report on Form 8-K that included as an exhibit a press release announcing our financial results for the fourth fiscal quarter and the fiscal year ended September 30, 2024 (the "Earnings Release"). On November 22, 2024 and subsequent to furnishing the Earnings Release, we received the Dispensing Warning Letter, as more fully discussed under Item 1. Business— Regulation—FDA

Warning Letters. A charge of $28 million to recognize our currently estimated liability for future costs expected to be incurred to address the non-conformities identified in the Dispensing Warning Letter was recorded to *Cost of products sold* for the three-month period and fiscal year ended September 30, 2024. The charge, which is included in the "Specified Items" section below, impacted our financial results for the fiscal year ended September 30, 2024, included in this Annual Report on Form 10-K, as follows:

- *Cost of product sold* (from $11.025 billion reported in the Earnings Release to $11.053 billion);
- *Operating Income* (from $2.425 billion reported in the Earnings Release to $2.397 billion);
- *Net Income from Continuing Operations* (from $1.726 billion reported in the Earnings Release to $1.705 billion); and
- *Diluted Earnings per Share from Continuing Operations* (from $5.93 reported in the Earnings Release to $5.86).

Medical Segment

The following summarizes Medical revenues by organizational unit:

				2024 vs. 2023			2023 vs. 2022		
(Millions of dollars)	2024	2023	2022	Total Change	Estimated FX Impact	FXN Change	Total Change	Estimated FX Impact	FXN Change
Medication Delivery Solutions	$ 4,429	$4,293	$4,308	3.2 %	(0.1)%	3.3 %	(0.3)%	(1.9)%	1.6 %
Medication Management Solutions	3,297	2,980	2,533	10.7 %	0.2 %	10.5 %	17.6 %	(1.0)%	18.6 %
Pharmaceutical Systems	2,273	2,229	2,001	2.0 %	0.2 %	1.8 %	11.4 %	(1.7)%	13.1 %
Advanced Patient Monitoring	74	—	—	NM	NM	NM	NM	NM	NM
Total Medical revenues	$10,074	$9,502	$8,841	6.0 %	— %	6.0 %	7.5 %	(1.6)%	9.1 %

"NM" denotes that the percentage change is not meaningful.

The Medical segment's revenue growth in 2024 primarily reflected the following.

- Strong global demand for the Medication Delivery Solutions unit's Vascular Access Management portfolio, as well as strong U.S. demand for medication delivery products, partially offset by the impact of unfavorable market dynamics in China.
- Double-digit growth in sales of infusion systems, as well as higher utilization of infusion sets within the Medication Management Solutions unit, partially offset by an unfavorable comparison to stronger placements of dispensing solutions in 2023.
- Double-digit growth in sales of the Pharmaceutical Systems unit's prefillable solutions in the biologic drug category, partially offset by customer order patterns relating to other drug categories.
- Overall Medical segment revenue growth in 2024 also reflected the acquired Advanced Patient Monitoring unit's sales beginning on September 3, 2024.

The Medical segment's revenue growth in 2023 primarily reflected the following.

- Strong global sales of catheters and other vascular care products in the Medication Delivery Solutions unit were partially offset by the impact of VoBP in China and lower COVID vaccination-related revenues in 2023 compared with these revenues in 2022.
- Strong performance of the Medication Management Solutions unit's pharmacy automation portfolio, including Parata Systems, which we acquired in fiscal year 2022, and our BD Rowa™ technologies, as well as strong growth in sales of dispensing systems. Revenue growth attributable to the unit's recent acquisitions was approximately 9.3% in 2023.

- Continued strong demand for the Pharmaceutical Systems unit’s prefillable solutions in high-growth markets such as the biologic drug category.

Medical segment operating income was as follows:

(Millions of dollars)	2024	2023	2022
Medical segment operating income	$ 2,742	$ 1,967	$ 2,215
Segment operating income as % of Medical revenues	*27.2 %*	*20.7 %*	*25.1 %*

The Medical segment's operating income as a percentage of revenues in 2024 and 2023, compared with the prior-year periods, reflected the following:

- The Medical segment’s higher gross profit margin in 2024 compared with 2023 primarily reflected the following:
  - A favorable comparison to gross margin in 2023, which was impacted by $653 million of charges related to estimated future costs associated with the Medication Management Solutions unit’s remediation efforts related to Alaris™ infusion pumps, as well as lower manufacturing costs, which resulted from continuous improvement projects and other productivity initiatives that enhanced the efficiency of our operations; partially offset by
  - An unfavorable impact of $59 million due to a fair value step-up adjustment relating to Advanced Patient Monitoring's inventory on the acquisition date, higher raw material and labor costs, as well as unfavorable foreign currency translation.
- The Medical segment’s lower gross profit margin in 2023 compared with 2022 primarily reflected the following:
  - The $653 million of charges noted above related to product remediation efforts compared with charges in 2022 related to the same efforts of $72 million. The fiscal year 2023 charge impacted gross margin by approximately 6.9%.
  - Higher raw material, labor and freight costs, as well as unfavorable foreign currency translation; partially offset by
  - Lower manufacturing costs resulting from continuous improvement projects and pricing.
- Lower selling and administrative expense as a percentage of revenues in 2024 compared with 2023 primarily reflected revenue growth that outpaced spending and lower shipping costs. Selling and administrative expense as a percentage of revenues in 2023 was lower compared with 2022 due to lower selling and shipping costs.
- Research and development expense as a percentage of revenues in 2024 was lower compared with 2023, and in 2023 compared with 2022, which reflected revenue growth that outpaced project spending.

Life Sciences Segment

The following summarizes Life Sciences revenues by organizational unit:

(Millions of dollars)	2024	2023	2022	2024 vs. 2023 Total Change	2024 vs. 2023 Estimated FX Impact	2024 vs. 2023 FXN Change	2023 vs. 2022 Total Change	2023 vs. 2022 Estimated FX Impact	2023 vs. 2022 FXN Change
Integrated Diagnostic Solutions	$3,679	$3,624	$4,185	1.5 %	(0.1)%	1.6 %	(13.4)%	(2.0)%	(11.4)%
Biosciences	1,512	1,509	1,379	0.2 %	— %	0.2 %	9.4 %	(2.2)%	11.6 %
Total Life Sciences revenues	$5,191	$5,133	$5,564	1.1 %	— %	1.1 %	(7.8)%	(2.1)%	(5.7)%

The Life Sciences segment's revenue growth in 2024 primarily reflected the following:

- Strong growth in sales of the Integrated Diagnostic Solutions unit's specimen management portfolio, partially offset by an unfavorable comparison to higher respiratory testing revenues in 2023, including COVID-19-only diagnostic testing revenues.
- Strong demand for the Biosciences unit's clinical reagents, offset by a decline in sales of the unit's instrumentation due to a decline in life science research funding, primarily in the United States and China.

The Life Sciences segment's revenues in 2023 primarily reflected the following:

- Revenues related to COVID-19-only diagnostic testing on the BD Veritor™ Plus and BD Max™ Systems in the Integrated Diagnostic Solutions unit of $73 million compared with revenues in 2022 of $511 million and an unfavorable comparison to stronger sales in 2022 of the Integrated Diagnostic Solutions unit's combination influenza/COVID-19 testing assays, as well as destocking of specimen management products by U.S. distributors in 2023; partially offset by
- Growth in the Integrated Diagnostic Solutions unit's microbiology platform and growth attributable to molecular diagnostic platforms which leveraged our larger installed base of BD MAX™ instruments.
- Strong growth in sales of the Biosciences unit's reagents and instruments, including recently launched research instruments.

Life Sciences segment operating income was as follows:

(Millions of dollars)	2024	2023	2022
Life Sciences segment operating income	$ 1,595	$ 1,585	$ 1,710
Segment operating income as % of Life Sciences revenues	*30.7 %*	*30.9 %*	*30.7 %*

The Life Sciences segment's operating income as a percentage of revenues in 2024 and 2023, compared with the prior-year periods, reflected the following:

- The Life Sciences segment's lower gross profit margin in 2024 compared with 2023 primarily reflected higher raw material and labor costs, as well as declines in respiratory illness-related revenues and unfavorable foreign currency translation, partially offset by lower manufacturing costs resulting from continuous improvement projects and other productivity initiatives.
- The Life Sciences segment's higher gross profit margin in fiscal year 2023 compared with 2022 primarily reflected the following:

- Favorable impacts in 2023 from price and continuous improvement projects in our manufacturing facilities; partially offset by
- The decline in COVID-19-only testing revenues and a decline in licensing income compared with 2022, as well as higher raw material and labor costs in 2023.

- Selling and administrative expense as a percentage of revenues in 2024 was higher compared with 2023, which primarily reflected lower costs in 2023. Lower selling and administrative expense as a percentage of revenues in 2023 compared with 2022 primarily reflected lower selling costs and efforts to contain certain administrative costs.
- Lower research and development expense as a percentage of revenues in 2024 compared with 2023 primarily reflected the progression of current projects. Higher research and development expense as a percentage of revenues in 2023 compared with 2022, primarily reflected the decline in segment revenues in 2023 compared with the prior-year period.

Interventional Segment

The following summarizes Interventional revenues by organizational unit:

				2024 vs. 2023			2023 vs. 2022		
(Millions of dollars)	2024	2023	2022	Total Change	Estimated FX Impact	FXN Change	Total Change	Estimated FX Impact	FXN Change
Surgery	$ 1,492	$ 1,497	$ 1,400	(0.3)%	(0.1)%	(0.2)%	6.9 %	(1.3)%	8.2 %
Peripheral Intervention	1,933	1,865	1,759	3.7 %	(0.4)%	4.1 %	6.0 %	(2.9)%	8.9 %
Urology and Critical Care	1,554	1,374	1,305	13.1 %	(0.5)%	13.6 %	5.3 %	(1.8)%	7.1 %
Total Interventional revenues	$ 4,980	$ 4,736	$ 4,464	5.1 %	(0.4)%	5.5 %	6.1 %	(2.0)%	8.1 %

The Interventional segment's revenue growth in 2024 primarily reflected the following:

- Strong growth in sales across the Surgery unit's advanced repair and reconstruction platforms, as well as its infection prevention products; the prior-year period's revenues included $140 million attributable to the unit's former Surgical Instrumentation platform, which was sold in the fourth quarter of fiscal year 2023.
- Double-digit growth attributable to the Peripheral Intervention unit's peripheral vascular disease platform, partially offset by a decline in sales of our oncology products due to customer ordering patterns and market dynamics in China.
- Double-digit growth in sales of the Urology and Critical Care unit's PureWick™ offerings and current-year licensing revenue.

The Interventional segment's revenue growth in 2023 primarily reflected the following:

- Double-digit growth in global sales of the Surgery unit's advanced repair and reconstruction platforms, as well as strong growth in sales of biosurgery products, was partially offset by a decline in revenues attributable to the sale of the Surgical Instrumentation platform in the fourth quarter.
- Growth driven by global market penetration of the Peripheral Intervention unit's peripheral vascular disease platform was partially offset by the impact of planned strategic portfolio exits.
- Continued strong demand for the Urology and Critical Care unit's PureWick™ offerings in the acute and alternative care settings.

Interventional segment operating income was as follows:

(Millions of dollars)	2024	2023	2022
Interventional segment operating income	$ 1,420	$ 1,217	$ 1,081
Segment operating income as % of Interventional revenues	*28.5 %*	*25.7 %*	*24.2 %*

The Interventional segment's operating income as a percentage of revenues in 2024 and 2023, compared with the prior-year periods, reflected the following:

- The Interventional segment's higher gross profit margin in 2024 compared with 2023 primarily reflected favorable impacts from product mix and pricing.
- The Interventional segment's gross profit margin was flat in 2023 compared with 2022, which primarily reflected:
  - Favorable impacts from price, continuous improvement projects, and a favorable comparison to the prior-year period, which was unfavorably impacted by certain purchase accounting adjustments; offset by
  - Unfavorable impacts of higher raw material, labor and freight costs.
- Lower selling and administrative expense, as well as research and development expense, as percentages of revenues in 2024 compared with 2023, and in 2023 compared with 2022, primarily reflected revenue growth that outpaced spending.

Geographic Revenues

BD's worldwide revenues by geography were as follows:

				2024 vs. 2023			2023 vs. 2022		
(Millions of dollars)	2024	2023	2022	Total Change	Estimated FX Impact	FXN Change	Total Change	Estimated FX Impact	FXN Change
United States	$11,663	$11,113	$10,722	4.9 %	—	4.9 %	3.7 %	—	3.7 %
International	8,515	8,258	8,148	3.1 %	(0.2)%	3.3 %	1.4 %	(4.2)%	5.6 %
Total revenues	$20,178	$19,372	$18,870	4.2 %	(0.1)%	4.2 %	2.7 %	(1.8)%	4.5 %

U.S. revenue growth in 2024 reflected strong sales in the Medical segment's Medication Delivery Solutions and Medication Management Solutions units, as well as in the Interventional segment's Urology and Critical Care unit.

U.S. revenue growth in 2023 was particularly driven by strong sales in the Medical segment's Medication Management Solutions and Pharmaceutical Systems units and in the Life Sciences segment's Biosciences unit, as well as by strong sales in the Interventional segment's Surgery and Urology and Critical Care units. U.S. revenues in 2023 were unfavorably impacted by a decline in COVID-19-only diagnostic testing sales compared with 2022, as discussed further above.

International revenue growth in 2024 was driven by the Medical segment's Pharmaceutical Systems unit, the Life Sciences segment's Integrated Diagnostic Solutions unit and the Interventional segment's Peripheral Intervention unit. International revenue growth in 2024 also reflected the unfavorable impact of a $62 million accrual which resulted from recent developments relating to the Italian government medical device pay back legislation and substantially relates to years prior to the current fiscal year. Additional disclosures regarding this matter are provided in Note 6 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

International revenue growth in 2023 was particularly driven by strong sales in the Medical segment's Medication Management Solutions and Pharmaceutical Systems units, and in the Life Sciences segment's Biosciences unit, as well as by strong sales in the Interventional segment's Surgery and Peripheral Intervention units. International revenues in 2023 were unfavorably impacted by a decline in COVID-19-only diagnostic testing sales compared with 2022, as discussed further above.

Emerging market revenues were as follows:

				2024 vs. 2023			2023 vs. 2022		
(Millions of dollars)	2024	2023	2022	Total Change	Estimated FX Impact	FXN Change	Total Change	Estimated FX Impact	FXN Change
Emerging markets	$ 3,054	$ 2,966	$ 2,904	3.0 %	(0.6)%	3.6 %	2.1 %	(3.6)%	5.7 %

Emerging market revenue growth in 2024 primarily reflected strong sales in Latin America and in countries other than China within Greater Asia, partially offset by a decline in China driven by unfavorable market dynamics, as further discussed above. Emerging market revenue growth in 2023 was primarily driven by sales in Latin America, South Asia, and in China, despite unfavorable impacts to China revenues from volume-based procurement programs.

Specified Items

Reflected in the financial results for 2024, 2023 and 2022 were the following specified items:

(Millions of dollars)	2024	2023	2022
Integration costs [(a)]	$ 23	$ 67	$ 68
Restructuring costs [(a)]	387	239	123
Transaction costs [(b)]	48	—	—
Financing costs [(b)]	(8)	—	—
Separation-related items [(c)]	13	14	20
Purchase accounting adjustments [(d)]	1,503	1,434	1,431
Product, litigation, and other items [(e)]	346	554	268
European regulatory initiative-related costs [(f)]	104	139	146
Impacts of debt extinguishment	—	—	24
Total specified items	2,416	2,448	2,082
Less: tax impact of specified items	297	399	366
After-tax impact of specified items	$ 2,119	$ 2,050	$ 1,716

(a) Represents amounts associated with restructuring and integration activities which are recorded in *Integration, restructuring and transaction expense* and are further discussed below.

(b) Represents transaction costs, which are recorded in *Integration, restructuring and transaction expense*, and financing impacts, which are recorded in *Interest income* and *Interest expense*, associated with the Advanced Patient Monitoring acquisition.

(c) Represents costs recorded to *Other operating expense (income), net* and incurred in connection with the separation of BD's former Diabetes Care business.

(d) Includes amortization and other adjustments related to the purchase accounting for acquisitions. BD's amortization expense is recorded in *Cost of products sold*.

(e) Includes certain (income) expense items which are not part of ordinary operations and affect the comparability of the periods presented. Such items may include certain product remediation costs, certain product liability and legal defense costs, certain investment gains and losses, certain asset impairment charges, and certain pension settlement costs. The amount in 2024 was primarily recorded to *Revenues*

and *Other operating expense (income), net*, and largely related to legislative and legal matters, as further discussed above in our geographic revenue discussion and further below in our discussion of *Other operating expense (income), net*. Additional disclosures regarding these legislative and legal matters are provided in Notes 6 and 8 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data. The amounts in 2024, 2023 and 2022 included net charges within *Cost of products sold* of $38 million, $653 million and $72 million, respectively, to record or adjust future costs estimated for product remediation efforts. The amounts in 2023 and 2022 also included pension settlement costs of $57 million and $73 million, respectively, which were recorded to *Other expense, net.* The amount in 2022 also includes a charge of $54 million related to a noncash asset impairment, which was recorded to *Cost of products sold.* The amounts in 2023 and 2022 additionally include certain amounts recorded to *Other operating expense (income), net*, which are detailed further below.

(f) Represents costs incurred to develop processes and systems to establish initial compliance with the European Union Medical Device Regulation and the European Union In Vitro Diagnostic Medical Device Regulation, which represent a significant, unusual change to the existing regulatory framework. We consider these costs to be duplicative of previously incurred costs and/or one-off costs, which are limited to a specific period of time. These expenses, which are recorded in *Cost of products sold* and *Research and development expense*, include the cost of labor, other services and consulting (in particular, research and development and clinical trials) and supplies, travel and other miscellaneous costs.

Gross Profit Margin

The comparisons of gross profit margins in 2024 and 2023 with the prior-year periods reflected the following impacts:

	2024	2023
Gross profit margin % prior-year period	42.2 %	44.9 %
Impact of purchase accounting adjustments and other specified items	3.2 %	(2.5)%
Operating performance	0.7 %	0.1 %
Foreign currency impact	(0.9)%	(0.3)%
Gross profit margin % current-year period	45.2 %	42.2 %

The favorable impact on gross margin from specified items in 2024 compared with 2023 reflected a favorable comparison to specified items recorded in 2023, which included $653 million of charges recorded in the Medical segment to adjust the estimate of future product remediation costs, as noted above, partially offset by an unfavorable impact of $59 million due to a fair value step-up adjustment recorded by the Medical segment in 2024 relating to Advanced Patient Monitoring's inventory on the acquisition date.

The impact of other specified items on gross margin in 2023 compared with 2022 reflected the $653 million of charges recorded in 2023 as noted above related to product remediation efforts, compared with charges in 2022 related to the same efforts of $72 million. The impact of other specified item in 2023 compared with 2022 additionally reflected a non-cash asset impairment charge of $54 million recorded by the Medical segment in 2022.

Operating performance in 2024 and 2023 reflected lower manufacturing costs resulting from our ongoing continuous improvement projects and other productivity initiatives, as well as a favorable impact from pricing. These favorable impacts to operating performance in 2024 were partially offset by higher raw material and labor costs and an unfavorable absorption impact of planned inventory reductions. Operating performance in 2023 was unfavorably impacted by higher raw material, labor and freight costs.

Operating Expenses

Operating expenses in 2024, 2023 and 2022 were as follows:

(Millions of dollars)	2024	2023	2022	Increase (decrease) in basis points: 2024 vs. 2023	Increase (decrease) in basis points: 2023 vs. 2022
Selling and administrative expense	$ 4,857	$ 4,719	$ 4,709		
% of revenues	*24.1 %*	*24.4 %*	*25.0 %*	*(30)*	*(60)*
Research and development expense	$ 1,190	$ 1,237	$ 1,256		
% of revenues	*5.9 %*	*6.4 %*	*6.7 %*	*(50)*	*(30)*
Integration, restructuring and transaction expense	$ 458	$ 313	$ 192		
Other operating expense (income), net	$ 222	$ (210)	$ 37		

Selling and administrative

Selling and administrative expense as a percentage of revenues in 2024 was lower compared with 2023, which primarily reflected higher revenues and lower shipping costs in the current-year period, partially offset by higher selling costs.

Lower selling and administrative expense as a percentage of revenues in 2023 compared with 2022 primarily reflected higher revenues in 2023 and favorable foreign currency translation, partially offset by higher selling costs in 2023, as well as an increase in our deferred compensation plan liability due to market performance. The investment gains on deferred compensation plan assets were recorded to *Other expense, net*.

Research and development

Lower research and development expense as a percentage of revenues in 2024 compared with 2023, and in 2023 compared with 2022, primarily reflected the progression of current projects and revenue growth that outpaced project spending. Spending in 2024, 2023 and 2022 reflected our continued commitment to invest in new products and platforms.

Integration, restructuring and transaction expense

Integration expense in 2024, 2023 and 2022 primarily included costs related to system integrations and our 2022 acquisition of Parata Systems. Restructuring expense in 2024, 2023 and 2022 primarily included restructuring costs related to simplification and other cost-saving initiatives. Transaction costs in 2024 included legal, advisory and other costs, relating to our agreement to acquire Advanced Patient Monitoring. For further disclosures regarding the costs relating to restructurings, refer to Note 12 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Other operating expense (income), net

Other operating expense (income) in 2024, 2023 and 2022 included the following items which are further discussed in the Notes to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data:

(Millions of dollars)	2024	2023	2022
Charge to accrue an estimated liability for the SEC investigation (see Note 6)	$ 175	$ —	$ —
Other amounts recorded for legal matters (see Note 6)	79	—	—
Amounts recorded for product liabilities, including related defense costs (see Note 6)	(36)	26	21
Separation-related items	13	14	20
Gain recognized on sale of business (see Note 2)	—	(268)	—
Other	(9)	18	(4)
Other operating expense (income), net	$ 222	$ (210)	$ 37

Net Interest Expense

(Millions of dollars)	2024	2023	2022
Interest expense	$ (528)	$ (452)	$ (398)
Interest income	163	49	16
Net interest expense	$ (364)	$ (403)	$ (382)

Higher interest expense in 2024 compared with 2023 primarily reflected higher overall interest rates on debt outstanding, as well as higher total debt outstanding at September 30, 2024 compared with September 30, 2023, which reflected debt issued in our third quarter of fiscal year 2024 to fund the cash consideration payable upon our acquisition of Advanced Patient Monitoring. Higher interest expense in 2023 compared with 2022 was largely attributable to the higher levels of commercial paper borrowings outstanding throughout 2023 and higher overall interest rates on debt outstanding. Additional disclosures regarding our financing arrangements and debt instruments are provided in Note 16 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Higher interest income in 2024 compared with 2023, and in 2023 compared with 2022, primarily reflected higher overall interest rates and levels of cash on hand during the current-year periods, compared with the prior-year periods.

Income Taxes

The income tax rates for continuing operations in 2024, 2023 and 2022 were as follows:

	2024	2023	2022
Effective income tax rate for continuing operations	15.0 %	7.9 %	8.3 %
Impact, in basis points, from specified items	*150*	*(500)*	*(500)*

The effective income tax rate for continuing operations in 2024 compared with 2023 primarily reflected the impact of more favorable discrete items recorded in 2023. The effective income tax rate for continuing operations in 2023 compared with 2022 primarily reflected the impact of a remeasurement of deferred tax assets and liabilities upon the approval of a tax incentive.

Net Income and Diluted Earnings per Share from Continuing Operations

Net income and diluted earnings per share from continuing operations in 2024, 2023 and 2022 were as follows:

	2024	2023	2022
Net income from continuing operations (Millions of dollars)	$ 1,705	$ 1,530	$ 1,635
Diluted earnings per share from continuing operations	$ 5.86	$ 5.10	$ 5.38
Unfavorable impact-specified items	$ 7.28	$ 7.11	$ 5.97
(Unfavorable) favorable impact-foreign currency impact	$ (0.56)	$ (0.37)	$ 0.14

Financial Instrument Market Risk

We selectively use financial instruments to manage market risk, primarily foreign currency exchange risk and interest rate risk relating to our ongoing business operations. The counterparties to these contracts are highly rated financial institutions. We do not enter into financial instruments for trading or speculative purposes. Additional disclosures regarding our derivative instruments are provided in Note 14 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Foreign Exchange Risk

BD and its subsidiaries transact business in various foreign currencies throughout Europe, Greater Asia, Canada and Latin America. We face foreign currency exposure from the effect of fluctuating exchange rates on payables and receivables relating to transactions that are denominated in currencies other than our functional currency. These payables and receivables primarily arise from intercompany transactions. We hedge substantially all such exposures, primarily through the use of forward contracts. We have also hedged the currency exposure associated with investments in certain foreign subsidiaries with instruments such as foreign currency-denominated debt and cross-currency swaps, which are designated as net investment hedges, as well as currency exchange contracts. In order to mitigate transactional foreign currency exposures resulting from anticipated intercompany purchases and sales, we have hedged a portion of this currency risk with certain instruments such as foreign exchange forward and option contracts, which are designated as cash flow hedges. We also face currency exposure that arises from translating the results of our worldwide operations, including sales, to the U.S. dollar at exchange rates that have fluctuated from the beginning of a reporting period. We did not enter into contracts to hedge cash flows against these foreign currency impacts in fiscal year 2024 or 2023.

Derivative financial instruments are recorded on our balance sheet at fair value. For foreign currency derivatives, market risk is determined by calculating the impact on fair value of an assumed change in foreign exchange rates relative to the U.S. dollar. Fair values were estimated based upon observable inputs, specifically spot currency rates and foreign currency prices for similar assets and liabilities.

With respect to the foreign currency derivative instruments outstanding at September 30, 2024 and 2023, the impact that changes in the U.S. dollar would have on pre-tax earnings was estimated as follows:

	Increase (decrease)	
(Millions of dollars)	2024	2023
10% appreciation in U.S. dollar	$ (143)	$ (100)
10% depreciation in U.S. dollar	$ 147	$ 100

These calculations do not reflect the impact of exchange gains or losses on the underlying transactions that would substantially offset the results of the derivative instruments.

Interest Rate Risk

When managing interest rate exposures, we strive to achieve an appropriate balance between fixed and floating rate instruments. We may enter into interest rate swaps to help maintain this balance and manage debt and interest-bearing investments in tandem, since these items have an offsetting impact on interest rate exposure. For interest rate derivative instruments, fair values are measured based upon the present value of expected future cash flows using market-based observable inputs including credit risk and interest rate yield curves. Market risk for these instruments is determined by calculating the impact to fair value of an assumed change in interest rates across all maturities.

The impact that changes in interest rates would have on interest rate derivatives outstanding at September 30, 2024 and 2023, as well as the effect that changes in interest rates would have on our earnings or cash flows over a one-year period, based upon our overall interest rate exposure, were estimated as follows:

	Increase (decrease) to fair value of interest rate derivatives outstanding		Increase (decrease) to earnings or cash flows	
(Millions of dollars)	2024	2023	2024	2023
10% increase in interest rates	$ (12)	$ (3)	$ 5	$ 2
10% decrease in interest rates	$ 12	$ 2	$ (5)	$ (2)

Liquidity and Capital Resources

Our strong financial position and cash flow performance have provided us with the capacity to accelerate our innovation pipeline through investments in research and development, as well as through strategic acquisitions. We believe that our available cash and cash equivalents, our ability to generate operating cash flow, and if needed, our access to borrowings from our financing facilities provide us with sufficient liquidity to satisfy our foreseeable operating needs. The following table summarizes our consolidated statement of cash flows in 2024, 2023 and 2022:

(Millions of dollars)	2024	2023	2022
Net cash provided by (used for) continuing operations			
Operating activities	$ 3,844	$ 2,990	$ 2,471
Investing activities	$ (5,514)	$ (716)	$ (3,220)
Financing activities	$ 2,087	$ (1,956)	$ (736)

Net Cash Flows from Continuing Operating Activities

Cash flows from operating activities in 2024 was largely driven by our net income, adjusted by a change in operating assets and liabilities that was a net source of cash. This net source of cash primarily reflected higher levels of accounts payable and accrued expenses, as well as lower levels of inventory, which reflects our continued efforts to optimize inventory levels, partially offset by higher levels of trade receivables. Cash flows from operating activities in 2024 additionally reflected a discretionary cash contribution of $150 million to fund our pension obligation.

Cash flows from continuing operating activities in 2023 reflected net income, adjusted by a change in operating assets and liabilities that was a net use of cash, which was significantly lower than the net use of cash in 2022 due to efforts in 2023 to optimize inventory levels. The net use of cash in 2023 primarily reflected lower levels of accounts payable and accrued expenses, as well as higher levels of trade receivables, partially offset by lower levels of prepaid expenses.

Cash flows from continuing operating activities in 2022 reflected net income, adjusted by a change in operating assets and liabilities that was a net use of cash. This net use of cash primarily reflected higher levels

of inventory and prepaid expenses, as well as lower levels of accounts payable and accrued expenses. Cash flows from continuing operating activities in 2022 additionally reflected a discretionary cash contribution of $134 million to fund our pension obligation.

Net Cash Flows from Continuing Investing Activities

Capital expenditures

Our investments in capital expenditures are focused on projects that enhance our cost structure and manufacturing capabilities, as well as support our BD 2025 strategy for growth and simplification. Capital expenditures of $725 million, $874 million and $973 million in 2024, 2023 and 2022, respectively, primarily related to manufacturing capacity expansions. Details of spending by segment are contained in Note 8 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Purchases of investments, net

Cash outflows from continuing investing activities in 2024 included net purchases of investments, primarily in time deposits, of $421 million.

Acquisitions

Cash outflows for acquisitions in 2024 was attributable to the acquisition of Advanced Patient Monitoring in the fourth quarter of 2024. Cash outflows for acquisitions in 2022 reflected consideration of $1.548 billion associated with our acquisition of Parata Systems in the fourth quarter of 2022, as well as cash payments relating to various strategic acquisitions we have executed as part of our growth strategy, including our acquisitions of MedKeeper, Scanwell Health, Inc, Tissuemed, Ltd., and Venclose, Inc.

Divestitures

Cash inflows relating to our divestiture of the Interventional segment's Surgical Instrumentation platform in 2023 were $540 million. For further discussion, refer to Note 2 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Net Cash Flows from Continuing Financing Activities

Net cash from continuing financing activities in 2024, 2023 and 2022 included the following significant cash flows:

(Millions of dollars)	2024	2023	2022
Cash inflow (outflow)			
Change in short-term debt	$ 400	$ (230)	$ 230
Proceeds from long-term debt	$ 4,517	$ 1,662	$ 497
Payments of debt	$ (1,142)	$ (2,155)	$ (805)
Share repurchases	$ (500)	$ —	$ (500)
Dividends paid	$ (1,100)	$ (1,114)	$ (1,082)
Distribution from Embecta Corp. (see Note 2)	$ —	$ —	$ 1,266
Net transfer of cash to Embecta upon spin-off	$ —	$ —	$ (265)

Additional disclosures regarding the equity and debt-related financing activities detailed above are provided in Notes 4 and 16 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Debt-Related Activities

Certain measures relating to our total debt were as follows:

	2024	2023	2022
Total debt (Millions of dollars)	$ 20,110	$ 15,879	$ 16,065
Weighted average cost of total debt	3.4 %	3.0 %	2.8 %
Total debt as a percentage of total capital (a)	42.9 %	37.2 %	37.3 %

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

Additional disclosures regarding our debt instruments are provided in Note 16 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Cash and Short-term Investments

At September 30, 2024, total worldwide cash and equivalents and short-term investments, including restricted cash, were $2.301 billion. More than half of these assets were held in the United States. We regularly review the amount of cash and short-term investments held outside of the United States and our historical foreign earnings are used to fund foreign investments or meet foreign working capital and property, plant and equipment expenditure needs. To fund cash needs in the United States, we rely on ongoing cash flow from U.S. operations, access to capital markets and remittances from foreign subsidiaries of earnings that are not considered to be permanently reinvested.

Financing Facilities

We have a senior unsecured revolving credit facility in place which will expire in September 2027. The credit facility provides borrowings of up to $2.750 billion, with separate sub-limits of $100 million and $194 million for letters of credit and swingline loans, respectively. The expiration date of the credit facility, which was extended in July 2024, may be extended for up to one additional one-year period, subject to certain restrictions (including the consent of the lenders). The credit facility provides that we may, subject to additional commitments by lenders, request an additional $500 million of financing, for a maximum aggregate commitment under the credit facility of up to $3.250 billion. Proceeds from this facility may be used for general corporate purposes and Becton Dickinson Euro Finance S.à r.l., an indirect, wholly owned finance subsidiary of BD, is authorized as an additional borrower under the credit facility. There were no borrowings outstanding under the revolving credit facility at September 30, 2024.

The agreement for our revolving credit facility contains the following financial covenants. We were in compliance with these covenants, as applicable, as of September 30, 2024.

- We are required to have a leverage coverage ratio of no more than:
  - 4.25-to-1 as of the last day of each fiscal quarter following the closing of the credit facility; or
  - 4.75-to-1 for the four full fiscal quarters following the consummation of a material acquisition.

We may access commercial paper programs over the normal course of our business activities. Our U.S. and multicurrency euro commercial paper programs provide for a maximum amount of unsecured borrowings under the two programs, in aggregate, of $2.750 billion. Proceeds from these programs may be used for working capital purposes and general corporate purposes, which may include acquisitions, share repurchases and repayments of debt. We had $400 million of commercial paper borrowings outstanding as of September 30, 2024. We have additional informal lines of credit outside the United States. Also, over the normal course of our business activities, we transfer certain trade receivable assets to third parties under factoring agreements. Additional disclosures regarding sales of trade receivable assets are provided in Note 15 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Access to Capital and Credit Ratings

Our corporate credit ratings with the rating agencies Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service ("Moody's") and Fitch Ratings ("Fitch") were as follows at September 30, 2024:

	S&P	Moody's	Fitch
Ratings:			
Senior Unsecured Debt	BBB	Baa2	BBB
Commercial Paper	A-2	P-2	F2
Outlook	Stable	Stable	Stable

Our corporate credit ratings at September 30, 2024 were unchanged compared with our ratings at September 30, 2023.

Lower corporate debt ratings and downgrades of our corporate credit ratings or other credit ratings may increase our cost of borrowing. We believe that given our debt ratings, our financial management policies, our ability to generate cash flow and the diversified nature of our businesses, we would have access to additional short-term and long-term capital should the need arise. A rating reflects only the view of a rating agency and is not a recommendation to buy, sell or hold securities. Ratings can be revised upward or downward at any time by a rating agency if such rating agency decides that circumstances warrant such a change.

Contractual Obligations

In the normal course of business, we enter into contracts and commitments that obligate us to make payments in the future. Information regarding our obligations under purchase, debt and lease arrangements are provided in Notes 6, 16 and 18, respectively, to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Critical Accounting Estimates

The following discussion supplements the descriptions of our accounting policies contained in Note 1 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data. The preparation of the consolidated financial statements requires management to use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Some of those judgments can be subjective and complex and, consequently, actual results could differ from those estimates. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For any given estimate or assumption made by management, it is possible that other people applying reasonable judgment to the same facts and circumstances could develop different estimates. Actual results that differ from management's estimates could have an unfavorable effect on our consolidated financial statements. Management believes the following policy areas require more significant judgment:

Revenue Recognition

Our revenues are primarily recognized when the customer obtains control of the product sold, which is generally upon shipment or delivery, depending on the delivery terms specified in the sales agreement. Revenues associated with certain instruments and equipment for which installation is complex, and therefore significantly affects the customer's ability to use and benefit from the product, are recognized when customer acceptance of these installed products has been confirmed. For leases and for certain service arrangements, including extended warranty and software maintenance contracts, revenue is recognized ratably over the contract term. The majority of revenues relating to extended warranty contracts associated with certain

instruments and equipment is generally recognized within a few years whereas deferred revenue relating to software maintenance contracts is generally recognized over a longer period.

Our agreements with customers within certain organizational units including Medication Management Solutions, Integrated Diagnostic Solutions and Biosciences, contain multiple performance obligations including both products and certain services noted above. Determining whether products and services are considered distinct performance obligations that should be accounted for separately may require judgment. The transaction price for these agreements is allocated to each performance obligation based upon its relative standalone selling price. Standalone selling price is the amount at which we would sell a promised good or service separately to a customer. We generally estimate standalone selling prices using list prices and a consideration of typical discounts offered to customers. The use of alternative estimates could result in a different amount of revenue deferral.

Our gross revenues are subject to a variety of deductions, including rebates. These deductions represent estimates of the related obligations and judgment is required when determining the impact on gross revenues for a reporting period. Additional factors considered in the estimate of our rebate liability include the quantification of inventory that is either in stock at or in transit to our distributors, as well as the estimated lag time between the sale of product and the payment of corresponding rebates.

Impairment of Assets

Goodwill assets are subject to impairment reviews at least annually, or whenever indicators of impairment arise. Intangible assets with finite lives, including developed technology, and other long-lived assets, are periodically reviewed for impairment when impairment indicators are present.

We assess goodwill for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment, referred to as a component. Our reporting units represent one level below reporting segments. Our review of goodwill for each reporting unit compares the fair value of the reporting unit, estimated using an income approach, with its carrying value. Our annual goodwill impairment test performed on July 1, 2024 did not result in any impairment charges, as the fair value of each reporting unit exceeded its carrying value.

We generally use the income approach to derive the fair value for impairment assessments. This approach calculates fair value by estimating future cash flows attributable to the assets and then discounting these cash flows to a present value using a risk-adjusted discount rate. We selected this method because we believe the income approach most appropriately measures the value of our income producing assets. This approach requires significant management judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, appropriate discount rates, terminal values and other assumptions and estimates. The estimates and assumptions used are consistent with BD's business plans. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of the asset. Actual results may differ from management's estimates.

Income Taxes

BD maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in our tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carryback and carryforward periods, and tax strategies that could potentially enhance the likelihood of realization of a deferred tax asset.

BD conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. In evaluating the exposure associated with various tax filing positions, we record accruals for uncertain tax positions based on the technical support for the positions, our past audit experience with similar situations, and the potential interest and penalties related to the matters. BD's effective tax rate in any given period could be impacted if, upon resolution with taxing authorities, we prevailed in

positions for which reserves have been established, or we were required to pay amounts in excess of established reserves.

We have reviewed our needs in the United States for possible repatriation of undistributed earnings of our foreign subsidiaries and we continue to invest foreign subsidiaries earnings outside of the United States to fund foreign investments or meet foreign working capital and property, plant and equipment expenditure needs. As a result, we are permanently reinvested with respect to all of our historical foreign earnings as of September 30, 2024. Additional disclosures regarding our accounting for income taxes are provided in Note 17 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Contingencies

We are involved, both as a plaintiff and a defendant, in various legal proceedings that arise in the ordinary course of business, including, without limitation, product liability and environmental matters, as further discussed in Note 6 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data. We establish accruals to the extent future losses for individual matters are probable and reasonably estimable based upon our assessment of the likelihood of any adverse judgments or outcomes relative to these matters, as well as the potential ranges of probable losses. Given the uncertain nature of litigation generally, we are not able in all cases to reasonably estimate the amount or range of loss that could result from an unfavorable outcome of the litigation to which we are a party.

When appropriate, accruals are developed with the consultation of outside counsel regarding the nature, timing and extent of each matter. The accruals may change in the future as new information for an individual matter becomes available or due to changes in our litigation strategy. We record expected recoveries, up to the amount of loss recognized, from product liability insurance carriers or other parties when realization of recovery is deemed probable.

Given the uncertain nature of litigation, we could incur charges in excess of any currently established accruals and, to the extent available, liability insurance. In the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on BD's consolidated results of operations, financial condition and/or consolidated cash flows.

Benefit Plans

We have significant net pension and other postretirement and postemployment benefit obligations and costs that are measured using actuarial valuations which include assumptions for the discount rate and the expected return on plan assets. These assumptions have a significant effect on the amounts reported. In addition to the analysis below, see Note 10 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data for additional discussion.

The discount rate is selected each year based on investment grade bonds and other factors as of the measurement date (September 30). Specifically for the U.S. plans, we will use a discount rate of 4.98% for 2025, which was based on an actuarially-determined, company-specific yield curve to measure liabilities as of the measurement date. To calculate the pension expense in 2025, we will apply the individual spot rates along the yield curve that correspond with the timing of each future cash outflow for benefit payments in order to calculate interest cost and service cost. Additional disclosures regarding the method to be used in calculating the interest cost and service cost components of pension expense for 2025 are provided in Note 10 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data. The expected long-term rate of return on plan assets assumption, although reviewed each year, changes less frequently due to the long-term nature of the assumption. This assumption does not impact the measurement of assets or liabilities as of the measurement date; rather, it is used only in the calculation of pension expense. To determine the expected long-term rate of return on pension plan assets, we consider many factors, including our historical assumptions compared with actual results; benchmark data; expected returns on various plan asset classes, as well as current and expected asset allocations. We will use a long-term expected rate of return on

plan assets assumption of 7.5% for the U.S. pension plan in 2025. We believe our discount rate and expected long-term rate of return on plan assets assumptions are appropriate based upon the above factors.

Sensitivity to changes in key assumptions for our U.S. pension and other postretirement and postemployment plans are as follows:

- Discount rate — A change of plus (minus) 25 basis points, with other assumptions held constant, would have an estimated $1 million favorable (unfavorable) impact on the total U.S. net pension and other postretirement and postemployment benefit plan costs. This estimate assumes no change in the shape or steepness of the company-specific yield curve used to plot the individual spot rates that will be applied to the future cash outflows for future benefit payments in order to calculate interest and service cost.
- Expected return on plan assets — A change of plus (minus) 25 basis points, with other assumptions held constant, would have an estimated $4 million favorable (unfavorable) impact on U.S. pension plan costs.

Cautionary Statement Regarding Forward-Looking Statements

This report includes forward-looking statements within the meaning of the federal securities laws. BD and its representatives may also, from time to time, make certain forward-looking statements in publicly released materials, both written and oral, including statements contained in filings with the Securities and Exchange Commission, press releases, and our reports to shareholders. Forward-looking statements may be identified by the use of words such as “plan,” “expect,” “believe,” “intend,” “will,” “may,” “anticipate,” “estimate” and other words of similar meaning in conjunction with, among other things, discussions of future operations and financial performance (including volume growth, pricing, sales and earnings per share growth, and cash flows) and statements regarding our strategy for growth, liquidity, future product development, regulatory approvals, competitive position and expenditures. All statements that address our future operating performance or events or developments that we expect or anticipate will occur in the future are forward-looking statements.

Forward-looking statements are, and will be, based on management’s then-current views and assumptions regarding future events, developments and operating performance, and speak only as of their dates. Investors should realize that if underlying assumptions prove inaccurate, or risks or uncertainties materialize, actual results could vary materially from our expectations and projections. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. Furthermore, we undertake no obligation to update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events and developments or otherwise, except as required by applicable law or regulations.

The following are some important factors that could cause our actual results to differ from our expectations in any forward-looking statements. For further discussion of certain of these factors, see Item 1A. Risk Factors in this report and our subsequent Quarterly Reports on Form 10-Q.

- General global, regional or national economic downturns and macroeconomic trends, including heightened inflation, capital market volatility, interest rate and currency rate fluctuations, and economic slowdown or recession, that may result in unfavorable conditions that could negatively affect demand for our products and services, impact the prices we can charge for our products and services, disrupt our transportation networks or other aspects of our supply chain, impair our ability to produce our products, or increase borrowing costs.
- The impact of inflation and disruptions in our global supply chain on BD and our suppliers (particularly sole-source suppliers and providers of sterilization services), including fluctuations in the cost and availability of oil-based resins and other raw materials, as well as certain components, used in the production or sterilization of our products, transportation constraints, disruptions and delays, product shortages, energy shortages or increased energy costs, labor shortages or disputes, and increased operating and labor costs.

- Conditions in international markets, including social and political conditions, geopolitical developments such as the continuation and/or escalation of the evolving situations in Ukraine, the Middle East and Asia, civil unrest, political conflict, terrorist activity, governmental changes, restrictions on the ability to transfer capital across borders, economic sanctions, export controls, tariffs and other protectionist measures, barriers to market participation (such as local company and products preferences), difficulties in protecting and enforcing our intellectual property rights, and governmental expropriation of assets. Our international operations also increase our compliance risks, including risks under the Foreign Corrupt Practices Act and other anti-corruption and bribery laws, as well as regulatory and privacy laws.
- Cost-containment efforts in the U.S. or in other countries in which we do business, such as alternative payment reform, government-imposed pay back provisions, increased use of competitive bidding and tenders, including, without limitation, any expansion of the volume-based procurement process in China or the implementation of similar cost-containment efforts.
- Competitive factors that could adversely affect our operations, including new product introductions and technologies, including the use of artificial intelligence, by our current or future competitors, consolidation or strategic alliances among healthcare companies, distributors and/or payers of healthcare to improve their competitive position or develop new models for the delivery of healthcare, increased pricing pressure due to the impact of low-cost manufacturers, patents attained by competitors (particularly as patents on our products expire), new entrants into our markets and changes in the practice of medicine.
- Changes in the way healthcare services are delivered, including transition of more care from acute to non-acute settings and increased focus on chronic disease management, which may affect the demand for our products and services. Additionally, budget constraints and staffing shortages, particularly shortages of nursing staff, may affect the prioritization of healthcare services, which could also impact the demand for certain of our products and services.
- Our ability to achieve our projected level or mix of product sales, as our earnings forecasts are based on projected sales volumes and pricing of many product types, some of which are more profitable than others.
- Changes in coverage policies or reimbursement levels, or adverse decisions relating to our products and services by governments or third-party payers, which could reduce demand for our products or the price we can charge for such products.
- Product efficacy or safety concerns or non-compliance with applicable regulatory requirements regarding our products (such as non-compliance of our products with registration requirements resulting from modifications to such products, or other factors, including, but not limited to, with respect to BD Alaris™ pumps and related sets and BD Vacutainer™) resulting in product recalls, lost revenue or other actions being taken with respect to products in the field or the ability to continue selling new products to customers (including restrictions on future product clearances and civil penalties), product liability or other claims and damage to our reputation. As a result of the CareFusion acquisition, our U.S. infusion pump business is operating under a Consent Decree with the FDA. The Consent Decree authorizes the FDA, in the event of any violations in the future, to order our U.S. infusion pump business to cease manufacturing and distributing products, recall products or take other actions, and order the payment of significant monetary damages if the business subject to the decree fails to comply with any provision of the Consent Decree. In accordance with our commitments to the FDA, the overall timing of replacement or remediation of the BD Alaris™ Infusion Systems and return to market in the U.S. may be impacted by, among other things, customer readiness, supply continuity and our continued engagement with the FDA.
- Changes in the domestic and foreign healthcare industry, in medical practices or in patient preferences that result in a reduction in procedures using our products or increased pricing pressures, including cost-reduction measures instituted by and the continued consolidation among healthcare providers.

- The effects of regulatory or other events (such as public health crises) that adversely impact our supply chain, including our ability to manufacture (including sterilize) our products (particularly where production of a product line or sterilization operations are concentrated in one or a few plants), source materials or components or services from suppliers (including sole-source suppliers) that are needed for such manufacturing (including sterilization), or provide products to our customers, including events that impact key distributors. In particular, there has been increased regulatory focus on the use and emission of ethylene oxide in sterilization processes, and additional regulatory requirements may be imposed in the future that could adversely impact BD or our third-party sterilization providers.
- IT system disruptions, breaches or breakdowns, including through cyberattacks, ransom attacks or cyber-intrusion, which could impair our ability or that of our customers, suppliers and other business partners to conduct business, result in the loss of BD trade secrets or otherwise compromise sensitive information of BD or its customers, suppliers and other business partners, or of patients, including sensitive personal data, or result in efficacy or safety concerns for certain of our products, and result in investigations, legal proceedings, liability, expense or reputational damage or actions by regulatory bodies or civil litigation.
- Difficulties inherent in product development, including the potential inability to successfully continue technological innovation, successfully complete clinical trials, obtain and maintain regulatory approvals and registrations in the U.S. and abroad, obtain intellectual property protection for our products, obtain coverage and adequate reimbursement for new products, or gain and maintain market approval of products, as well as the possibility of infringement claims by competitors with respect to patents or other intellectual property rights, all of which could preclude or delay commercialization of a product. Delays in obtaining necessary approvals or clearances from the FDA or other regulatory agencies or changes in the regulatory process may also delay product launches and increase development costs.
- The impact of changes in U.S. federal or foreign laws and policies that could affect fiscal and tax policies, taxation (including tax reforms, such as the implementation of a global minimum tax, that could adversely impact multinational corporations), and international trade, including import and export regulation and international trade agreements. In particular, tariffs, sanctions or other trade barriers imposed by the U.S. or other countries could adversely impact our supply chain costs or otherwise adversely impact our results of operations.
- Deficit reduction efforts or other actions that reduce the availability of government funding for healthcare and research, which could weaken demand for our products and result in additional pricing pressures, as well as create potential collection risks associated with such sales.
- Fluctuations in university or U.S. and international governmental funding and policies for life sciences research.
- The impact of business combinations or divestitures, including any volatility in earnings relating to acquisition-related costs, and our ability to successfully integrate any business we may acquire.
- Risks relating to our overall level of indebtedness, including our ability to service our debt and refinance our indebtedness, which is dependent upon the capital markets and the overall macroeconomic environment and our financial condition at such time.
- Any impact that public health crises, such as pandemics and epidemics may have on our business, the global economy and the global healthcare system. This may include decreases in the demand for our products, disruptions to our operations or the operations of our suppliers and customers, disruptions to our supply chain, or increases in transportation costs.
- The risks associated with the qualification of the spin-off of our former Diabetes Care business as a tax-free transaction for U.S. federal income tax purposes.
- Our ability to penetrate or expand our operations in emerging markets, which depends on local economic and political conditions, and how well we are able to make necessary infrastructure enhancements to production facilities and distribution networks.

- Our ability to recruit and retain key employees and the impact of labor conditions which could increase employee turnover or increase our labor and operating costs and negatively affect our ability to efficiently operate our business.
- Fluctuations in the demand for products we sell to pharmaceutical companies that are used to manufacture, or are sold with, the products of such companies, as a result of funding constraints, consolidation or otherwise.
- The impact of climate change, or legal, regulatory or market measures to address climate change, such as regulation of greenhouse gas emissions, zero-carbon energy and sustainability mandates and related disclosure requirements, and additional taxes on fuel and energy, and changing customer and other stakeholder preferences and requirements, such as those regarding the use of materials of concern, increased demand for products with lower environmental footprints, and for companies to set and demonstrate progress against sustainability goals and greenhouse gas reduction targets.
- Natural disasters, including the impacts of hurricanes, tornadoes, windstorms, fires, earthquakes and floods and other extreme weather events, global health pandemics, war, terrorism, labor disruptions and international conflicts that could cause significant economic disruption and political and social instability, resulting in decreased demand for our products, adversely affect our manufacturing and distribution capabilities or cause interruptions in our supply chain.
- Pending and potential future litigation or other proceedings asserting, and/or investigations concerning and/or subpoenas and requests seeking information with respect to, alleged violations of law (including in connection with federal and/or state healthcare programs (such as Medicare or Medicaid) and/or sales and marketing practices (such as investigative subpoenas and the civil investigative demands received by BD)), potential anti-corruption and related internal control violations under the Foreign Corrupt Practices Act, antitrust claims, securities law claims, environmental and product liability matters (including pending claims relating to ethlyene oxide, our hernia repair implant products, surgical continence and pelvic organ prolapse products for women, vena cava filter products and implantable ports, which involve, or could involve in the future, lawsuits seeking class action status or seeking to establish multi-district or other consolidated proceedings), data privacy breaches and patent infringement, and the availability or collectability of insurance relating to any such claims.
- New or changing laws and regulations affecting our domestic and foreign operations, or changes in enforcement practices, including, without limitation, laws relating to sales practices, environmental protection and reporting, price controls, privacy, data protection, cybersecurity, artificial intelligence, employment, labor, and licensing and regulatory requirements for new products and products in the post-marketing phase. In particular, the U.S. and other countries may impose new requirements regarding registration, labeling or prohibited materials that may require us to re-register products already on the market or otherwise impact our ability to market our products. Environmental laws, particularly with respect to the emission of greenhouse gases, are also becoming more stringent throughout the world, which may increase our costs of operations or necessitate changes in our manufacturing plants or processes or those of our suppliers, or result in liability to BD.
- The effect of adverse media exposure or other publicity regarding BD's business or operations, including the effect on BD's reputation or demand for its products.
- The effect of market fluctuations on the value of assets in BD's pension plans and on actuarial interest rate and asset return assumptions, which could require BD to make additional contributions to the plans or increase our pension plan expense.
- Our ability to obtain the anticipated benefits of restructuring programs, if any, that we may undertake.

The foregoing list sets forth many, but not all, of the factors that could impact our ability to achieve results described in any forward-looking statements. Investors should understand that it is not possible to predict or identify all such factors and should not consider this list to be a complete statement of all potential risks and uncertainties.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk.***

The information required by this item is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and in Notes 1, 14 and 15 to the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data, and is incorporated herein by reference.

Item 8. ***Financial Statements and Supplementary Data.***

Reports of Management

Management's Responsibilities

The following financial statements have been prepared by management in conformity with U.S. generally accepted accounting principles and include, where required, amounts based on the best estimates and judgments of management. The integrity and objectivity of data in the financial statements and elsewhere in this Annual Report are the responsibility of management.

In fulfilling its responsibilities for the integrity of the data presented and to safeguard the Company's assets, management employs a system of internal accounting controls designed to provide reasonable assurance, at appropriate cost, that the Company's assets are protected and that transactions are appropriately authorized, recorded and summarized. This system of control is supported by the selection of qualified personnel, by organizational assignments that provide appropriate delegation of authority and division of responsibilities, and by the dissemination of written policies and procedures. This control structure is further reinforced by a program of internal audits, including a policy that requires responsive action by management.

The Board of Directors monitors the internal control system, including internal accounting and financial reporting controls, through its Audit Committee, which consists of five independent Directors. The Audit Committee meets periodically with the independent registered public accounting firm, the internal auditors and management to review the work of each and to satisfy itself that they are properly discharging their responsibilities. The independent registered public accounting firm and the internal auditors have full and free access to the Audit Committee and meet with its members, with and without management present, to discuss the scope and results of their audits including internal control, auditing and financial reporting matters.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Act of 1934, as amended. Management conducted an assessment of the effectiveness of internal control over financial reporting based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

On September 3, 2024, the Company completed the acquisition of Edwards Lifesciences' Critical Care product group ("Critical Care"), which was renamed as BD Advanced Patient Monitoring ("Advanced Patient Monitoring"). While the Company has extended its oversight and monitoring processes that support its internal control over financial reporting, as well as its disclosure controls and procedures, the Company continues to integrate the acquired operations of Advanced Patient Monitoring. As such, the Company has excluded Advanced Patient Monitoring from its evaluation of internal control over financial reporting. This exclusion is in accordance with the U.S. Securities and Exchange Commission's general guidance that a recently acquired business may be omitted from the assessment scope for up to one year from the date of acquisition. The Advanced Patient Monitoring business had total assets that represented approximately 2% of the Company's consolidated total assets at September 30, 2024, and total revenues that represented less than 1% of the Company's consolidated revenues for fiscal year 2024.

Based on the Company's assessment of the effectiveness of internal control over financial reporting and the criteria noted above, management concluded that internal control over financial reporting was effective as of September 30, 2024.

The financial statements and internal control over financial reporting have been audited by Ernst & Young LLP, an independent registered public accounting firm. Ernst & Young's reports with respect to fairness of the presentation of the financial statements, and the effectiveness of internal control over financial reporting, are included herein.

/s/ Thomas E. Polen	/s/ Christopher J. DelOrefice
Thomas E. Polen	Christopher J. DelOrefice
Chairman, Chief Executive Officer and President	*Executive Vice President and Chief Financial Officer*

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Becton, Dickinson and Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Becton, Dickinson and Company (the "Company") as of September 30, 2024 and 2023, the related consolidated statements of income, comprehensive income and cash flows for each of the three years in the period ended September 30, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated November 27, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Business Combination

Description of the Matter

As disclosed in Note 11 to the consolidated financial statements, the Company completed the acquisition of Edwards Lifesciences' Critical Care product group, which was renamed as BD Advanced Patient Monitoring, for total consideration of $3.911 billion. The transaction was accounted for as a business combination.

Auditing the Company's accounting for the acquisition was complex due to the significant estimation required by management to determine the preliminary fair value of certain identified intangible assets which consisted of developed technology intangible assets of $714 million and customer relationships intangible assets of $650 million. The Company used an income approach to measure the technology-related intangible assets and certain customer relationship-related assets. The significant assumptions used to estimate the value of the intangible assets included discount rates and revenue growth rates which are forward looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Company's accounting for business combinations. For example, we tested controls over the identification and valuation of intangible assets, including the valuation models, and underlying assumptions used to develop such estimates. We read the purchase agreement, evaluated the significant assumptions and methods used in developing the fair value estimates, and tested the recognition of the identifiable intangible assets acquired at fair value and goodwill.

To test the estimated fair value of the intangible assets, we performed audit procedures that included, among others, evaluating the Company's use of the income approach and testing the significant assumptions used in the models, as described above. We evaluated the completeness and accuracy of the underlying data used in the analyses. For example, we compared the significant assumptions to current industry, market, and economic trends, to the historical results of the acquired business, and to other guideline companies within the same industry. We involved our valuation specialists to assist with our evaluation of the methodology used by the Company and significant assumptions included in the fair value estimates.

Income taxes — Uncertain tax positions

Description of the Matter

As discussed in Notes 1 and 17 to the consolidated financial statements, the Company conducts business in numerous countries and as a result, files tax returns in those locations. Uncertain tax positions may arise for multiple reasons including, but not limited to, the interpretation of global tax rules and regulations. The Company uses judgment to (1) determine whether, based on the technical merits, a tax position is more likely than not to be sustained and (2) measure the amount of tax benefit that qualifies for recognition. The Company has recorded a liability of $257 million related to uncertain tax positions as of September 30, 2024.

Due to the inherent uncertainty in predicting the resolution of these tax matters, auditing the Company's uncertain tax positions involved complex analysis and auditor judgment. This also required the use of tax subject matter resources to determine whether the more likely than not criteria was met.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's accounting for uncertain tax positions, including assessment of the technical merits of tax positions.

To evaluate whether the technical merits of uncertain tax positions are more likely than not sustainable, our audit procedures included, among others, evaluation of applicable tax law, tax regulations and other regulatory guidance by our tax subject matter professionals. We also involved our tax subject matter professionals in verifying our understanding of the relevant facts and analysis, by assessing the Company's correspondence with the relevant tax authorities and evaluating third-party advice obtained by the Company. We also evaluated the adequacy of the Company's income tax disclosures included in Note 17 to the consolidated financial statements in relation to these matters.

/s/ ERNST & YOUNG LLP

We have served as the Company's auditor since 1959.

New York, New York

November 27, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Becton, Dickinson and Company

Opinion on Internal Control Over Financial Reporting

We have audited Becton, Dickinson and Company's internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Becton, Dickinson and Company (the Company) maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of BD Advanced Patient Monitoring, which is included in the 2024 consolidated financial statements of the Company and constituted 2% of total assets as of September 30, 2024 and less than 1% of revenues for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of BD Advanced Patient Monitoring.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 30, 2024 and 2023, the related consolidated statements of income, comprehensive income and cash flows for each of the three years in the period ended September 30, 2024, and the related notes and our report dated November 27, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ ERNST & YOUNG LLP

New York, New York
November 27, 2024

Consolidated Statements of Income

Becton, Dickinson and Company
Years Ended September 30

Millions of dollars, except per share amounts	2024	2023	2022
Revenues	$ 20,178	$ 19,372	$ 18,870
Cost of products sold	11,053	11,202	10,393
Selling and administrative expense	4,857	4,719	4,709
Research and development expense	1,190	1,237	1,256
Integration, restructuring and transaction expense	458	313	192
Other operating expense (income), net	222	(210)	37
Total Operating Costs and Expenses	17,780	17,261	16,588
Operating Income	2,397	2,111	2,282
Interest expense	(528)	(452)	(398)
Interest income	163	49	16
Other expense, net	(28)	(46)	(117)
Income from Continuing Operations Before Income Taxes	2,005	1,662	1,783
Income tax provision	300	132	148
Net Income from Continuing Operations	1,705	1,530	1,635
(Loss) Income from Discontinued Operations, Net of Tax	—	(46)	144
Net Income	1,705	1,484	1,779
Preferred stock dividends	—	(60)	(90)
Net income applicable to common shareholders	$ 1,705	$ 1,424	$ 1,689
Basic Earnings per Share			
Income from Continuing Operations	$ 5.88	$ 5.14	$ 5.42
(Loss) Income from Discontinued Operations	—	(0.16)	0.50
Basic Earnings per Share	$ 5.88	$ 4.97	$ 5.93
Diluted Earnings per Share			
Income from Continuing Operations	$ 5.86	$ 5.10	$ 5.38
(Loss) Income from Discontinued Operations	—	(0.16)	0.50
Diluted Earnings per Share	$ 5.86	$ 4.94	$ 5.88

Amounts may not add due to rounding.

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Becton, Dickinson and Company
Years Ended September 30

Millions of dollars	2024	2023	2022
Net Income	$ 1,705	$ 1,484	$ 1,779
Other Comprehensive (Loss) Income, Net of Tax			
Foreign currency translation adjustments	(166)	(91)	305
Defined benefit pension and postretirement plans	14	4	210
Cash flow hedges	(32)	27	85
Unrealized loss on available-for-sale debt securities	(1)	—	—
Other Comprehensive (Loss) Income, Net of Tax	(184)	(60)	600
Comprehensive Income	$ 1,521	$ 1,424	$ 2,379

Amounts may not add due to rounding.

See notes to consolidated financial statements.

Consolidated Balance Sheets

Becton, Dickinson and Company
September 30

Millions of dollars, except per share amounts and numbers of shares	2024	2023
Assets		
Current Assets		
Cash and equivalents	$ 1,717	$ 1,416
Restricted cash	139	65
Short-term investments	445	8
Trade receivables, net	3,033	2,534
Inventories	3,843	3,273
Prepaid expenses and other	1,292	1,380
Total Current Assets	10,468	8,676
Property, Plant and Equipment, Net	6,821	6,557
Goodwill	26,465	24,522
Developed Technology, Net	7,733	8,058
Customer Relationships, Net	2,635	2,338
Other Intangibles, Net	549	552
Other Assets	2,615	2,078
Total Assets	$ 57,286	$ 52,780
Liabilities and Shareholders' Equity		
Current Liabilities		
Current debt obligations	$ 2,170	$ 1,141
Accounts payable	1,896	1,641
Accrued expenses	3,476	2,604
Salaries, wages and related items	1,246	1,115
Income taxes	168	139
Total Current Liabilities	8,956	6,641
Long-Term Debt	17,940	14,738
Long-Term Employee Benefit Obligations	942	1,023
Deferred Income Taxes and Other Liabilities	3,558	4,582
Commitments and Contingencies (See Note 6)		
Shareholders' Equity		
Common stock — $1 par value: authorized — 640,000,000 shares; issued — 370,594,401 shares in 2024 and 2023.	371	371
Capital in excess of par value	19,893	19,720
Retained earnings	16,139	15,535
Deferred compensation	25	24
Treasury stock — 81,493,082 shares in 2024 and 80,202,608 shares in 2023.	(8,807)	(8,305)
Accumulated other comprehensive loss	(1,732)	(1,548)
Total Shareholders' Equity	25,890	25,796
Total Liabilities and Shareholders' Equity	$ 57,286	$ 52,780

Amounts may not add due to rounding.

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Becton, Dickinson and Company
Years Ended September 30

Millions of dollars	2024	2023	2022
Operating Activities			
Net income	$ 1,705	$ 1,484	$ 1,779
Less: (Loss) income from discontinued operations, net of tax	—	(46)	144
Income from continuing operations, net of tax	1,705	1,530	1,635
Adjustments to net income from continuing operations to derive net cash provided by continuing operating activities:			
Depreciation and amortization	2,286	2,288	2,229
Share-based compensation	247	259	233
Deferred income taxes	(211)	(622)	(120)
Change in operating assets and liabilities:			
Trade receivables, net	(453)	(290)	32
Inventories	98	(15)	(631)
Prepaid expenses and other	23	192	(436)
Accounts payable, income taxes and other liabilities	625	(517)	(473)
Pension obligation	(70)	112	(55)
Gain on sale of business	—	(268)	—
Product remediation-related charges	38	653	72
Other, net	(445)	(332)	(16)
Net Cash Provided by Continuing Operating Activities	3,844	2,990	2,471
Investing Activities			
Capital expenditures	(725)	(874)	(973)
Purchases of investments, net	(421)	—	—
Acquisitions, net of cash acquired	(3,924)	—	(2,070)
Proceeds from divestitures, net	—	540	—
Other, net	(444)	(382)	(178)
Net Cash Used for Continuing Investing Activities	(5,514)	(716)	(3,220)
Financing Activities			
Change in short-term debt	400	(230)	230
Proceeds from long-term debt	4,517	1,662	497
Distribution from Embecta Corp. (see Note 2)	—	—	1,266
Net transfer of cash to Embecta upon spin-off	—	—	(265)
Payments of debt	(1,142)	(2,155)	(805)
Repurchase of common stock	(500)	—	(500)
Dividends paid	(1,100)	(1,114)	(1,082)
Other, net	(89)	(120)	(77)
Net Cash Provided by (Used for) Continuing Financing Activities	2,087	(1,956)	(736)
Discontinued Operations:			
Net cash (used for) provided by operating activities	(46)	(1)	163
Net cash used for investing activities	—	—	(11)
Net cash provided by financing activities	—	—	145
Net Cash (Used for) Provided by Discontinued Operations	(46)	(1)	298
Effect of exchange rate changes on cash and equivalents and restricted cash	4	5	(45)
Net Increase (Decrease) in Cash and Equivalents and Restricted Cash	375	322	(1,233)
Opening Cash and Equivalents and Restricted Cash	1,481	1,159	2,392
Closing Cash and Equivalents and Restricted Cash	$ 1,856	$ 1,481	$ 1,159

Amounts may not add due to rounding.

See notes to consolidated financial statements.

Note 1 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Consolidated Financial Statements and Notes to Consolidated Financial Statements of Becton, Dickinson and Company (the "Company" or "BD") have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Within the financial statements and tables presented, certain columns and rows may not add due to the use of rounded numbers for disclosure purposes. Percentages and earnings per share amounts presented are calculated from the underlying amounts. Our fiscal year ends on September 30.

On April 1, 2022, the Company completed the spin-off of its Diabetes Care business as a separate publicly traded company. The historical results of the Diabetes Care business (previously included in BD's Medical segment) that was contributed to Embecta Corp ("Embecta") in the spin-off were reflected as discontinued operations in the Company's consolidated financial statements. Additional disclosures regarding the spin-off are provided in Note 2.

Principles of Consolidation

The consolidated financial statements include the Company's accounts and those of its majority-owned subsidiaries after the elimination of intercompany transactions. The Company has no material interests in variable interest entities.

Cash Equivalents

Cash equivalents consist of all highly liquid investments with a maturity of three months or less at time of purchase.

Restricted Cash

Restricted cash consists of cash restricted from withdrawal and usage and largely represents funds that are restricted for certain product liability matters, which are further discussed in Note 6.

Trade Receivables

The Company grants credit to customers in the normal course of business and the resulting trade receivables are stated at their net realizable value. The allowance for doubtful accounts represents the Company's estimate of expected credit losses relating to trade receivables and is determined based on historical experience, current conditions, reasonable and supportable forecasts and other specific account data. Amounts are written off against the allowances for doubtful accounts when the Company determines that a customer account is not collectable.

Inventories

Inventories are stated at the lower of approximate cost or net realizable value determined on the first-in, first-out basis.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are principally provided on the straight-line basis over estimated useful lives, which range from 20 to 45 years for buildings, four to 20 years for machinery and equipment and one to 20

years for leasehold improvements. Depreciation and amortization expense was $676 million, $696 million and $672 million in fiscal years 2024, 2023 and 2022, respectively.

Goodwill and Other Intangible Assets

The Company's unamortized intangible assets include goodwill that arises from acquisitions of businesses. The Company reviews goodwill for impairment using quantitative models. Goodwill is reviewed at least annually for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment, referred to as a component. The Company's reporting units represent one level below reporting segments. The Company reviews goodwill for each reporting unit by comparing the fair value of the reporting unit, estimated using an income approach, with its carrying value. The annual impairment review performed on July 1, 2024 indicated that all identified reporting units' fair values exceeded their respective carrying values.

Amortized intangible assets include developed technology assets which arise from acquisitions. These assets represent acquired intellectual property that is already technologically feasible upon the acquisition date or acquired in-process research and development assets that are completed subsequent to acquisition. Developed technology assets are generally amortized over periods ranging from 15 to 20 years, using the straight-line method. Customer relationship assets are generally amortized over periods ranging from 10 to 15 years, using the straight-line method. Other intangibles with finite useful lives, which include patents, are amortized over periods principally ranging from one to 40 years, using the straight-line method. Finite-lived intangible assets, including developed technology assets, are periodically reviewed when impairment indicators are present to assess recoverability from future operations using undiscounted cash flows. The carrying values of these finite-lived assets are compared to the undiscounted cash flows they are expected to generate and an impairment loss is recognized in operating results to the extent any finite-lived intangible asset's carrying value exceeds its calculated fair value.

Foreign Currency Translation

Generally, foreign subsidiaries' functional currency is the local currency of operations and the net assets of foreign operations are translated into U.S. dollars using current exchange rates. The U.S. dollar results that arise from such translation, as well as exchange gains and losses on intercompany balances of a long-term investment nature, are included in the foreign currency translation adjustments in *Accumulated other comprehensive income (loss).*

Revenue Recognition

The Company recognizes revenue from product sales when the customer obtains control of the product, which is generally upon shipment or delivery, depending on the delivery terms specified in the sales agreement. Revenues associated with certain instruments and equipment for which installation is complex, and therefore significantly affects the customer's ability to use and benefit from the product, are recognized upon customer acceptance of these installed products. Revenue for certain service arrangements, including extended warranty and software maintenance contracts, is recognized ratably over the contract term. When arrangements include multiple performance obligations, the total transaction price of the contract is allocated to each performance obligation based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. Variable consideration such as rebates, sales discounts and sales returns are estimated and treated as a reduction of revenue in the same period the related revenue is recognized. These estimates are based on contractual terms, historical practices, and current trends, and are adjusted as new information becomes available. Revenues exclude any taxes that the Company collects from customers and remits to tax authorities.

Equipment lease transactions with customers are evaluated and classified as either operating or sales-type leases. Generally, these arrangements are accounted for as operating leases and therefore, revenue is recognized at the contracted rate over the rental period defined within the customer agreement.

Additional disclosures regarding the Company's accounting for revenue recognition are provided in Note 7.

Shipping and Handling Costs

The Company considers its shipping and handling costs to be contract fulfillment costs and records them within *Selling and administrative expense.* Shipping expense was $702 million, $733 million and $751 million in 2024, 2023 and 2022, respectively.

Contingencies

The Company establishes accruals for future losses which are both probable and can be reasonably estimated. Additional disclosures regarding the Company's accounting for contingencies are provided in Note 6.

Derivative Financial Instruments

All derivatives are recorded in the balance sheet at fair value and changes in fair value are recognized currently in earnings unless specific hedge accounting criteria are met. Any deferred gains or losses associated with derivative instruments are recognized in income in the period in which the underlying hedged transaction is recognized. The cash flows related to the Company's derivative instruments designated as net investment hedges are reported as investing activities in the consolidated statements of cash flows. Cash flows for all other derivatives, including undesignated hedges, are classified in the same line item as the cash flows of the related hedged item, which is generally within operating or financing activities. Additional disclosures regarding the Company's accounting for derivative instruments are provided in Note 14.

Income Taxes

The Company has reviewed its needs in the United States for possible repatriation of undistributed earnings of its foreign subsidiaries and continues to invest foreign subsidiaries earnings outside of the United States to fund foreign investments or meet foreign working capital and property, plant and equipment expenditure needs. As a result, the Company is permanently reinvested with respect to all of its historical foreign earnings as of September 30, 2024. Deferred taxes are not provided on undistributed earnings of foreign subsidiaries that are indefinitely reinvested. The determination of the amount of the unrecognized deferred tax liability related to the undistributed earnings is not practicable because of the complexities associated with its hypothetical calculation.

The Company conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. In evaluating the exposure associated with various tax filing positions, the Company records accruals for uncertain tax positions based on the technical support for the positions, past audit experience with similar situations, and the potential interest and penalties related to the matters.

The Company maintains valuation allowances where it is more likely than not that all or a portion of a deferred tax asset will not be realized. Changes in valuation allowances are included in the tax provision in the period of change. In determining whether a valuation allowance is warranted, management evaluates factors such as prior earnings history, expected future earnings, carryback and carryforward periods and tax strategies that could potentially enhance the likelihood of the realization of a deferred tax asset. Additional disclosures regarding the Company's accounting for income taxes are provided in Note 17.

The Tax Cuts and Jobs Act was enacted on December 22, 2017 and subjects a U.S. shareholder to tax on global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. The Company has elected to account for its GILTI tax due as a period expense in the year the tax is incurred.

Earnings per Share

Basic earnings per share are computed by dividing income available to common stockholders by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. In computing diluted earnings per share, only potential common shares that are dilutive (i.e., those that reduce earnings per share or increase loss per share) are included in the calculation.

Fair Value Measurements

A fair value hierarchy is applied to prioritize inputs used in measuring fair value. The three levels of inputs used to measure fair value are detailed below. Additional disclosures regarding the Company's fair value measurements are provided in Notes 10 and 15.

Level 1 — Inputs to the valuation methodology which represent unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 — Inputs to the valuation methodology which include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability.

Level 3 — Inputs to the valuation methodology which are unobservable and significant to the fair value measurement.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates or assumptions affect reported assets, liabilities, revenues and expenses as reflected in the consolidated financial statements. Actual results could differ from these estimates.

Note 2 — Divestitures

Surgical Instrumentation Platform

The Company completed the sale of its Interventional segment's Surgical Instrumentation platform in August 2023. The Company recognized a pre-tax gain on the sale of approximately $268 million, which was recorded as a component of *Other operating expense (income), net* in fiscal year 2023. The historical financial results for the Surgical Instrumentation platform have not been classified as a discontinued operation.

Spin-Off of Embecta Corp.

On April 1, 2022, the Company completed the spin-off of its former Diabetes Care business as a separate publicly traded company named Embecta through a distribution of Embecta's publicly traded common stock (listed on NASDAQ under the ticker symbol "EMBC") to BD's shareholders of record as of the close of business on March 22, 2022 (the "record date"). The Company distributed one share of Embecta common stock for every five common shares of BD outstanding as of the record date and shareholders received cash in lieu of fractional shares of Embecta common stock. BD retained no ownership interest in Embecta subsequent to the spin-off. The distribution is expected to qualify and has been treated as tax-free to the Company and its shareholders for U.S. federal income tax purposes. On March 31, 2022, Embecta used a portion of the proceeds from financing transactions to make a cash distribution of approximately $1.266 billion to the Company.

The Company and Embecta entered into various agreements to effect the spin-off and provide a framework for the relationship between the Company and Embecta after the spin-off. Such agreements include the separation and distribution agreement, as well as the following ongoing agreements: a cannula supply agreement, an intellectual property matters agreement, a transition services agreement, manufacturing and supply agreements, a lease agreement, a distribution agreement to support commercial operations, a logistics services agreement and other agreements including an employee matters agreement and a tax matters agreement. Under these agreements, the Company has continued to provide certain products and services to

Embecta following the spin-off. The agreements do not provide the Company with the ability to influence the operating or financial policies of Embecta subsequent to the spin-off date. Amounts included in the Company's consolidated statements of income during the fiscal years ended September 30, 2024, 2023 and 2022 as a result of these agreements are detailed in Note 19.

Details of *(Loss) Income from Discontinued Operations, Net of Tax*, which represent the historical results of the Diabetes Care business prior to the spin-off date of April 1, 2022, are as follows:

Millions of dollars	2022
Revenues	$ 538
Cost of products sold	143
Selling and administrative expense	78
Research and development expense	32
Other operating expense, net	95
Total Operating Costs and Expenses	348
Operating Income	190
Interest expense	(4)
Income from Discontinued Operations Before Income Taxes	186
Income tax provision	42
Income from Discontinued Operations, Net of Tax	$ 144

In fiscal year 2023, the Company recorded expenses of $46 million within *(Loss) Income from Discontinued Operations, Net of Tax* related to a foreign tax associated with the spin-off. For fiscal year 2022, in the table above, *Other operating expense, net,* includes $30 million of costs incurred by the Company to execute the spin-off and other costs for related residual activities, as well as $78 million of separation costs incurred by the Company prior to the spin-off date, including those for consulting, legal, tax and other advisory services associated with the spin-off.

The amounts of *Revenues* and *Cost of products sold* from discontinued operations detailed above include previously eliminated intercompany transactions that occurred between BD and Embecta which resulted in a third-party sale in the same period.

Note 3 — Accounting Changes

New Accounting Principles Adopted

In September 2022, the Financial Accounting Standards Board ("FASB") issued an accounting standard update that requires additional qualitative and quantitative disclosures regarding supplier finance programs. The new disclosure requirements are intended to help investors better consider the effect of these programs on a company's working capital, liquidity, and cash flows. The Company adopted this accounting standard on October 1, 2023, and disclosures regarding the Company's supplier finance programs are provided in Note 15.

On July 1, 2022, the Company early-adopted an accounting standard update issued by the FASB, which requires an entity to apply the provisions of Accounting Standard Codification Topic 606, "Revenue from Contracts with Customers," ("ASC 606") when recognizing and measuring contract assets and contract liabilities acquired in a business combination. The Company's adoption of this accounting standard update for

business combinations that occurred during fiscal year 2022 did not have a material impact on its consolidated financial statements.

New Accounting Principles Not Yet Adopted

In November 2024, the FASB issued an accounting standard update that requires the Company to disclose more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization, and depletion) included in each relevant income statement expense caption. The update is effective for the Company beginning with its fiscal year 2028 reporting and for interim reporting beginning with its fiscal year 2029. Early adoption is permitted. The Company is currently evaluating the impact that this update will have on its disclosures.

In December 2023, the FASB issued an accounting standard update that requires more disaggregated information to be included in the income tax rate reconciliation and income taxes paid annual disclosures. This update is effective for the Company beginning in its fiscal year 2026 and the Company is currently evaluating the impact that this update will have on its disclosures.

In November 2023, the FASB issued a new accounting standard update that requires more disaggregated expense information about a public entity's reportable segments. This update is effective for the Company beginning with its fiscal year 2025 reporting and for interim reporting beginning with its fiscal year 2026. The Company is currently evaluating the impact that this update will have on its disclosures.

Note 4 — Shareholders' Equity

Changes in certain components of shareholders' equity were as follows:

(Millions of dollars)	Common Stock Issued at Par Value	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Treasury Stock	
					Shares (in thousands)	Amount
Balance at September 30, 2021	$ 365	$ 19,272	$ 13,826	$ 23	(80,164)	$ (7,723)
Net income	—	—	1,779	—	—	—
Cash dividends:						
Common ($3.48 per share)	—	—	(992)	—	—	—
Preferred	—	—	(90)	—	—	—
Issuance of shares under employee and other plans, net	—	(108)	(1)	—	1,271	44
Share-based compensation	—	239	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	25	—
Repurchase of common stock	—	150	—	—	(2,415)	(650)
Spin-off of Embecta (See Note 2)	—	—	634	—	—	—
Balance at September 30, 2022	$ 365	$ 19,553	$ 15,157	$ 23	(81,283)	$ (8,330)
Net income	—	—	1,484	—	—	—
Cash dividends:						
Common ($3.64 per share)	—	—	(1,046)	—	—	—
Preferred	—	—	(60)	—	—	—
Issuance of shares for preferred shares converted to common shares (b)	6	(4)	—	—	—	—
Issuance of shares under employee and other plans, net	—	(88)	—	1	1,056	24
Share-based compensation	—	259	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	24	—
Balance at September 30, 2023	$ 371	$ 19,720	$ 15,535	$ 24	(80,203)	$ (8,305)
Net income	—	—	1,705	—	—	—
Cash dividends:						
Common ($3.80 per share)	—	—	(1,100)	—	—	—
Issuance of shares under employee and other plans, net	—	(73)	—	1	801	2
Share-based compensation	—	247	—	—	—	—
Common stock held in trusts, net (a)	—	—	—	—	27	—
Repurchase of common stock	—	—	—	—	(2,118)	(503)
Balance at September 30, 2024	$ 371	$ 19,893	$ 16,139	$ 25	(81,493)	$ (8,807)

(a) Common stock held in trusts consists of the Company's shares held in rabbi trusts in connection with deferred compensation under the Company's employee salary and bonus deferral plan and directors' deferral plan.

(b) Represents the conversion, in accordance with their terms, of 1.500 million mandatory convertible preferred shares that were issued in May 2020 were converted into 5.955 million shares of BD common stock on the mandatory conversion date of June 1, 2023.

Share Repurchases

In fiscal year 2024, the Company executed and settled accelerated share repurchase ("ASR") agreements for the repurchase of 2.118 million shares of its common stock for total consideration of $500 million, excluding a 1% excise tax on share repurchases of $3 million, which was recorded as an increase to *Treasury stock.*

In fiscal year 2022, the Company executed an ASR agreement in which 1.953 million common shares were repurchased and delivered in fiscal year 2022 for $500 million, and were recorded as an increase to *Treasury stock.* Also in fiscal year 2022, $150 million was recorded as an increase to *Treasury stock*, with an offsetting increase to *Capital in excess of par value* for the delivery of 462 thousand shares upon final settlement of a separate ASR agreement which was executed in fiscal year 2021.

The share repurchases discussed above were made pursuant to the repurchase program authorized by the Board of Directors on September 24, 2013 for 10 million shares, which was fully utilized as of September 30, 2022, and a repurchase program authorized by the Board of Directors on November 3, 2021 for up to an additional 10 million shares of BD common stock, for which there is no expiration date.

The components and changes of *Accumulated other comprehensive income (loss)* were as follows:

(Millions of dollars)	Total	Foreign Currency Translation	Benefit Plans	Cash Flow Hedges	Available-for-Sale Debt Securities
Balance at September 30, 2021	$ (2,088)	$ (1,292)	$ (784)	$ (10)	$ —
Other comprehensive income before reclassifications, net of taxes	306	54	169	83	—
Amounts reclassified into income, net of taxes	43	—	41	2	—
Spin-off of Embecta (See Note 2)	251	251	—	—	—
Balance at September 30, 2022	$ (1,488)	$ (987)	$ (574)	$ 75	$ —
Other comprehensive (loss) income before reclassifications, net of taxes	(106)	(91)	(37)	21	—
Amounts reclassified into income, net of taxes	46	—	41	6	—
Balance at September 30, 2023	$ (1,548)	$ (1,078)	$ (571)	$ 103	$ —
Other comprehensive loss before reclassifications, net of taxes	(227)	(166)	(32)	(28)	(1)
Amounts reclassified into income, net of taxes	42	—	46	(4)	—
Balance at September 30, 2024	$ (1,732)	$ (1,244)	$ (557)	$ 70	$ (1)

The amount of foreign currency translation recognized in other comprehensive income during the years ended September 30, 2024, 2023 and 2022 included net (losses) gains relating to net investment hedges, as further discussed in Note 14. The amount recognized in other comprehensive income relating to cash flow hedges in 2024 is primarily related to foreign exchange contracts and forward starting interest rate swaps, which were terminated during fiscal year 2024. The amounts recognized in other comprehensive income relating to cash flow hedges in 2023 and 2022 are primarily related to forward starting interest rate swaps. Additional disclosures regarding the Company's derivatives are provided in Note 14.

The tax impacts for benefit plans and cash flow hedges recognized in other comprehensive income before reclassifications in 2024, 2023 and 2022 were immaterial to the Company's consolidated financial results. The tax impacts for reclassifications out of *Accumulated other comprehensive income (loss)* relating to benefit plans and cash flow hedges in 2024, 2023 and 2022 were also immaterial to the Company's consolidated financial results.

Note 5 — Earnings per Share

The weighted average common shares used in the computations of basic and diluted earnings per share (shares in thousands) for the years ended September 30 were as follows:

	2024	2023	2022
Average common shares outstanding	289,763	286,282	285,005
Dilutive share equivalents from share-based plans (a) (b)	1,246	2,110	2,333
Dilutive share equivalents from Series C preferred shares (c)	—	—	26
Average common and common equivalent shares outstanding — assuming dilution	291,009	288,392	287,364

(a) In 2023 and 2022, dilutive share equivalents associated with mandatory convertible preferred stock of 4 million and 6 million, respectively, were excluded from the diluted shares outstanding calculation because the result would have been antidilutive. All of the mandatory convertible preferred shares outstanding were converted during fiscal year 2023, as further discussed in Note 4.

(b) In 2024, 1 million of certain share-based compensation awards were excluded from the diluted earnings per share calculation as the exercise prices of these awards were greater than the average market price of the Company's common shares. In 2023 and 2022, no such awards were excluded from the diluted earnings per share calculation. Additional disclosures regarding the Company's share-based compensation are provided in Note 9.

(c) Represents dilutive share equivalents from Series C preferred shares that temporarily replaced shares of common stock held in trusts to adhere to trust requirements until the Company's spin-off of its Diabetes Care business on April 1, 2022 was completed.

Note 6 — Commitments and Contingencies

Commitments

The Company has certain future purchase commitments entered in the normal course of business to meet operational and capital requirements. As of September 30, 2024, these commitments aggregated to approximately $1.831 billion and will be expended over the next several years.

Contingencies

The Company is involved, both as a plaintiff and a defendant, in various legal proceedings that arise in the ordinary course of business, including, without limitation, product liability and environmental matters in certain U.S. and international locations. Given the uncertain nature of litigation generally, the Company is not able, in all cases, to reasonably estimate the amount or range of loss that could result from an unfavorable outcome of litigation in which the Company is a party. Even if the Company believes it has meritorious defenses, from time to time the Company engages in settlement discussions and mediation and considers settlements taking into account various factors including, among other things, developments in such legal proceedings and the resulting risks and uncertainties. These activities have resulted in settlements for certain matters and going forward could result in further settlements, which may be confidential and could be significant and result in charges in excess of accruals.

In accordance with U.S. GAAP, the Company establishes accruals to the extent future losses are probable and reasonably estimable. With respect to putative class action lawsuits and certain tort actions in the United States and certain of the Canadian lawsuits described below or in our other SEC filings, the Company may not be able to determine if a probable loss exists for the following reasons: (i) all or certain of the proceedings are in early stages; (ii) the Company has not received and reviewed complete information regarding all or certain of the plaintiffs and their medical conditions; and/or (iii) there are significant factual issues to be resolved. In

addition, there is uncertainty as to the likelihood of a class being certified or the ultimate size of any class. With respect to certain of the civil investigative demands ("CIDs") served by the Department of Justice which are discussed below, the Company may not be able to determine if a probable loss exists, unless otherwise noted, for the following reasons: (i) all or certain of the proceedings are in early stages; and/or (ii) there are significant factual and legal issues to be resolved.

Product Liability Matters

As of September 30, 2024, the Company is defending approximately 6,610 product liability claims involving the Company's line of hernia repair devices (collectively, the "Hernia Product Claims").The Company's outstanding Hernia Product Claims as of September 30, 2023 were approximately 34,845. The reduction in the number of outstanding claims primarily reflects a settlement agreement that was consummated in the fourth quarter of fiscal year 2024 to resolve the vast majority of the Company's existing hernia litigation. The aggregate amount payable pursuant to this settlement is within the Company's current product liability accrual for this matter and will be paid out over a multi-year period. The majority of the outstanding claims are currently pending in a coordinated proceeding in Rhode Island State Court ("RI") and in a federal multi-district litigation ("MDL") established in the Southern District of Ohio, but claims are also pending in other state and/or federal court jurisdictions. In addition, outstanding claims include multiple putative class actions in Canada. Generally, the Hernia Product Claims seek damages for personal injury allegedly resulting from use of the products. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters. There are no trials currently scheduled.

The Company also continues to be a defendant in certain other mass tort litigation. As of September 30, 2024, the Company is defending product liability claims involving the Company's line of pelvic mesh products, the majority of which are pending in a coordinated proceeding in New Jersey Superior Court and in various federal court jurisdictions, the Company's line of inferior vena cava ("IVC") filter products, which are pending in various jurisdictions, and the Company's line of implantable ports, the majority of which are pending in an MDL in the United States District Court for the District of Arizona. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters.

In most product liability litigations like those described above, plaintiffs allege a wide variety of claims, ranging from allegations of serious injury caused by the products to efforts to obtain compensation notwithstanding the absence of any injury. In many of these cases, the Company has not yet received and reviewed complete information regarding the plaintiffs and their medical conditions and, consequently, is unable to fully evaluate the claims. The Company expects that it will receive and review additional information regarding any remaining unsettled product liability matters.

Other Matters

On November 2, 2020, a putative shareholder derivative action captioned Jankowski v. Forlenza, et al., Civ. No. 2:20-cv-15474, was filed in the U.S. District Court for the District of New Jersey by a shareholder, derivatively on behalf of the Company, against certain of the Company's directors and officers. The complaint asserts claims for breach of fiduciary duty; violations of sections 10(b), 14(a) and 21D of the Exchange Act, and insider trading. The complaint principally alleges, that the Company made misleading statements regarding Alaris™ infusion pumps in a proxy statement and other SEC filings. A second federal derivative action was filed on January 24, 2021, and the two actions were consolidated and stayed. In March 2021, the Company received letters from two additional shareholders which, in general, mirrored the allegations in the derivative actions, and demanded, among other things, that the Board of Directors pursue claims against members of management for claimed breaches of fiduciary duties. Consistent with New Jersey law, the Board appointed a special committee to review the allegations and demands in the derivative actions and demand letters. Following an investigation, the special committee determined that no action was warranted, and rejected the shareholders' demands, communicating its determination to counsel for the shareholders. On January 10, 2023, one of the two shareholders referenced above filed a separate derivative action that: (i) is generally consistent with the shareholder letter and the two prior actions; and (ii) purports to challenge the reasonableness of the special

committee's process and determination. That action was also stayed. Following entry of a stipulated scheduling order for an amended complaint and motion to dismiss the consolidated federal action, the case schedule was adjourned without date pending mediation. Mediation proceedings have taken place, with negotiations continuing. On September 10, 2024, the Company received an additional substantially identical shareholder demand letter and on September 26, 2024, that shareholder filed a second substantially identical state court derivative action. The Company believes that the defendants have meritorious defenses and intends to vigorously defend these matters, if ongoing negotiations are unproductive.

Beginning in February 2021, the Company received subpoenas from the Enforcement Division of the SEC requesting information from the Company relating to, among other things, certain reporting issues involving BD Alaris™ infusion pumps included in SEC disclosures prior to 2021. The Company is cooperating with the SEC and is engaged in discussions with the SEC with respect to a potential resolution of this matter. Although the Company cannot predict the outcome of the discussions with the SEC, the Company expects that any resolution will likely require the Company to pay monetary penalties and/or undertake other remedial actions, any of which could potentially be material. As a result, although no agreement has been reached, the Company recorded charges of $50 million and $125 million in the third and fourth quarters of 2024, respectively, to *Other operating expense (income), net* to accrue an estimated $175 million liability as of September 30, 2024 based on these discussions. However, the Company cannot anticipate the timing, scope, outcome or ultimate impact of the investigation, financial or otherwise, including but not limited to what actions the SEC might pursue against the Company and/or individuals. As a result, the ultimate resolution of this matter is unknown at this time, and it is possible that the amount of the Company's liability could significantly exceed its currently accrued amount.

In July 2017, C.R. Bard, which was acquired by the Company in December 2017, received a CID from the Department of Justice seeking documents and information relating to an investigation into possible violations of the False Claims Act in connection with the sales and marketing of FloChec® and QuantaFlo™ devices. The Company has responded to these requests and met with the Department of Justice in February and July 2024; discussions are ongoing.

In April 2019, the Department of Justice served the Company and CareFusion with CIDs seeking information regarding certain of CareFusion's contracts with the Department of Veteran's Affairs, some dating back more than 10 years, for certain products, including Alaris™ and Pyxis™ devices, in connection with a civil investigation of possible violations of the False Claims Act, and the government later expanded the investigation to include several additional contracts. The government has made several requests for documents and interviews or depositions of Company personnel. The Company is cooperating with the government and responding to these requests.

In September 2021, the Company received a CID related to an inquiry initiated by the Department of Justice in the Northern District of Georgia in 2018 concerning sales and marketing practices with respect to certain aspects of the Company's urology business. After multiple document productions and interviews, the Company and the government mediated the case in an effort to resolve this dispute; an agreement was reached to resolve this matter for an adequately accrued amount that is not material to the Company's consolidated financial results.

In April 2023, the Department of Justice served the Company with a CID seeking information regarding the Company's Genesis™ container products in connection with an investigation of possible violations of the False Claims Act. The government has requested documents and the Company is cooperating with the government and responding to its requests.

The Company was sued in state and federal courts in Georgia by plaintiffs who work or reside near Company facilities in Covington, GA, where ethylene oxide ("EtO") sterilization activities take place. The federal cases have been dismissed and refiled in state court. The plaintiffs in the cases seek compensatory and punitive damages. Pursuant to Georgia statute, punitive damages in these cases are generally capped at $250,000 per claimant, unless the plaintiff can prove by clear and convincing evidence that the Company acted, or failed to act, with a specific intent to cause harm. The cases allege a variety of injuries, including but not

limited to multiple types of cancer, allegedly attributable to exposure to EtO. As of September 30, 2024, the Company has approximately 350 of such suits involving approximately 360 plaintiffs asserting individual personal injury claims; approximately 50 of the cases also allege injury caused by exposure to a chemical of another defendant entirely unrelated to the Company. No cases have yet been tried although a trial date has been set for one such case scheduled for April 2025. The Company believes that it has meritorious defenses and is vigorously defending itself in these matters.

In 2015, legislation was enacted in Italy which requires medical technology companies to make payments to the Italian government if Italy's medical device expenditures exceed annual regional expenditure ceilings. The amount of these payments is based on the amount by which the regional ceilings for the given year were exceeded. Considerable uncertainty has existed regarding the enforceability and implementation of this payback legislation since it was enacted and the Company, as well as other medical device companies, have filed appeals which challenge the enforceability of this legislation. In July 2024, the Italian Constitutional Court issued two judgments which concluded that the medical device payback legislation is constitutional; however, litigation proceedings before Italian Courts are still pending. While the Company has recorded a preliminary estimate of the liability related to this matter, ultimate resolution is unknown at this time, and it is possible that the amount of the Company's liability could differ from the currently accrued amount. This estimated amount, which substantially relates to years prior to the current fiscal year, was recorded for the fiscal year ended September 30, 2024 as a $62 million reduction of Revenues.

In May 2024, CareFusion 303, Inc., the Company's subsidiary that manufactures its BD Pyxis™ dispensing equipment, received a Form 483 Notice from the U.S. Food and Drug Administration ("FDA") that contained observations of non-conformance with the FDA's quality system and Medical Device Reporting ("MDR") regulations. In November 2024, the Company received a Warning Letter that contained alleged violations of the quality system regulations, MDR regulation, the corrections and removals reporting regulation and law. During the fourth quarter of fiscal year 2024, the Company recorded a $28 million liability for estimated future costs associated with certain actions required to respond to the Warning Letter and to address the non-conformities. The Company is currently working to respond to this Warning Letter; however, no assurances can be given regarding further action by the FDA as a result of the noted non-conformities, or that corrective actions proposed and taken by CareFusion 303, Inc. will be adequate to address the non-conformities. Any failure to adequately address this Warning Letter may result in regulatory actions initiated by the FDA without further notice, which may include, but are not limited to, seizure, injunction and civil monetary penalties. As a result, the ultimate resolution of this Warning Letter and its impact on the Company's operations is unknown at this time, and it is possible that the amount of the Company's liability could exceed its currently accrued amount.

The Company is also involved both as a plaintiff and a defendant in other legal proceedings and claims that arise in the ordinary course of business. The Company believes that it has meritorious defenses and is vigorously defending itself in each of these matters.

Except as otherwise noted, the Company cannot predict the outcome of the other legal matters discussed above, nor can it predict whether any outcome will have a material adverse effect on the Company's consolidated results of operations and/or consolidated cash flows. Further, the Company may not be able to determine if a probable loss exists for certain of the other legal matters discussed above, and accordingly, the Company has recorded no provisions for such matters in its consolidated results of operations.

The Company is a potentially responsible party to a number of federal administrative proceedings in the United States brought under the Comprehensive Environment Response, Compensation and Liability Act, also known as "Superfund," and similar state laws. The Company also is subject to administrative proceedings under environmental laws in jurisdictions outside the U.S. The affected sites are in varying stages of development. In some instances, the remedy has been completed, while in others, environmental studies are underway or commencing. For several sites, there are other potentially responsible parties that may be jointly or severally liable to pay all or part of cleanup costs. While it is not feasible to predict the outcome of these proceedings, based upon the Company's experience, current information and applicable law, the Company does not expect

these proceedings to have a material adverse effect on its consolidated results of operations and/or consolidated cash flows.

Litigation Accruals

The Company regularly monitors and evaluates the status of product liability and other litigated matters, and may, from time-to-time, engage in settlement discussions and mediation taking into consideration, among other things, developments in the litigation and the risks and uncertainties associated therewith. These activities have resulted in confidential settlements and going forward could result in further settlements, the terms of which may be confidential and could be significant and result in charges in excess of accruals. A determination of the accrual amounts for these contingencies is made after analysis of each litigation matter. When appropriate, the accrual is developed with the consultation of outside counsel and, in the case of certain mass tort litigation, actuarial specialists regarding the nature, timing, and extent of each matter.

During fiscal years 2024, 2023 and 2022, the Company recorded a pre-tax (benefit) charge to *Other operating expense (income), net,* of approximately $(36) million, $26 million and $21 million, respectively, related to certain of the product liability matters discussed above under the heading "Product Liability Matters," including the related legal defense costs. The benefit recorded in fiscal year 2024 primarily reflected the favorable resolution of claims during the fiscal year.

The Company considers relevant information when estimating its product liability accruals, including, but not limited to: the nature, number, and quality of unfiled and filed claims; the rate of claims being filed; the status of settlement discussions with plaintiffs' counsel; the allegations and documentation supporting or refuting such allegations; publicly available information regarding similar medical device mass tort settlements; historical information regarding other product liability settlements involving the Company; and the stage of litigation. Because currently available information regarding product liability matters is often limited, there is inherent uncertainty and volatility relating to the Company's estimate of product liability. As additional information becomes available, the Company records adjustments to its product liability accruals as required.

Accruals for the Company's product liability claims which are discussed above, as well as the related legal defense costs, amounted to approximately $1.7 billion and $1.9 billion at September 30, 2024 and 2023, respectively. These accruals are recorded within *Accrued expenses* and *Deferred Income Taxes and Other Liabilities* on the Company's consolidated balance sheets. The decrease in the Company's product liability accrual as of September 30, 2024, as compared with September 30, 2023, largely reflected reductions to the accrual due to the payment of settlements and legal fees, as well as the adjustment of $36 million noted above. The decrease in the number of outstanding hernia repair device claims discussed above did not materially impact the Company's product liability accrual because the aggregate amount payable pursuant to this settlement agreement will be paid out over a multi-year period. The accrual also reflects a determination that the remaining outstanding hernia repair device claims are generally of lower quality. Claim activity during the fiscal year 2024 relating to the pelvic mesh device and IVC filter matters did not materially impact the Company's product liability accrual as of September 30, 2024.

The particular outcome in any one product liability trial is typically not representative of potential outcomes of all cases or claims. Because the accrual already contemplates a wide range of possible outcomes, including those with a de minimis value, individual outcomes generally do not impact the value of other cases in the total case inventory or the overall product liability accrual.

In view of the uncertainties discussed above, the Company could incur charges in excess of any currently established accruals and, to the extent available, liability insurance. In the opinion of management, any such future charges, individually or in the aggregate, could have a material adverse effect on the Company's consolidated results of operations, financial condition, and/or consolidated cash flows.

Note 7 — Revenues

The Company sells a broad range of medical supplies, devices, laboratory equipment and diagnostic products which are distributed through independent distribution channels and directly by BD through sales representatives. End-users of the Company's products include healthcare institutions, physicians, life science researchers, clinical laboratories, the pharmaceutical industry and the general public.

Timing of Revenue Recognition

The Company's revenues are primarily recognized when the customer obtains control of the product sold, which is generally upon shipment or delivery, depending on the delivery terms specified in the sales agreement. Revenues associated with certain instruments and equipment for which installation is complex, and therefore significantly affects the customer's ability to use and benefit from the product, are recognized when customer acceptance of these installed products has been confirmed. For certain service arrangements, including extended warranty and software maintenance contracts, revenue is recognized ratably over the contract term. The majority of revenues relating to extended warranty contracts associated with certain instruments and equipment is generally recognized within a few years whereas deferred revenue relating to software maintenance contracts is generally recognized over a longer period.

Measurement of Revenues

The Company acts as the principal in substantially all of its customer arrangements and as such, generally records revenues on a gross basis. Revenues exclude any taxes that the Company collects from customers and remits to tax authorities. The Company considers its shipping and handling costs to be costs of contract fulfillment and has made the accounting policy election to record these costs within *Selling and administrative expense*.

Payment terms extended to the Company's customers are based upon commercially reasonable terms for the markets in which the Company's products are sold. Because the Company generally expects to receive payment within one year or less from when control of a product is transferred to the customer, the Company does not generally adjust its revenues for the effects of a financing component. The Company's allowance for doubtful accounts reflects the current estimate of credit losses expected to be incurred over the life of its trade receivables. Such estimated credit losses are determined based on historical loss experiences, customer-specific credit risk, and reasonable and supportable forward-looking information, such as country or regional risks that are not captured in the historical loss information. Amounts are written off against the allowances for doubtful accounts when the Company determines that a customer account is uncollectable. The allowance for doubtful accounts for trade receivables is not material to the Company's consolidated financial results.

The Company's gross revenues are subject to a variety of deductions which are recorded in the same period that the underlying revenues are recognized. Such variable consideration includes rebates, sales discounts and sales returns. Because these deductions represent estimates of the related obligations, judgment is required when determining the impact of these revenue deductions on gross revenues for a reporting period. Rebates provided by the Company are based upon prices determined under the Company's agreements with its end-user customers. Additional factors considered in the estimate of the Company's rebate liability include the quantification of inventory that is either in stock at or in transit to the Company's distributors, as well as the estimated lag time between the sale of product and the payment of corresponding rebates. The Company's rebate liabilities are classified as an offset to *Trade receivables, net*, or as *Accounts payable* or *Accrued expenses*, depending on the form of settlement and were $749 million and $669 million at September 30, 2024 and 2023, respectively. The impact of other forms of variable consideration, including sales discounts and sales returns, is not material to the Company's revenues. Additional disclosures relating to sales discounts and sales returns are provided in Note 19.

The Company's agreements with customers within certain organizational units including Medication Management Solutions, Integrated Diagnostic Solutions and Biosciences, contain multiple performance obligations including both products and certain services noted above. The transaction price for these agreements

is allocated to each performance obligation based upon its relative standalone selling price. Standalone selling price is the amount at which the Company would sell a promised good or service separately to a customer. The Company generally estimates standalone selling prices using its list prices and a consideration of typical discounts offered to customers.

Effects of Revenue Arrangements on Consolidated Balance Sheets

Due to the nature of the majority of the Company's products and services, the Company typically does not incur costs to fulfill a contract in advance of providing the customer with goods or services. Capitalized contract costs associated with the costs to fulfill contracts for certain products in the Medication Management Solutions organizational unit are immaterial to the Company's consolidated balance sheets. The Company's costs to obtain contracts are comprised of sales commissions which are paid to the Company's employees or third party agents. The majority of the sales commissions incurred by the Company relate to revenue that is recognized over a period that is less than one year and as such, the Company has elected a practical expedient provided under ASC 606 to record the majority of its expense associated with sales commissions as it is incurred. Commissions relating to revenues recognized over a period longer than one year are recorded as assets which are amortized over the period over which the revenues underlying the commissions are recognized. Capitalized contract costs related to such commissions are immaterial to the Company's consolidated balance sheets.

The Company records contract liabilities for unearned revenue that is allocated to performance obligations such as extended warranty and software maintenance contracts, which are performed over time as discussed further above. *Accrued expenses* on the Company’s consolidated balance sheet as of September 30, 2024 and 2023, included approximately $482 million and $412 million, respectively, of contract liabilities. The Company's liability for product warranties provided under its agreements with customers is not material to its consolidated balance sheets.

Remaining Performance Obligations

The Company's obligations relative to service contracts, which are further discussed above, and pending installations of equipment, primarily in the Company's Medication Management Solutions unit, represent unsatisfied performance obligations of the Company. The revenues under existing contracts with original expected durations of more than one year, which are attributable to products and/or services that have not yet been installed or provided, are estimated to be approximately $2.3 billion at September 30, 2024. The Company expects to recognize the majority of this revenue over the next three years.

Within the Company's Medication Management Solutions, Medication Delivery Solutions, Integrated Diagnostic Solutions, and Biosciences units, some contracts also contain minimum purchase commitments of reagents or other consumables and the future sales of these consumables represent additional unsatisfied performance obligations of the Company. The revenue attributable to the unsatisfied minimum purchase commitment-related performance obligations, for contracts with original expected durations of more than one year, is estimated to be approximately $2.1 billion at September 30, 2024. This revenue will be recognized over the customer relationship periods.

Disaggregation of Revenues

A disaggregation of the Company's revenues by segment, organizational unit and geographic region is provided in Note 8.

Note 8 — Segment Data

The Company's organizational structure is based upon three worldwide business segments: BD Medical (“Medical”), BD Life Sciences (“Life Sciences”) and BD Interventional ("Interventional"). The Company’s segments are strategic businesses that are managed separately because each one develops, manufactures and markets distinct products and services.

Medical

Medical produces a broad array of medical technologies and devices that are used to help improve healthcare delivery in a wide range of settings. The primary customers served by Medical are hospitals and clinics; physicians' office practices; consumers and retail pharmacies; governmental and nonprofit public health agencies; pharmaceutical companies; and healthcare workers. Medical consists of the following organizational units: Medication Delivery Solutions; Medication Management Solutions; Pharmaceutical Systems; Advanced Patient Monitoring.

Life Sciences

Life Sciences provides products for the safe collection and transport of diagnostics specimens, and instruments and reagent systems to detect a broad range of infectious diseases, healthcare-associated infections and cancers. In addition, Life Sciences produces research and clinical tools that facilitate the study of cells, and the components of cells, to gain a better understanding of normal and disease processes. That information is used to aid the discovery and development of new drugs and vaccines, and to improve the diagnosis and management of diseases. The primary customers served by Life Sciences are hospitals, laboratories and clinics; blood banks; healthcare workers; physicians' office practices; academic and government institutions; and pharmaceutical and biotechnology companies. Life Sciences consists of the following organizational units: Integrated Diagnostic Solutions and Biosciences.

Interventional

Interventional provides vascular, urology, oncology and surgical specialty products that are intended to be used once and then discarded or are either temporarily or permanently implanted. The primary customers served by Interventional are hospitals, ambulatory surgery centers, individual healthcare professionals, extended care facilities, alternate site facilities, and patients via the segment's Homecare business. Interventional consists of the following organizational units: Surgery; Peripheral Intervention; Urology and Critical Care.

Additional Segment Information

Distribution of products is primarily through independent distribution channels, and directly to end-users by BD and independent sales representatives. No customer accounted for 10% or more of revenues in any of the three years presented.

Segment disclosures are on a performance basis consistent with internal management reporting. The Company evaluates performance of its business segments and allocates resources to them primarily based upon operating income, which represents revenues reduced by product costs and operating expenses. The Company's chief operating decision maker does not receive any asset information by business segment and, as such, the Company does not report asset information by business segment.

The tables below reflect the Company's revenues and operating income from continuing operations. Revenues and operating income from the former Diabetes Care business prior to its spin-off on April 1, 2022 are included in *(Loss) Income from Discontinued Operations, Net of Tax*. See Note 2 for further information.

Financial information for the Company's segments is detailed below. The Company has no material intersegment revenues.

(Millions of dollars)	2024			2023			2022		
	United States	International	Total	United States	International	Total	United States	International	Total
Medical									
Medication Delivery Solutions	$ 2,661	$ 1,768	$ 4,429	$ 2,519	$ 1,774	$ 4,293	$ 2,483	$ 1,825	$ 4,308
Medication Management Solutions	2,627	670	3,297	2,303	677	2,980	1,935	598	2,533
Pharmaceutical Systems	629	1,644	2,273	666	1,563	2,229	533	1,468	2,001
Advanced Patient Monitoring	47	27	74	—	—	—	—	—	—
Total segment revenues	$ 5,964	$ 4,110	$10,074	$ 5,488	$ 4,014	$ 9,502	$ 4,950	$ 3,891	$ 8,841
Life Sciences									
Integrated Diagnostic Solutions	$ 1,733	$ 1,946	$ 3,679	$ 1,774	$ 1,850	$ 3,624	$ 2,190	$ 1,995	$ 4,185
Biosciences	577	935	1,512	603	906	1,509	542	838	1,379
Total segment revenues	$ 2,310	$ 2,881	$ 5,191	$ 2,377	$ 2,756	$ 5,133	$ 2,732	$ 2,833	$ 5,564
Interventional									
Surgery	$ 1,130	$ 363	$ 1,492	$ 1,159	$ 338	$ 1,497	$ 1,094	$ 306	$ 1,400
Peripheral Intervention	1,029	904	1,933	1,016	849	1,865	960	799	1,759
Urology and Critical Care	1,236	319	1,554	1,073	301	1,374	986	319	1,305
Total segment revenues	$ 3,394	$ 1,586	$ 4,980	$ 3,247	$ 1,489	$ 4,736	$ 3,040	$ 1,424	$ 4,464
Other (a)	$ (6)	$ (62)	$ (67)	$ —	$ —	$ —	$ —	$ —	$ —
Total Company revenues from continuing operations	$11,663	$ 8,515	$20,178	$11,113	$ 8,258	$19,372	$10,722	$ 8,148	$18,870

(a) Represents the recognition of accruals resulting from recent developments relating to the Italian government medical device pay back legislation, as well as another legal matter, and which substantially relate to years prior to the current fiscal year. Such amounts were not allocated to the Company's reportable segments and these matters are further discussed in Note 6.

The following tables provide a reconciliation of segment operating income to *Income from Continuing Operations before Income Taxes* and segment information for both capital expenditures and depreciation and amortization.

(Millions of dollars)	2024	2023	2022
Income from Continuing Operations Before Income Taxes			
Medical (a) (b)	$ 2,742	$ 1,967	$ 2,215
Life Sciences	1,595	1,585	1,710
Interventional	1,420	1,217	1,081
Total Segment Operating Income	5,758	4,769	5,006
Integration, restructuring and transaction expense	(458)	(313)	(173)
Net interest expense	(364)	(403)	(382)
Other unallocated items (c)	(2,931)	(2,391)	(2,668)
Total Income from Continuing Operations Before Income Taxes	$ 2,005	$ 1,662	$ 1,783
Capital Expenditures			
Medical	$ 438	$ 563	$ 602
Life Sciences	114	139	213
Interventional	127	138	130
Corporate and All Other	46	35	28
Total Capital Expenditures	$ 725	$ 874	$ 973
Depreciation and Amortization			
Medical	$ 1,216	$ 1,199	$ 1,144
Life Sciences	272	277	283
Interventional	786	799	789
Corporate and All Other	13	13	13
Total Depreciation and Amortization	$ 2,286	$ 2,288	$ 2,229

(a) The amounts in 2024, 2023 and 2022 include charges of $38 million, $653 million and $72 million, respectively, recorded to *Cost of products sold,* to record or adjust future costs estimated for product remediation efforts.

(b) The amount in 2022 includes a charge of $54 million, recorded to *Cost of products sold,* to write down the carrying value of certain fixed assets in the Pharmaceutical Systems unit.

(c) Primarily comprised of foreign exchange, certain general and administrative expenses and share-based compensation expense. The amount in 2024 includes a charge of $175 million to accrue an estimated liability for the SEC investigation, which is further discussed in Note 6. The amount in 2023 includes a pre-tax gain recognized on the Company's sale of its Surgical Instrumentation platform of approximately $268 million, which is further discussed in Note 2.

Geographic Information

The countries in which the Company has local revenue-generating operations have been combined into the following geographic areas: the United States (including Puerto Rico); EMEA (which includes Europe, the Middle East and Africa); Greater Asia (which includes countries in Greater China, Japan, South Asia, Southeast Asia, Korea, and Australia and New Zealand); and Other, which is comprised of Latin America (which includes Mexico, Central America, the Caribbean and South America) and Canada.

Revenues to unaffiliated customers are generally based upon the source of the product shipment. Long-lived assets, which include net property, plant and equipment, are based upon physical location.

The table below shows revenues from continuing operations and long-lived assets of continuing operations by geographic area:

(Millions of dollars)	2024	2023	2022
Revenues			
United States	$ 11,663	$ 11,113	$ 10,722
EMEA	4,402	4,244	4,043
Greater Asia	2,906	2,913	3,047
Other	1,207	1,102	1,058
	$ 20,178	$ 19,372	$ 18,870
Long-Lived Assets			
United States	$ 35,526	$ 35,732	$ 36,617
EMEA	6,706	5,317	5,126
Greater Asia	1,580	1,521	1,528
Other	2,548	1,116	1,079
Corporate	459	418	442
	$ 46,818	$ 44,104	$ 44,792

Note 9 — Share-Based Compensation

The Company grants share-based awards under the 2004 Employee and Director Equity-Based Compensation Plan ("2004 Plan"), which provides long-term incentive compensation to employees and directors consisting of: stock appreciation rights ("SARs"), performance-based restricted stock units, time-vested restricted stock units and other stock awards.

The fair value of share-based payments is recognized as compensation expense in net income. BD estimates forfeitures based on experience at the time of grant and adjusts expense to reflect actual forfeitures. The amounts and location of compensation cost relating to share-based payments included in the consolidated statements of income is as follows:

(Millions of dollars)	2024	2023	2022
Cost of products sold	$ 51	$ 50	$ 46
Selling and administrative expense	156	170	156
Research and development expense	42	41	37
Integration, restructuring and transaction expense	—	—	1
Total share-based compensation cost	$ 249	$ 261	$ 240
Tax benefit associated with share-based compensation costs recognized	$ 58	$ 58	$ 55

Total share-based compensation expense includes pre-tax compensation expense included in *Income from Discontinued Operations, Net of Tax* that was not material in 2022.

Stock Appreciation Rights

SARs represent the right to receive, upon exercise, shares of common stock having a value equal to the difference between the market price of common stock on the date of exercise and the exercise price on the date of grant. SARs generally vest over a period of four years and have a term of ten years. The fair value of awards was estimated on the date of grant using a lattice-based binomial option valuation model and these valuations were largely based upon the following weighted-average assumptions:

	2024	2023	2022
Risk-free interest rate	4.51%	3.78%	1.41%
Expected volatility	22.0%	21.0%	22.0%
Expected dividend yield	1.59%	1.53%	1.42%
Expected life	7.0 years	7.0 years	7.3 years
Fair value derived	$63.05	$57.80	$49.45

Expected volatility is based upon historical volatility for the Company's common stock and other factors. The expected life of SARs granted is derived from the output of the lattice-based model, using assumed exercise rates based on historical exercise and termination patterns, and represents the period of time that SARs granted are expected to be outstanding. The risk-free interest rate used is based upon the published U.S. Treasury yield curve in effect at the time of grant for instruments with a similar life. The dividend yield is based upon the most recently declared quarterly dividend as of the grant date. The Company issued 0.1 million shares during 2024 to satisfy the SARs exercised.

A summary of SARs outstanding as of September 30, 2024 and changes during the year then ended is as follows:

	SARs (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (Millions of dollars)
Balance at October 1	4,905	$ 211.47		
Granted	597	238.89		
Exercised	(297)	154.25		
Forfeited, canceled or expired	(210)	237.09		
Balance at September 30	4,995	$ 217.07	5.25	$ 125
Vested and expected to vest at September 30	4,863	216.50	5.17	$ 125
Exercisable at September 30	3,669	$ 209.57	4.18	$ 121

A summary of SARs exercised during 2024, 2023 and 2022 is as follows:

(Millions of dollars)	2024	2023	2022
Total intrinsic value of SARs exercised	$ 25	$ 126	$ 184
Total fair value of SARs vested	$ 31	$ 34	$ 36

Performance-Based and Time-Vested Restricted Stock Units

Performance-based restricted stock units cliff vest three years after the date of grant. These units are tied to the Company's performance against pre-established targets over a performance period of three years. The performance measures for fiscal years 2024, 2023 and 2022 were average annual currency-neutral revenue growth and average annual return on invested capital, with the combined factor subject to adjustment based on the Company's relative total shareholder return (measures the Company's stock performance during the performance period against that of peer companies). Under the Company's long-term incentive program, the

actual payout under these awards may vary from zero to 200% of an employee's target payout, based on the Company's actual performance over the performance period of three years. In fiscal year 2021, the Company also issued additional performance-based time-vested units to certain key executives, a portion of which cliff vested in fiscal year 2024 based on the Company's performance against average annual growth in the Company's Adjusted EPS over a performance period of three years. The fair value was based on the market price of the Company's stock on the date of grant, and compensation cost was adjusted for subsequent changes in the expected outcome of performance-related conditions.

Time-vested restricted stock unit awards vest on a graded basis over a period of three years, except for certain key executives of the Company, including the executive officers, for which such units generally vest one year following the employee's retirement. The related share-based compensation expense is recorded over the requisite service period, which is the vesting period or is based on retirement eligibility. The fair value of all time-vested restricted stock units is based on the market value of the Company's stock on the date of grant.

A summary of restricted stock units outstanding as of September 30, 2024 and changes during the year then ended is as follows:

	Performance-Based			Time-Vested	
	Stock Units (in thousands)		Weighted Average Grant Date Fair Value	Stock Units (in thousands)	Weighted Average Grant Date Fair Value
Balance at October 1	963		$ 226.51	1,716	$ 225.33
Granted	387		223.60	922	231.32
Distributed	(145)		212.46	(556)	225.13
Forfeited or canceled	(213)		219.15	(390)	231.68
Balance at September 30	991	(a)	$ 229.02	1,693	$ 227.20
Expected to vest at September 30	465	(b)	$ 229.96	1,549	$ 226.80

(a) Based on 200% of target payout for performance based restricted units and 100% of the performance based time-vested units.

(b) Net of expected forfeited units and units in excess of the expected performance payout of 71 thousand and 454 thousand shares, respectively.

The weighted average grant date fair value of restricted stock units granted during the years 2024, 2023 and 2022 are as follows:

	Performance-Based			Time-Vested		
	2024	2023	2022	2024	2023	2022
Weighted average grant date fair value of units granted	$ 223.60	$ 227.11	$242.39	$231.32	$231.58	$ 239.39

The total fair value of stock units vested during 2024, 2023 and 2022 was as follows:

	Performance-Based			Time-Vested		
(Millions of dollars)	2024	2023	2022	2024	2023	2022
Total fair value of units vested	$ 45	$ 28	$ 14	$ 179	$ 169	$ 169

At September 30, 2024, the weighted average remaining vesting term of performance-based and time vested restricted stock units is 1.24 and 0.87 years, respectively.

Unrecognized Compensation Expense and Other Stock Plans

The amount of unrecognized compensation expense for all non-vested share-based awards as of September 30, 2024, is approximately $253 million, which is expected to be recognized over a weighted-

average remaining life of approximately 1.8 years. At September 30, 2024, 10.0 million shares were authorized for future grants under the 2004 Plan. The Company has a policy of satisfying share-based payments through either open market purchases or shares held in treasury. At September 30, 2024, the Company has sufficient shares held in treasury to satisfy these payments.

As of September 30, 2024, 81 thousand shares were held in trust relative to a Director's Deferral plan, which provides a means to defer director compensation, from time to time, on a deferred stock or cash basis. Also as of September 30, 2024, 200 thousand shares were issuable under a Deferred Compensation Plan that allows certain highly-compensated employees, including executive officers, to defer salary, annual incentive awards and certain equity-based compensation.

Note 10 — Benefit Plans

The Company has defined benefit pension plans covering certain employees in the United States and in certain international locations. Postretirement healthcare and life insurance benefits provided to qualifying domestic retirees as well as other postretirement benefit plans in international countries are not material. The measurement date used for the Company's employee benefit plans is September 30.

In August 2023, the Company announced that effective September 30, 2024, it would freeze the U.S. Plan, and plan participants, which include legacy Bard U.S. pension plan participants as further discussed below, no longer will accrue benefits under the plan subsequent to this date. Both the legacy BD U.S. pension and legacy Bard U.S. pension plans had already been frozen to prevent new participants effective January 1, 2018 and January 1, 2011, respectively.

In fiscal year 2022, the transfer of employees to Embecta in connection with the spin-off triggered remeasurements of some of the Company's benefit plans. The BD U.S. pension plan was also remeasured upon the merging of this plan with the legacy Bard U.S. pension plan effective January 1, 2022. These remeasurements did not materially impact the Company's benefit obligation and resulted in adjustments to *Accumulated other comprehensive loss*.

Generally, all components of the Company's net periodic pension and postretirement benefit costs, aside from service cost, are recorded to *Other expense, net* on its consolidated statements of income. Certain amounts for termination benefits, curtailments and settlements related to the spin-off of Embecta, were recorded in *Income from Discontinued Operations, Net of Tax* and were not material.

Net pension cost for the years ended September 30 included the following components:

	Pension Plans		
(Millions of dollars)	2024	2023	2022
Service cost	$ 88	$ 91	$ 134
Interest cost	139	129	77
Expected return on plan assets	(150)	(141)	(187)
Amortization of prior service credit	(4)	(7)	(15)
Amortization of loss	57	58	61
Curtailments/settlement loss	1	44	73
Net pension cost	$ 131	$ 174	$ 143
Net pension cost included in the preceding table that is attributable to international plans	$ 28	$ 25	$ 20

The amounts provided above for amortization of prior service credit and amortization of loss represent the reclassifications of prior service credits and net actuarial losses that were recognized in *Accumulated other comprehensive income (loss)* in prior periods. The Company recognizes pension settlements when payments

from the plan exceed the sum of service and interest cost components of net periodic pension cost associated with the plan for the fiscal year. The settlement losses recorded in 2023 and 2022 included lump sum benefit payments primarily associated with the Company's U.S. pension plan. A curtailment gain was recognized in 2023 related the freeze of the U.S. pension plan.

The change in benefit obligation, change in fair value of pension plan assets, funded status and amounts recognized in the Consolidated Balance Sheets for these plans were as follows:

	Pension Plans	
(Millions of dollars)	2024	2023
Change in benefit obligation:		
Beginning obligation	$ 2,617	$ 2,634
Service cost	88	91
Interest cost	139	129
Benefits paid	(201)	(67)
Actuarial gain	241	(24)
Curtailments/settlements	(21)	(214)
Other, includes translation	51	68
Benefit obligation at September 30	$ 2,913	$ 2,617
Change in fair value of plan assets:		
Beginning fair value	$ 2,129	$ 2,242
Actual return on plan assets	395	33
Employer contribution	200	62
Benefits paid	(201)	(67)
Settlements	(21)	(200)
Other, includes translation	54	59
Plan assets at September 30	$ 2,557	$ 2,129
Funded Status at September 30:		
Unfunded benefit obligation	$ (356)	$ (488)
Amounts recognized in the Consolidated Balance Sheets at September 30:		
Other Assets	$ 99	$ 81
Salaries, wages and related items	(12)	(15)
Long-term Employee Benefit Obligations	(443)	(554)
Net amount recognized	$ (356)	$ (488)
Amounts recognized in Accumulated other comprehensive income (loss) before income taxes at September 30:		
Prior service credit	$ 2	$ 3
Net actuarial loss	(636)	(689)
Net amount recognized	$ (634)	$ (686)

International pension plan assets at fair value included in the preceding table were $880 million and $748 million at September 30, 2024 and 2023, respectively. The international pension plan projected benefit obligations were $992 million and $833 million at September 30, 2024 and 2023, respectively.

The benefit obligation associated with postretirement healthcare and life insurance plans provided to qualifying domestic retirees, which was largely recorded to *Long-Term Employee Benefit Obligations,* was $94 million and $92 million at September 30, 2024 and 2023, respectively.

Pension plans with accumulated benefit obligations in excess of plan assets and plans with projected benefit obligations in excess of plan assets consist of the following at September 30:

	Accumulated Benefit Obligation Exceeds the Fair Value of Plan Assets		Projected Benefit Obligation Exceeds the Fair Value of Plan Assets	
(Millions of dollars)	2024	2023	2024	2023
Projected benefit obligation	$ 2,382	$ 2,140	$ 2,382	$ 2,159
Accumulated benefit obligation	$ 2,318	$ 2,088		
Fair value of plan assets	$ 1,927	$ 1,575	$ 1,927	$ 1,591

The weighted average assumptions used in determining pension plan information were as follows:

	2024	2023	2022
Net Cost			
Discount rate:			
U.S. plans (a)	6.01 %	5.62 %	2.89 %
International plans	4.52	4.26	1.75
Expected return on plan assets:			
U.S. plans	7.29	7.25	6.25
International plans	5.30	5.02	4.84
Rate of compensation increase:			
U.S. plans	4.00	4.51	4.31
International plans	2.81	2.86	2.63
Cash balance plan interest crediting rate:			
U.S. plans	4.00	4.00	4.00
International plans	2.16	1.98	2.02
Benefit Obligation			
Discount rate:			
U.S. plans	4.98	6.01	5.62
International plans	3.88	4.62	4.26
Rate of compensation increase:			
U.S. plans	4.00	4.00	4.51
International plans	2.81	2.86	2.86
Cash balance plan interest crediting rate:			
U.S. plans	4.00	4.00	4.00
International plans	2.21	2.21	1.98

(a) The Company calculated the service and interest components utilizing an approach that discounts the individual expected cash flows using the applicable spot rates derived from the yield curve over the projected cash flow period.

Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based upon expectations of long-term average rates of return to be achieved by the underlying investment portfolios. In establishing this assumption, the Company considers many factors, including historical assumptions compared with actual results; benchmark data; expected returns on various plan asset classes, as well as current and expected asset allocations.

Expected Funding

The Company's funding policy for its defined benefit pension plans is to contribute amounts sufficient to meet legal funding requirements, plus any additional amounts that may be appropriate considering the funded status of the plans, tax consequences, the cash flow generated by the Company and other factors. The Company made a discretionary contribution to its BD U.S. pension plan of $150 million during fiscal year 2024. The Company did not make any required contributions in 2024 and does not anticipate any significant required contributions to its pension plans in fiscal year 2025.

Expected benefit payments are as follows:

(Millions of dollars)	Pension Plans
2025	$ 238
2026	239
2027	221
2028	216
2029	212
2030-2034	1,008

Expected benefit payments associated with postretirement healthcare plans are immaterial to the Company's consolidated financial results.

Investments

The Company's primary objective is to achieve returns sufficient to meet future benefit obligations. It seeks to generate above market returns by investing in more volatile asset classes such as equities while at the same time controlling risk through diversification in non-correlated asset classes and through allocations to more stable asset classes like fixed income.

U.S. Plans

The Company's U.S. pension plans comprise 66% of total benefit plan investments, based on September 30, 2024 market values, and have a target asset mix of 45% fixed income, 21% diversifying investments and 34% equities. This mix was established based on an analysis of projected benefit payments and estimates of long-term returns, volatilities and correlations for various asset classes. The asset allocations to diversifying investments include high-yield bonds, hedge funds, real estate, infrastructure, leveraged loans and emerging markets bonds.

The actual portfolio investment mix may, from time to time, deviate from the established target mix due to various factors such as normal market fluctuations, the reliance on estimates in connection with the determination of allocations and normal portfolio activity such as additions and withdrawals. Rebalancing of the asset portfolio on a quarterly basis is required to address any allocations that deviate from the established target allocations in excess of defined allowable ranges. The target allocations are subject to periodic review, including a review of the asset portfolio's performance, by the named fiduciary of the plans. Any tactical deviations from the established asset mix require the approval of the named fiduciary.

The U.S. plans may enter into both exchange traded and non-exchange traded derivative transactions in order to manage interest rate exposure, volatility, term structure of interest rates, and sector and currency

exposures within the fixed income portfolios. The Company has established minimum credit quality standards for counterparties in such transactions.

The following table provides the fair value measurements of U.S. plan assets, as well as the measurement techniques and inputs utilized to measure fair value of these assets, at September 30, 2024 and 2023. The categorization of fund investments is based upon the categorization of these funds' underlying assets.

(Millions of dollars)	Total U.S. Plan Asset Balances		Investments Measured at Net Asset Value (a)		Basis of fair value measurement (See Note 1)					
					Level 1		Level 2		Level 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Fixed Income:										
Corporate bonds	$ 518	$ 443	$ —	$ —	$ 296	$ 260	$ 222	$ 182	$ —	$ —
Government and agency-U.S.	159	53	—	—	149	43	10	10	—	—
Government and agency-Foreign	31	17	—	—	—	—	31	17	—	—
Other fixed income	53	46	—	—	25	24	28	22	—	—
Equity securities	582	469	71	59	512	410	—	—	—	—
Cash and cash equivalents	172	202	—	—	172	202	—	—	—	—
Other	162	151	75	79	87	72	—	—	—	—
Fair value of plan assets	$1,676	$1,382	$ 146	$ 138	$1,240	$1,012	$ 291	$ 231	$ —	$ —

(a) As per applicable disclosure requirements, certain investments that were measured at net asset value per share or its equivalent have not been categorized within the fair value hierarchy. Values of such assets are based on the corroborated net asset value provided by the fund administrator.

Fixed Income Securities

U.S. pension plan assets categorized above as fixed income securities include fund investments comprised of corporate and government and agency investments. Investments in corporate bonds are diversified across industry and sector and consist of investment-grade, as well as high-yield debt instruments. U.S. government investments consist of obligations of the U.S. Treasury, other U.S. government agencies, state governments and local municipalities. Assets categorized as foreign government and agency debt securities included investments in developed and emerging markets.

The values of fixed income investments classified within Level 1 are based on the closing price reported on the major market on which the investments are traded. A portion of the fixed income instruments classified within Level 2 are valued based upon estimated prices from independent vendors' pricing models and these prices are derived from market observable sources including: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers and other market-related data.

Equity Securities

U.S. pension plan assets categorized as equity securities consist of fund investments in publicly-traded U.S. and non-U.S. equity securities. In order to achieve appropriate diversification, these portfolios are invested across market sectors, investment styles, capitalization weights and geographic regions. The values of equity securities classified within Level 1 are based on the closing price reported on the major market on which the

investments are traded or have a readily determinable fair value based on published prices obtained from fund managers which represent the price at which the instruments can be redeemed at period end. The U.S. pension plan has no future funding commitments associated with these investments and has the right to redeem them upon one day's notice, at any time and without restriction.

Cash and Cash Equivalents

A portion of the U.S. plans' assets consists of investments in cash and cash equivalents, primarily to accommodate liquidity requirements relating to trade settlement and benefit payment activity, and the values of these assets are based upon quoted market prices.

Other Securities

Other U.S. pension plan assets include fund investments comprised of hedge funds. The values of such instruments classified within Level 1 are based on the closing price reported on the major market on which the investments are traded.

International Plans

International plan assets comprise 34% of the Company's total benefit plan assets, based on market value at September 30, 2024. Such plans have local independent fiduciary committees, with responsibility for development and oversight of investment policy, including asset allocation decisions. In making such decisions, consideration is given to local regulations, investment practices and funding rules.

The following table provides the fair value measurements of international plan assets, as well as the measurement techniques and inputs utilized to measure fair value of these assets, at September 30, 2024 and 2023.

			Basis of fair value measurement (See Note 1)					
(Millions of dollars)	Total International Plan Asset Balances		Level 1		Level 2		Level 3 (a)	
	2024	2023	2024	2023	2024	2023	2024	2023
Fixed Income:								
Corporate bonds	$ 114	$ 122	$ 92	$ 100	$ 9	$ 10	$ 13	$ 12
Government and agency-U.S.	9	9	7	8	2	2	—	—
Government and agency-Foreign	223	197	188	165	28	26	7	6
Other fixed income	52	43	44	34	9	9	—	—
Equity securities	196	173	166	147	—	1	30	25
Cash and cash equivalents	13	10	11	8	—	—	2	2
Real estate	44	36	1	1	34	26	9	9
Insurance contracts	113	103	—	—	—	—	113	103
Other	117	55	92	35	3	1	22	19
Fair value of plan assets	$ 880	$ 748	$ 600	$ 499	$ 85	$ 74	$ 195	$ 175

(a) Changes in the fair value of international pension assets measured using Level 3 inputs for the years ended September 30, 2024 and 2023 were immaterial.

Fixed Income Securities

Fixed income investments held by international pension plans include corporate, U.S. government and non-U.S. government securities. The values of fixed income securities classified within Level 1 are based on the closing price reported on the major market on which the investments are traded. Values of investments classified within Level 2 are based upon estimated prices from independent vendors' pricing models and these prices are derived from market observable sources.

Equity Securities

Equity securities included in the international plan assets consist of publicly-traded U.S. and non-U.S. equity securities. The values of equity securities classified within Level 1 are based on the closing price reported on the major market on which the investments are traded or have a readily determinable fair value based on published prices obtained from fund managers which represent the price at which the instruments can be redeemed at period end. The international plans holding these securities have no future funding commitments associated with these investments and have the right to redeem them upon one day's notice, at any time and without restriction.

Other Securities

The international plans hold a portion of assets in cash and cash equivalents, in order to accommodate liquidity requirements and the values are based upon quoted market prices. Real estate investments consist of investments in funds holding an interest in real properties and the corresponding values represent the estimated fair value based on the fair value of the underlying investment value or cost, adjusted for any accumulated earnings or losses. The values of insurance contracts approximately represent cash surrender value. Other investments include fund investments for which values are based upon either quoted market prices or market observable sources.

Defined Contribution Plans

The cost of voluntary defined contribution plans which provide for a Company match or contribution was $195 million in 2024, $156 million in 2023 and $178 million in 2022.

Note 11 — Acquisitions

Edwards Lifesciences' Critical Care Product Group

On September 3, 2024, the Company completed its acquisition of Edwards Lifesciences' Critical Care product group ("Critical Care"), which was renamed as BD Advanced Patient Monitoring ("Advanced Patient Monitoring"). Since the acquisition date, financial results for Advanced Patient Monitoring's product offerings are being reported as a separate organizational unit within the Medical segment. Advanced Patient Monitoring is a global leader in advanced monitoring solutions that expands the Company's portfolio of smart connected care solutions with its growing set of leading monitoring technologies, advanced AI-enabled clinical decision tools and robust innovation pipeline that complement the Company's existing technologies serving operating rooms and intensive care units. The Company funded the transaction with cash on hand, using net proceeds raised through debt issuances in the third quarter of fiscal year 2024, as further discussed in Note 16, and borrowings under its commercial paper program. The acquisition was accounted for under the acquisition method of accounting for business combinations.

The Company is in the process of finalizing the allocation of the purchase price to the individual assets acquired and liabilities assumed, related to assessing certain assumptions underlying the valuation of intangible assets. The preliminary allocations of the purchase price provide a reasonable basis for estimating the fair values of assets acquired and liabilities assumed. These provisional estimates may be adjusted upon the availability of further information regarding events or circumstances that existed at the acquisition date. Such adjustments may be significant. The fair value of consideration transferred in connection with the acquisition was $3.911 billion, and the assets acquired and the liabilities assumed resulted in the recognition of developed technology intangible assets of $714 million, customer relationships intangible assets of $650 million and $714 million of other net assets, which are primarily inventory. The goodwill recorded from the excess of the purchase price over the fair value of the acquired net assets was $1.833 billion, which related to synergies expected to be gained from combining operations of the acquiree and acquirer, as well as revenue and cash flow projections associated with future innovative technologies expected to occur. The preliminary estimate of the goodwill that is expected to be deductible for tax purposes is approximately $1.1 billion.

The Company included Advanced Patient Monitoring in its consolidated results of operations beginning on September 3, 2024. The Company's unaudited pro forma *Revenues* for fiscal years 2024 and 2023, giving effect as if Advanced Patient Monitoring had been acquired as of October 1, 2022, were $21.069 billion and $20.258 billion, respectively. The calculation of pro forma *Net Income* for fiscal years 2024 and 2023 is not practicable because of complexities associated with its hypothetical calculation.

Parata

On July 18, 2022, the Company completed the acquisition of Parata Systems ("Parata"), an innovative provider of pharmacy automation solutions. The fair value of consideration transferred was $1.548 billion. Since the acquisition date, financial results for Parata's product offerings are being reported within results for the Medical segment's Medication Management Solutions unit. The acquisition was accounted for under the acquisition method of accounting for business combinations.

The fair value of the assets acquired and the liabilities assumed resulted in the recognition of developed technology intangible assets of $628 million, customer relationships intangible asset of $161 million, and $1 million of other net liabilities. The goodwill recorded from the excess of the purchase price over the fair value of the acquired net assets was $759 million, which related to synergies expected to be gained from leveraging the existing presence of the Company's sales and marketing teams in pharmacies and acute care facilities, the broader coverage of the Company's legacy sales and marketing teams, and revenue and cash flow projections associated with future technologies. A portion of the goodwill is deductible for tax purposes.

In addition to the Parata acquisition discussed above, the Company completed various other acquisitions during fiscal year 2022 which were not material individually or in the aggregate, including Parata.

Note 12 — Business Restructuring Charges

The Company incurred restructuring costs, primarily in connection with the Company's simplification and other cost saving initiatives that are part of its strategic objectives, which were largely recorded within *Integration, restructuring and transaction expense* on its consolidated statements of income. These simplification and other costs saving initiatives are focused on reducing complexity, enhancing product quality, refining customer experience, and improving cost efficiency across all of the Company's segments. Restructuring liability activity in 2024, 2023 and 2022 was as follows:

(Millions of dollars)	Employee Termination	Other (a)	Total
Balance at September 30, 2021	$ 14	$ 5	$ 19
Charged to expense	21	103	123
Cash payments	(11)	(71)	(82)
Non-cash settlements	—	(25)	(25)
Other adjustments	—	(1)	(1)
Balance at September 30, 2022	$ 24	$ 11	$ 35
Charged to expense	117	122	239
Cash payments	(62)	(103)	(165)
Non-cash settlements	—	(30)	(30)
Other adjustments	—	1	1
Balance at September 30, 2023	$ 79	$ 1	$ 80
Charged to expense	80	307	387
Cash payments	(103)	(202)	(305)
Non-cash settlements	—	(104)	(104)
Other adjustments	2	—	2
Balance at September 30, 2024	$ 58	$ 2	$ 60

(a) Other non-employee-related expenses primarily relate to other costs associated with the execution of the Company's cost efficiency and restructuring programs, such as incremental project management costs, facility exit costs, inventory write-offs and long-lived asset impairments and disposals, which are discussed further in Note 15.

Note 13 — Intangible Assets

Intangible assets at September 30 consisted of:

(Millions of dollars)	2024 Gross Carrying Amount	2024 Accumulated Amortization	2024 Net Carrying Amount	2023 Gross Carrying Amount	2023 Accumulated Amortization	2023 Net Carrying Amount
Amortized intangible assets						
Developed technology	$ 15,827	$ (8,094)	$ 7,733	$ 15,080	$ (7,023)	$ 8,058
Customer relationships	5,513	(2,878)	2,635	4,859	(2,521)	2,338
Patents, trademarks and other	1,185	(682)	503	1,130	(624)	505
Amortized intangible assets	$ 22,525	$ (11,654)	$ 10,871	$ 21,069	$ (10,168)	$ 10,901
Unamortized intangible assets						
Acquired in-process research and development	$ 44			$ 44		
Trademarks	2			2		
Unamortized intangible assets	$ 46			$ 46		

Intangible amortization expense was $1.468 billion, $1.465 billion and $1.430 billion in 2024, 2023 and 2022, respectively. The estimated aggregate amortization expense for the fiscal years ending September 30, 2025 to 2029 are as follows: 2025 — $1.551 billion; 2026 — $1.519 billion; 2027 — $1.450 billion; 2028 — $1.357 billion; 2029 — $1.264 billion.

The following is a reconciliation of goodwill by business segment:

(Millions of dollars)	Medical	Life Sciences	Interventional	Total
Goodwill as of September 30, 2022	$ 10,909	$ 888	$ 12,824	$ 24,621
Divestitures and related adjustments (a)	—	—	(218)	(218)
Purchase price allocation adjustments (b)	13	—	—	13
Currency translation	33	9	64	105
Goodwill as of September 30, 2023	$ 10,955	$ 897	$ 12,670	$ 24,522
Acquisitions (c)	1,833	—	—	1,833
Currency translation	43	7	59	109
Goodwill as of September 30, 2024	$ 12,832	$ 904	$ 12,729	$ 26,465

(a) Represents goodwill derecognized upon the Company's sale of its Surgical Instrumentation platform, as further discussed in Note 2.

(b) The purchase price allocation adjustments were primarily driven by an adjustment to tax-related balances recorded upon the finalization of the Parata acquisition allocation within one year of the transaction's closing.

(c) Represents goodwill recognized in the Medical segment upon the Company's acquisition of Advanced Patient Monitoring, which is further discussed in Note 11.

Note 14 — Derivative Instruments and Hedging Activities

The Company uses derivative instruments to mitigate certain exposures. The Company does not enter into derivative financial instruments for trading or speculative purposes. The effects these derivative instruments and hedged items had on the Company's balance sheets and the fair values of the derivatives outstanding at

September 30, 2024 and 2023 were not material. The effects on the Company's financial performance and cash flows are provided below.

Foreign Currency Risks and Related Strategies

The Company has foreign currency exposures throughout Europe, Greater Asia, Canada and Latin America. Transactional currency exposures that arise from entering into transactions, generally on an intercompany basis, in non-hyperinflationary countries that are denominated in currencies other than the functional currency are mitigated primarily through the use of forward contracts.

In order to mitigate transactional foreign currency exposures resulting from anticipated intercompany purchases and sales denominated in a currency other than local functional currencies, the Company has hedged a portion of this currency risk with certain instruments such as foreign exchange forward and option contracts, which are designated as cash flow hedges.

In order to mitigate foreign currency exposure relating to its investments in certain foreign subsidiaries, the Company has hedged the currency risk associated with those investments with certain instruments such as foreign currency-denominated debt and cross-currency swaps, which are designated as net investment hedges, as well as currency exchange contracts.

The notional amounts of the Company's foreign currency-related derivative instruments as of September 30, 2024 and 2023 were as follows:

(Millions of dollars)	Hedge Designation	2024	2023
Foreign exchange contracts (a)	Undesignated	$ 4,521	$ 3,146
Foreign exchange contracts (b)	Cash flow hedges	543	—
Foreign currency-denominated debt (c)	Net investment hedges	3,065	1,056
Cross-currency swaps (d)	Net investment hedges	1,366	2,119

(a) Represents hedges of transactional foreign exchange exposures resulting primarily from intercompany payables and receivables. Gains and losses on these instruments are recognized immediately in income. These gains and losses are largely offset by gains and losses on the underlying hedged items, as well as the hedging costs associated with the derivative instruments. Net amounts recognized in *Other expense, net*, during the years ending September 30, 2024, 2023 and 2022 are detailed in Note 19.

(b) Represents foreign exchange contracts that the Company entered into in fiscal year 2024 related to anticipated intercompany purchases and sales, described above, which generally have durations of less than eighteen months.

(c) Represents foreign currency-denominated long-term notes outstanding, which were effective as economic hedges of net investments in certain of the Company's foreign subsidiaries.

(d) Represents cross-currency swaps, which were effective as economic hedges of net investments in certain of the Company's foreign subsidiaries.

Net gains or losses resulting from the change in fair value of the foreign exchange contracts designated as cash flow hedges are initially recorded within *Other comprehensive income (loss)* and reclassified into earnings upon the occurrence of the related underlying third-party transaction. If foreign exchange contracts designated as cash flow hedges are terminated prematurely as a result of the hedged transaction being probable of not occurring, the balance in *Accumulated other comprehensive income (loss)* attributable to those derivatives is immediately reclassified into *Revenues* or *Cost of products sold* (depending on whether the hedged item is an intercompany sale or purchase). Net after tax losses recognized in *Other comprehensive income (loss)* during 2024 were immaterial and no amounts were reclassified from *Accumulated other comprehensive income (loss)* relating to these cash flow hedges during 2024. The amounts expected to be reclassified from accumulated other

comprehensive income into earnings within the next 12 months, are not material to the Company's consolidated financial results.

Net gains or losses relating to the net investment hedges, which are attributable to changes in the foreign currencies to U.S. dollar spot exchange rates, are recorded as accumulated foreign currency translation in *Other comprehensive income (loss)*. Upon the termination of a net investment hedge, any net gain or loss included in *Accumulated other comprehensive income (loss)* relative to the investment hedge remains until the foreign subsidiary investment is disposed of or is substantially liquidated.

Net (losses) gains recorded to *Accumulated other comprehensive income (loss)* relating to the Company's net investment hedges as of September 30, 2024, 2023 and 2022 were as follows:

(Millions of dollars)	2024	2023	2022
Foreign currency-denominated debt	(96)	(155)	320
Cross-currency swaps (a)	(71)	(70)	173

(a) The amounts in 2024, 2023 and 2022 include net of tax gains recognized on terminated cross-currency swaps of $9 million, $13 million and $46 million, respectively.

Interest Rate Risks and Related Strategies

The Company uses a mix of fixed and variable rate debt, which is further discussed in Note 16, to manage its interest rate exposure, and periodically uses interest rate swaps to manage such exposures. Under these interest rate swaps, the Company exchanges, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated as either cash flow or fair value hedges.

Changes in the fair value of the interest rate swaps designated as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk) are recorded in *Other comprehensive income (loss)*. If interest rate derivatives designated as cash flow hedges are terminated, the balance in *Accumulated other comprehensive income (loss)* attributable to those derivatives is reclassified into earnings, within *Interest expense*, over the remaining life of the hedged debt. The amounts reclassified from accumulated other comprehensive income relating to cash flow hedges during 2024, 2023 and 2022, as well as the amounts expected to be reclassified within the next 12 months, are not material to the Company's consolidated financial results.

Net after-tax (losses) gains were recorded in *Other comprehensive income (loss)* relating to interest rate cash flow hedges of $(10) million, $23 million and $92 million in fiscal years 2024, 2023 and 2022, respectively. The amounts recorded during 2024 and 2022 included net after-tax gains of $67 million and $41 million, respectively, that were realized upon the Company’s termination of forward starting interest rate swaps.

For interest rate swaps designated as fair value hedges (i.e., hedges against the exposure to changes in the fair value of an asset or a liability or an identified portion thereof that is attributable to a particular risk), changes in the fair value of the interest rate swaps offset changes in the fair value of the fixed rate debt due to changes in market interest rates. Amounts recorded during the years ended September 30, 2024 and 2023 were immaterial to the Company's consolidated financial results.

The notional amounts of the Company's interest rate-related derivative instruments as of September 30, 2024 and 2023 were as follows:

(Millions of dollars)	Hedge Designation	2024	2023
Interest rate swaps (a)	Fair value hedges	$ 700	$ 700
Forward starting interest rate swaps (b)	Cash flow hedges	—	500

(a) Represents fixed-to-floating interest rate swap agreements the Company entered into to convert the interest payments on certain long-term notes from the fixed rate to a floating interest rate based on secured overnight financing rates ("SOFR").

(b) Represents interest rate derivatives entered into to mitigate exposure to interest rate risk related to future debt issuances.

Other Risk Exposures

The Company purchases resins, which are oil-based components used in the manufacture of certain products. Significant increases in world oil prices that lead to increases in resin purchase costs could impact future operating results. From time to time, the Company has managed price risks associated with these commodity purchases through commodity derivative forward contracts. The Company's commodity derivative forward contracts at September 30, 2024 and 2023 were immaterial to the Company's consolidated financial results.

Note 15 — Financial Instruments and Fair Value Measurements

The following reconciles cash and equivalents and restricted cash reported within the Company's consolidated balance sheets at September 30, 2024 and 2023 to the total of these amounts shown on the Company's consolidated statements of cash flows:

(Millions of dollars)	2024	2023
Cash and equivalents	$ 1,717	$ 1,416
Restricted cash	139	65
Cash and equivalents and restricted cash	$ 1,856	$ 1,481

The fair values of the Company's financial instruments are as follows:

(Millions of dollars)	Basis of fair value measurement (See Note 1)	2024	2023
Institutional money market accounts (a)	Level 1	$ 285	$ 373
Current portion of long-term debt (b)	Level 2	1,748	1,122
Long-term debt (b)	Level 2	17,199	12,850

(a) These financial instruments are recorded within *Cash and equivalents* on the consolidated balance sheets. The institutional money market accounts permit daily redemption.

(b) Long-term debt is recorded at amortized cost. The fair value of long-term debt is measured based upon quoted prices in active markets for similar instruments.

Short-term investments are held to their maturities and are carried at cost, which approximates fair value. The short-term investments primarily consist of time deposits with maturities greater than three months and less than one year. All other instruments measured by the Company at fair value, including derivatives, contingent consideration liabilities and available-for-sale debt securities, are immaterial to the Company's consolidated balance sheets.

Nonrecurring Fair Value Measurements

In fiscal year 2024, the Company recorded non-cash asset impairment charges of $83 million to *Integration, restructuring and transaction expense* to write down the carrying value of certain fixed assets. In fiscal year 2022, the Company recorded non-cash asset impairment charges of $11 million to *Cost of products sold* in the Life Sciences segment, $19 million to *Integration, restructuring and transaction expense* in the Medical segment and $54 million to *Cost of products sold* in the Medical segment to write down the carrying value of certain fixed assets. The amounts recognized were recorded to adjust the carrying amount of assets to the assets' fair values, which were generally estimated, based upon a market participant's perspective, using Level 3 measurements, including values estimated using the income approach.

Concentration of Credit Risk

The Company maintains cash deposits in excess of government-provided insurance limits. Such cash deposits are exposed to loss in the event of nonperformance by financial institutions. Substantially all of the Company's trade receivables are due from public and private entities involved in the healthcare industry. Due to the large size and diversity of the Company's customer base, concentrations of credit risk with respect to trade receivables are limited. The Company does not normally require collateral. The Company is exposed to credit loss in the event of nonperformance by financial institutions with which it conducts business. However, this loss is limited to the amounts, if any, by which the obligations of the counterparty to the financial instrument contract exceed the obligations of the Company. The Company also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

The Company continually evaluates its accounts receivables for potential collection risks, particularly those resulting from sales to government-owned or government-supported healthcare facilities in certain countries, as payment may be dependent upon the financial stability and creditworthiness of those countries' national economies. The Company continually evaluates all governmental receivables for potential collection risks associated with the availability of government funding and reimbursement practices. The Company believes the current reserves related to all governmental receivables are adequate and that this concentration of credit risk will not have a material adverse impact on its financial position or liquidity.

Transfers of trade receivables

Over the normal course of its business activities, the Company transfers certain trade receivable assets to third parties under factoring agreements. Per the terms of these agreements, the Company surrenders control over its trade receivables upon transfer. Accordingly, the Company accounts for the transfers as sales of trade receivables by recognizing an increase to *Cash and equivalents* and a decrease to *Trade receivables, net* when proceeds from the transactions are received. The costs incurred by the Company in connection with factoring activities were not material to its consolidated financial results. The amounts transferred and yet to be remitted under factoring arrangements are provided below.

(Millions of dollars)	2024	2023	2022
Trade receivables transferred to third parties under factoring arrangements	$ 1,385	$ 2,615	$ 1,215

(Millions of dollars)	2024	2023
Amounts yet to be collected and remitted to the third parties	254	357

Supplier Finance Programs

The Company has agreements where participating suppliers are provided the ability to receive early payment of the Company's obligations at a nominal discount through supplier finance programs entered into with third party financial institutions. The Company is not a party to these arrangements, and these programs do not impact the Company's obligations or affect the Company's payment terms, which generally range from 90

to 150 days. The agreements with the financial institutions do not require the Company to provide assets pledged as security or other forms of guarantees for the supplier finance programs. The Company had $112 million and $94 million of outstanding payables related to supplier finance programs as of September 30, 2024 and 2023, respectively, which were recorded within *Accounts payable* on the Company's consolidated balance sheets.

Note 16 — Debt

Current debt obligations

The carrying value of *Current debt obligations*, net of unamortized debt issuance costs, at September 30 consisted of:

(Millions of dollars)		2024	2023
Commercial paper borrowings		$ 400	$ —
Current portion of long-term debt			
3.875% Notes due May 15, 2024	(a)	—	144
3.363% Notes due June 6, 2024	(a)	—	997
3.734% Notes due December 15, 2024		875	—
3.020% Notes due May 24, 2025		335	—
0.034% Notes due August 13, 2025		559	—
Other		1	—
Total current debt obligations		$ 2,170	$ 1,141

(a) All of the aggregate principal amount outstanding was retired upon maturity during 2024, as further discussed below.

The weighted average interest rates for current debt obligations were 2.91% and 3.43% at September 30, 2024 and 2023, respectively.

From time to time, the Company may access the commercial paper market as it manages working capital over the normal course of its business activities. The Company’s U.S. and multicurrency euro commercial paper programs provide for a maximum amount of unsecured borrowings under the two programs, in aggregate, of $2.750 billion. Proceeds from these programs may be used for working capital purposes and general corporate purposes, which may include acquisitions, share repurchases and repayments of debt. The Company utilized commercial paper borrowings in the fourth quarter of fiscal year 2024 to partially fund the Advanced Patient Monitoring acquisition, as further discussed in Note 11. There was $400 million of commercial paper borrowings outstanding as of September 30, 2024 and no such borrowings outstanding as of September 30, 2023.

Long-term debt

The carrying value of *Long-Term Debt*, net of unamortized debt issuance costs, at September 30 consisted of:

(Millions of dollars)		2024	2023
3.734% Notes due December 15, 2024		$ —	$ 874
3.020% Notes due May 24, 2025		—	306
0.034% Notes due August 13, 2025		—	528
1.208% Notes due June 4, 2026		671	634
6.700% Notes due December 1, 2026		158	161
1.900% Notes due December 15, 2026		559	528
3.700% Notes due June 6, 2027		1,721	1,719
7.000% Debentures due August 1, 2027		118	119
4.693% Notes due February 13, 2028		797	796
6.700% Debentures due August 1, 2028		115	115
0.334% Notes due August 13, 2028		1,004	949
4.874% Notes due February 8, 2029	(a)	622	—
5.081% Notes due June 7, 2029	(a)	596	—
3.553% Notes due September 13, 2029		891	842
2.823% Notes due May 20, 2030		746	745
3.519% Notes due February 8, 2031	(a)	835	—
1.957% Notes due February 11, 2031		994	993
3.828% Notes due June 7, 2032	(a)	1,113	—
4.298% Notes due August 22, 2032		496	496
5.110% Notes due February 8, 2034	(a)	545	—
1.213% Notes due February 12, 2036		668	631
4.029% Notes due June 7, 2036	(a)	889	—
6.000% Notes due May 15, 2039		121	121
5.000% Notes due November 12, 2040		90	90
1.336% Notes due August 13, 2041		999	945
4.875% Notes due May 15, 2044		244	245
4.685% Notes due December 15, 2044		934	899
4.669% Notes due June 6, 2047		1,460	1,445
3.794% Notes due May 20, 2050		554	554
Other long-term debt		1	2
Total Long-Term Debt		$ 17,940	$ 14,738

(a) Represents notes issued during 2024, as further discussed below.

The aggregate annual maturities of *Long-Term Debt* including interest during the fiscal years ending September 30, 2025 to 2029 are as follows: 2025 — $2.824 billion; 2026 — $1.297 billion; 2027 — $3.136 billion; 2028 — $2.434 billion; 2029 — $2.581 billion.

Other current credit facilities

In July 2024, the Company extended its five-year senior unsecured revolving credit facility in place by one-year. The credit facility, which will expire in September 2027, provides borrowings of up to $2.750 billion, with separate sub-limits of $100 million and $194 million for letters of credit and swingline loans, respectively. The expiration date of the credit facility may be extended for up to one additional one year period, subject to certain restrictions, including the consent of the lenders. The credit facility provides that the Company may, subject to additional commitments by lenders, request an additional $500 million of financing, for a maximum aggregate commitment under the credit facility of up to $3.250 billion. Proceeds from this facility may be used for general corporate purposes and Becton Dickinson Euro Finance S.à r.l. ("Becton Finance"), an indirect, wholly-owned finance subsidiary of BD, is authorized as an additional borrower under the credit facility. There were no borrowings outstanding under the Company's revolving credit facility as of September 30, 2024 and 2023. In addition, the Company has informal lines of credit outside of the United States.

Debt issuances

The Company issued the following U.S. dollar-denominated debt during fiscal years 2024 and 2023:

Interest rate and maturity	Period issued	Amount issued (Millions of dollars)	Use of proceeds
5.081% Notes due June 7, 2029	Third quarter 2024	$ 600	Funding of the cash consideration and related fees and expenses for the Advanced Patient Monitoring acquisition and for general corporate purposes
4.874% Notes due February 8, 2029	Second quarter 2024	$ 625	Retirement of 3.363% notes due June 6, 2024 and retirement, upon maturity, of 3.734% notes due December 15, 2024
5.110% Notes due February 8, 2034	Second quarter 2024	$ 550	Retirement of 3.363% notes due June 6, 2024 and retirement, upon maturity, of 3.734% notes due December 15, 2024
4.693% notes due February 13, 2028	Second quarter 2023	$ 800	Retirement of 1.401% notes due May 24, 2023 and 0.000% notes due August 13, 2023

The Company issued the following Euro-denominated debt during fiscal year 2024:

Interest rate and maturity	Period issued	Amount issued (Millions of Euros)	Amount issued (millions of dollars)	Use of proceeds
3.828% Notes due June 7, 2032	Third quarter 2024	€ 1,000	$ 1,087	Funding of the cash consideration and related fees and expenses for the Advanced Patient Monitoring acquisition and for general corporate purposes
3.519% Notes due February 8, 2031	Second quarter 2024	€ 750	$ 806	Retirement of 3.875% notes due May 15, 2024 and 3.363% notes due June 6, 2024

Also in fiscal years 2024 and 2023, Becton Finance issued Euro-denominated notes, listed below, which are fully and unconditionally guaranteed on a senior unsecured basis by the Company. No other of the Company's subsidiaries provide any guarantees with respect to these notes. The indenture covenants included a limitation on liens and a restriction on sale and leasebacks, change of control and consolidation, merger and sale of assets covenants. These covenants are subject to a number of exceptions, limitations and qualifications. The indenture does not restrict the Company, Becton Finance, or any other of the Company's subsidiaries from incurring additional debt or other liabilities, including additional senior debt. Additionally, the indenture does

not restrict Becton Dickinson Euro Finance S.à r.l. and the Company from granting security interests over its assets. The notes issued by Becton Finance included the following:

Interest rate and maturity	Period issued	Amount issued (Millions of Euros)	Amount issued (Millions of dollars)	Use of proceeds
4.029% Notes due June 7, 2036	Third quarter 2024	€ 800	$ 869	Funding of the cash consideration and related fees and expenses for the Advanced Patient Monitoring acquisition and for general corporate purposes
3.553% notes due September 13, 2029	Second quarter 2023	€ 800	$ 868	Retirement of 0.632% notes due June 4, 2023

Debt retirements

The Company's retirements of debt upon maturity in fiscal years 2024 and 2023 included the following:

Principal, interest rate and maturity	Period of retirement
$998 million of 3.363% notes due June 6, 2024	Third quarter 2024
$144 million of 3.875% notes due May 15, 2024	Third quarter 2024
400 million Euros ($439 million) of 0.000% notes due August 13, 2023	Fourth quarter 2023
800 million Euros ($857 million) of 0.632% notes due June 4, 2023	Third quarter 2023
300 million Euros ($325 million) of 1.401% notes due May 24, 2023	Third quarter 2023
500 million Euros ($528 million) of 1.000% notes due December 15, 2022	First quarter 2023

Capitalized interest

The Company capitalizes interest costs as a component of the cost of construction in progress. A summary of interest costs and payments for the years ended September 30 is as follows:

(Millions of dollars)	2024	2023	2022
Charged to operations	$ 528	$ 452	$ 398
Capitalized	57	51	46
Total interest costs	$ 584	$ 503	$ 444
Interest paid, net of amounts capitalized	$ 473	$ 452	$ 390

Note 17 — Income Taxes

Provision for Income Taxes

The provision (benefit) for income taxes for the years ended September 30 consisted of:

(Millions of dollars)	2024	2023	2022
Current:			
Federal	$ 132	$ 364	$ 17
State and local, including Puerto Rico	17	87	32
Foreign	362	303	228
	$ 511	$ 754	$ 277
Deferred:			
Domestic	$ (169)	$ (644)	$ (96)
Foreign	(42)	22	(33)
	(211)	(622)	(129)
Income tax provision	$ 300	$ 132	$ 148

The components of *Income from Continuing Operations Before Income Taxes* for the years ended September 30 consisted of:

(Millions of dollars)	2024	2023	2022
Domestic, including Puerto Rico	$ 336	$ 358	$ 496
Foreign	1,669	1,304	1,287
Income from Continuing Operations Before Income Taxes	$ 2,005	$ 1,662	$ 1,783

Unrecognized Tax Benefits

The table below summarizes the gross amounts of unrecognized tax benefits without regard to reduction in tax liabilities or additions to deferred tax assets and liabilities if such unrecognized tax benefits were settled. The Company believes it is reasonably possible that the amount of unrecognized benefits will change during the next twelve months due to one or more of the following events: expiring statutes, audit activity, tax payments, other activity, or final decisions in matters that are the subject of controversy in various taxing jurisdictions in which we operate. However, the Company does not expect changes to have a significant effect on its results of operations, financial condition, or cash flows.

(Millions of dollars)	2024	2023	2022
Balance at October 1	$ 269	$ 267	$ 354
Increase due to acquisitions	—	—	2
Increase due to current year tax positions	22	22	40
Increase due to prior year tax positions	—	33	60
Decreases due to prior year tax positions	—	(29)	—
Decrease due to settlements with tax authorities	(64)	(6)	(77)
Decrease due to lapse of statute of limitations	(6)	(18)	(112)
Balance at September 30	$ 221	$ 269	$ 267
Unrecognized tax benefits that would affect the effective tax rate if recognized	$ 257	$ 366	$ 348

The following were included for the years ended September 30 as a component of *Income tax provision* on the consolidated statements of income.

(Millions of dollars)	2024	2023	2022
Interest and penalties associated with unrecognized tax benefits	$ 42	$ 20	$ (6)

The Company conducts business and files tax returns in numerous countries and currently has tax audits in progress in a number of tax jurisdictions. The IRS has completed its audit for the BD legacy fiscal year 2014 and BD combined company fiscal years 2015 and 2017. With regard to legacy CareFusion, which the Company acquired in 2015, and legacy Bard, all pre-acquisition examinations have been completed. The IRS is reviewing BD's fiscal years 2018 through 2022. For the other major tax jurisdictions where the Company conducts business, tax years are generally open after 2016.

Deferred Income Taxes

Deferred income taxes at September 30 consisted of:

	2024		2023	
(Millions of dollars)	Assets	Liabilities	Assets	Liabilities
Compensation and benefits	$ 405	$ —	$ 426	$ —
Property and equipment	—	391	—	405
Intangibles	—	1,612	—	1,858
Loss and credit carryforwards	2,946	—	2,352	—
Product recall and liability reserves	261	—	362	—
Capitalized research and development expenses (a)	364	—	243	—
Other	512	64	431	88
	4,489	2,067	3,814	2,351
Valuation allowance	(2,990)	—	(2,272)	—
Net (b)	$ 1,498	$ 2,067	$ 1,542	$ 2,351

(a) As required by the 2017 Tax Cuts and Jobs Act, the Company's research and development expenditures were capitalized and amortized in fiscal year 2024 for income tax purposes. This resulted in an increase in cash tax paid in fiscal year 2024 with a corresponding deferred tax benefit.

(b) Net deferred tax assets are included in *Other Assets* and net deferred tax liabilities are included in *Deferred Income Taxes and Other Liabilities* on the consolidated balance sheets.

Deferred tax assets and liabilities are netted on the balance sheet by separate tax jurisdictions. The Company asserts indefinite reinvestment for all historical unremitted foreign earnings as of September 30, 2024. Deferred taxes have not been provided on undistributed earnings of foreign subsidiaries as of September 30, 2024 since the determination of the total amount of unrecognized deferred tax liability is not practicable.

Generally, deferred tax assets have been established as a result of net operating losses and credit carryforwards with expiration dates from 2025 to an unlimited expiration date. Valuation allowances have been established as a result of an evaluation of the uncertainty associated with the realization of certain deferred tax assets on these losses and credit carryforwards. The valuation allowance at September 30, 2024 is primarily the result of foreign losses due to the Company's global re-organization of its foreign entities and these generally have no expiration date. Valuation allowances are also maintained with respect to deferred tax assets for certain state carryforwards that may not be realized. The net change during the year in the total valuation allowance is attributable to foreign losses and credits.

Tax Rate Reconciliation

A reconciliation of the federal statutory tax rate to the Company's effective income tax rate for continuing operations was as follows:

	2024	2023	2022
Federal statutory tax rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of federal tax benefit	(0.7)	(1.0)	(1.1)
Foreign income tax at rates other than 21%	(9.1)	(8.2)	(7.3)
Effect of foreign operations	4.3	(3.9)	5.6
Effect of Research Credits, FDII and Other Credits (a)	(22.1)	(3.2)	(2.2)
Effect of share-based compensation	(0.3)	(0.4)	(1.7)
Effect of gain on divestitures	—	3.2	—
Effect of valuation allowance	19.3	—	(5.5)
Effect of nondeductible costs (b)	2.2	—	—
Other, net	0.4	0.4	(0.5)
Effective income tax rate	15.0 %	7.9 %	8.3 %

(a) During fiscal year 2024, the Company was granted non-U.S. tax credits, for which a full valuation allowance was established.

(b) Primarily related to the estimated liability recorded as a result of the SEC investigation, as further discussed in Note 6.

Tax Holidays and Payments

The approximate tax impacts related to tax holidays in various countries in which the Company does business are provided below. The tax holidays expire at various dates through 2039. The Company's income tax payments, net of refunds are also provided below.

(Millions of dollars, except per share amounts)	2024	2023	2022
Tax impact related to tax holidays	$ 414	$ 363	$ 284
Impact of tax holiday on diluted earnings per share	1.42	1.26	0.99
Income tax payments, net of refunds	653	629	532

Note 18 — Leases

The Company leases real estate, vehicles and other equipment which are used in the Company's manufacturing, administrative and research and development activities. The Company identifies a contract that contains a lease as one which conveys a right, either explicitly or implicitly, to control the use of an identified asset in exchange for consideration. The Company's lease arrangements are generally classified as operating leases. These arrangements have remaining terms ranging from less than one year to approximately 25 years and the weighted-average remaining lease term of the Company's leases is approximately 8.3 years. An option to renew or terminate the current term of a lease arrangement is included in the lease term if the Company is reasonably certain to exercise that option.

The Company does not recognize a right-of-use asset and lease liability for short-term leases, which have terms of 12 months or less, on its consolidated balance sheet. For the longer-term lease arrangements that are recognized on the Company's consolidated balance sheet, the right-of-use asset and lease liability is initially measured at the commencement date based upon the present value of the lease payments due under the lease. These payments represent the combination of the fixed lease and fixed non-lease components that are due under the arrangement. The costs associated with the Company's short-term leases, as well as variable costs relating to the Company's lease arrangements, are not material to its consolidated financial results.

The implicit interest rates of the Company's lease arrangements are generally not readily determinable and as such, the Company applies an incremental borrowing rate, which is established based upon the information available at the lease commencement date, to determine the present value of lease payments due under an arrangement. The weighted-average incremental borrowing rate that has been applied to measure the Company's lease liabilities is 4.4%.

The Company's lease costs recorded in its consolidated statements of income for the years ended September 30, 2024, 2023 and 2022 were $190 million, $145 million and $138 million, respectively. Cash payments arising from the Company's lease arrangements are reflected on its consolidated statement of cash flows as outflows used for operating activities. The right-of-use assets and lease liabilities recognized on the Company's consolidated balance sheet as of September 30, 2024 and 2023 were as follows:

(Millions of dollars)	2024	2023
Right-of-use assets recorded in *Other Assets*	$ 876	$ 517
Current lease liabilities recorded in *Accrued expenses*	142	117
Non-current lease liabilities recorded in *Deferred Income Taxes and Other Liabilities*	667	414

The Company's payments due under its operating leases are as follows:

(Millions of dollars)	
2025	$ 174
2026	149
2027	113
2028	86
2029	77
Thereafter	389
Total payments due	988
Less: imputed interest	178
Total	$ 809

Note 19 — Supplemental Financial Information

Other Expense, Net

(Millions of dollars)	2024	2023	2022
Other investment gains (losses), net (a)	$ 5	$ (3)	$ (35)
Deferred compensation	57	32	(46)
Net pension and postretirement benefit cost (b)	(65)	(98)	(17)
Net foreign exchange losses (c)	(47)	(36)	(28)
Impacts of debt extinguishment (d)	—	—	(24)
Embecta service agreements income, net (e)	26	59	33
Other	(4)	—	1
Other expense, net	$ (28)	$ (46)	$ (117)

(a) The amounts include gains (losses) recognized relating to certain equity investments.

(b) Represents all components of the Company's net periodic pension and postretirement benefit costs, aside from service cost, including pension settlement expenses of $57 million and $73 million in fiscal years 2023 and 2022, respectively.

(c) Represents net gains and losses from transactional foreign exchange exposures, offset by net gains and losses on undesignated foreign exchange derivatives.

(d) Represents losses recognized upon the extinguishment of certain senior notes.

(e) Consists of net income from transition and logistics service agreements with Embecta following the spin-off of the former diabetes care business in fiscal year 2022, as further discussed in Note 2.

Trade Receivables, Net

The amounts recognized in 2024, 2023 and 2022 relating to allowances for doubtful accounts and cash discounts, which are netted against trade receivables, are provided in the following table:

(Millions of dollars)	Allowance for Doubtful Accounts	Allowance for Cash Discounts	Total
Balance at September 30, 2021	$ 73	$ 18	$ 91
Additions charged to costs and expenses	4	73	77
Deductions and other	(12) (a)	(75)	(87)
Balance at September 30, 2022	$ 65	$ 16	$ 81
Additions charged to costs and expenses	9	100	109
Deductions and other	(10) (a)	(100)	(110)
Balance at September 30, 2023	$ 65	$ 16	$ 81
Additions charged to costs and expenses	30	91	121
Deductions and other	(30) (a)	(93)	(124)
Balance at September 30, 2024	$ 64	$ 15	$ 79

(a) Accounts written off.

Inventories

Inventories at September 30 consisted of:

(Millions of dollars)	2024	2023
Materials	$ 803	$ 714
Work in process	443	381
Finished products	2,597	2,178
	$ 3,843	$ 3,273

The Company acquired $666 million of inventories in the Advanced Patient Monditoring transaction, which is further discussed in Note 11.

Property, Plant and Equipment, Net

Property, Plant and Equipment, Net at September 30 consisted of:

(Millions of dollars)	2024	2023
Land	$ 129	$ 131
Buildings	3,733	3,537
Machinery, equipment and fixtures	10,197	9,609
Leasehold improvements	320	301
	14,378	13,578
Less accumulated depreciation and amortization	7,557	7,021
	$ 6,821	$ 6,557

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.***

None.

Item 9A. ***Controls and Procedures.***

An evaluation was conducted by BD's management, with the participation of BD's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of BD's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of September 30, 2024. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were, as of the end of the period covered by this report, effective and designed to ensure that material information relating to BD and its consolidated subsidiaries would be made known to them by others within these entities. There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2024 identified in connection with the above-referenced evaluation that have materially affected, or are reasonably likely to materially affect, BD's internal control over financial reporting.

On September 3, 2024, BD completed the acquisition of Edwards Lifesciences' Critical Care product group ("Critical Care"), which was renamed as BD Advanced Patient Monitoring ("Advanced Patient Monitoring"). While BD has extended its oversight and monitoring processes that support our internal control over financial reporting, as well as its disclosure controls and procedures, we continue to integrate the acquired operations of Advanced Patient Monitoring. As such, we have excluded Advanced Patient Monitoring from our evaluation of internal control over financial reporting. This exclusion is in accordance with the U.S. Securities and Exchange Commission's general guidance that a recently acquired business may be omitted from the assessment scope for up to one year from the date of acquisition. The Advanced Patient Monitoring business had total assets that represented approximately 2% of BD's consolidated total assets at September 30, 2024 and total revenues that represented less than 1% of BD's consolidated revenues for fiscal year 2024.

Management's Report on Internal Control Over Financial Reporting and the Report of Independent Registered Public Accounting Firm are contained in Item 8. Financial Statements and Supplementary Data, and are incorporated herein by reference.

Item 9B. ***Other Information.***

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the three months ended September 30, 2024, certain of our officers adopted "Rule 10b5-1 trading arrangements," as defined in Item 408(a) of Regulation S-K of the Exchange Act, as follows.

On August 2, 2024, Michael Garrison, Executive Vice President and President, Medical Segment of BD, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Mr. Garrison's plan is for (i) the exercise of up to 15,467 stock appreciation rights ("SARs") at various exercise prices, net of shares withheld to satisfy applicable taxes, (ii) the sale of up to 1,383 shares of BD's common stock, (iii) the sale of up to 3,640 shares of BD's common stock upon the vesting of time vested units ("TVUs"), net of shares withheld to satisfy applicable taxes, and (iv) the sale of up to 1,660 shares of BD's common stock upon the vesting of performance units, subject to the final payout factor and net of shares withheld to satisfy applicable taxes. The foregoing exercises or sales will be made in accordance with the prices and formulas set forth in the plan and such plan terminates on the earlier of the date all the shares under the plan are sold and December 2, 2025.

On September 5, 2024, David Shan, Executive Vice President and Chief Integrated Supply Chain Officer of BD, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Mr. Shan's plan is for (i) the sale of up to 2,000 shares of BD's common stock and (ii) the sale of up to 2,369 shares of BD's common stock upon the vesting of TVUs, net of shares withheld to satisfy applicable

taxes. The sales will be made in accordance with the prices and formulas set forth in the plan and such plan terminates on the earlier of the date all the shares under the plan are sold and December 5, 2025.

On September 6, 2024, Shana Neal, Executive Vice President and Chief People Officer of BD, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Ms. Neal's plan is for the sale of up to 2,575 shares of BD's common stock. The sales will be made in accordance with the prices and formulas set forth in the plan and such plan terminates on the earlier of the date all the shares under the plan are sold and December 6, 2025.

On September 6, 2024, Roland Goette, Executive Vice President and President, EMEA of BD, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Mr. Goette's plan is for (i) the exercise of up to 13,334 SARs at various exercise prices, net of shares withheld to satisfy applicable taxes and (ii) the sale of up to 1,277 shares of BD's common stock. The foregoing exercises or sales will be made in accordance with the prices and formulas set forth in the plan and such plan terminates on the earlier of the date all the shares under the plan are sold and December 6, 2025.

During the three months ended September 30, 2024, none of our officers or directors adopted, terminated or modified any "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K of the Exchange Act.

Item 9C. ***Disclosure Regarding Foreign Jurisdictions That Prevent Inspections.***

Not applicable.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance.***

The information relating to BD's directors and nominees for director required by this item will be contained under the caption "Proposal 1: Election of Directors" in a definitive proxy statement involving the election of directors, which the registrant will file with the SEC not later than 120 days after September 30, 2024 (the "2025 Proxy Statement"), and such information is incorporated herein by reference. Information relating to the Audit Committee of the BD Board of Directors required by this item will be contained under the caption "The Board and committees of the Board - Audit Committee" and information regarding BD's code of ethics required by this item will be contained under the heading "The Board and committees of the Board - ESG - Code of Conduct" in BD's 2025 Proxy statement, and such information is incorporated herein by reference.

The information relating to executive officers required by this item is included herein in Part I under the caption "Information about our Executive Officers."

Certain other information required by this item will be contained under the caption "Ownership of BD Common Stock" in BD's 2025 Proxy Statement, and such information is incorporated herein by reference.

The Company has adopted an insider trading policy which governs the purchase, sale, and/or any other dispositions of our securities by the Company and its directors, officers and employees and is designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of our insider trading policy is filed with this Annual Report on Form 10-K as Exhibit 19.

Item 11. ***Executive Compensation.***

The information required by this item will be contained under the captions "Executive Compensation," "Report of the Compensation and Human Capital Committee," "Compensation of Named Executive Officers", "Non-management director compensation," and "CEO Pay Ratio", and information regarding BD's policies and practices regarding the timing of awards of stock options in relation to the disclosure of material, non-public information required by this item will be contained under the heading "Compensation discussion and analysis - Significant policies and other information regarding executive compensation - Equity award policy and practices" in BD's 2025 Proxy Statement, and such information is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

The information required by this item will be contained under the caption "Ownership of BD Common Stock" in BD's 2025 Proxy Statement, and such information is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item will be contained under the caption "The Board and committees of the Board - Related person transactions" in BD's 2025 Proxy Statement, and such information is incorporated herein by reference.

Item 14. ***Principal Accounting Fees and Services.***

The information required by this item will be contained under the caption "Proposal 2. Ratification of Selection of Independent Registered Public Accounting Firm" in BD's 2025 Proxy Statement, and such information is incorporated herein by reference.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules.***

(a)(1) *Financial Statements*

The following consolidated financial statements of BD are included in Item 8 of this report:

- Reports of Independent Registered Public Accounting Firm (PCAOB ID: 42)
- Consolidated Statements of Income — Years ended September 30, 2024, 2023 and 2022
- Consolidated Statements of Comprehensive Income — Years ended September 30, 2024, 2023 and 2022
- Consolidated Balance Sheets — September 30, 2024 and 2023
- Consolidated Statements of Cash Flows — Years ended September 30, 2024, 2023 and 2022
- Notes to Consolidated Financial Statements

(2) *Financial Statement Schedules*

See Note 19 to the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data.

(3) Exhibits

See the Exhibit Index below for a list of all management contracts, compensatory plans and arrangements required by this item, and all other Exhibits filed or incorporated by reference as a part of this report.

Item 16. Form 10-K Summary

BD is not providing summary information.

EXHIBIT INDEX

Exhibit Number	Description	Method of Filing
3(a)	Restated Certificate of Incorporation, dated as of January 30, 2019.	Incorporated by reference to Exhibit 3 to the registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2018.
3(b)	By-Laws, as amended as of September 19, 2023.	Incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K filed on September 21, 2023.
4(a)	Indenture, dated as of March 1, 1997, between the registrant and The Bank of New York Mellon Trust Company, N.A. (as successor to JPMorgan Chase Bank).	Incorporated by reference to Exhibit 4(a) to Form 8-K filed by the registrant on July 31, 1997.
4(b)	Form of 7.000% Debentures due August 1, 2027.	Incorporated by reference to Exhibit 4(d) to the registrant's Current Report on Form 8-K filed on July 31, 1997.
4(c)	Form of 6.700% Debentures due August 1, 2028.	Incorporated by reference to Exhibit 4(d) to the registrant's Current Report on Form 8-K filed on July 29, 1999.
4(d)	Form of 6.000% Notes due May 15, 2039.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on May 13, 2009.
4(e)	Form of 5.000% Notes due November 12, 2040.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on November 12, 2010.
4(f)	Form of 3.734% Notes due December 15, 2024.	Incorporated by reference to Exhibit 4.4 to the registrant's Current Report on Form 8-K filed on December 15, 2014.
4(g)	Form of 4.685% Notes due December 15, 2044.	Incorporated by reference to Exhibit 4.5 to the registrant's Current Report on Form 8-K filed on December 15, 2014.
4(h)	Form of 4.875% Senior Notes due May 15, 2044.	Incorporated by reference to Exhibit 4.6 to the registrant's Current Report on Form 8-K filed on April 29, 2015.
4(i)	Form of 1.900% Notes due December 15, 2026.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on December 9, 2016.
4(j)	Form of 3.700% Notes due June 6, 2027.	Incorporated by reference to Exhibit 4.6 to the registrant's Current Report on Form 8-K filed on June 6, 2017.
4(k)	Form of 4.669% Notes due June 6, 2047.	Incorporated by reference to Exhibit 4.7 to the registrant's Current Report on Form 8-K filed on June 6, 2017.
4(l)	Form of 6.700% Notes due December 1, 2026.	Incorporated by reference to Exhibit 4.4 to the registrant's Current Report on Form 8-K filed on December 29, 2017.
4(m)	Indenture, dated as of December 1, 1996 between C.R. Bard, Inc. and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee.	Incorporated by reference to Exhibit 4.1 to C.R. Bard, Inc.'s Registration Statement on Form S-3 (File No. 333-05997).

Exhibit Number	Description	Method of Filing
4(n)	First Supplemental Indenture, dated May 18, 2017, between C. R. Bard, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of C.R. Bard, Inc. filed on May 23, 2017.
4(o)	Form of 3.020% Notes due May 24, 2025.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on May 24, 2018.
4(p)	Indenture, dated as of May 17, 2019, among Becton Dickinson Euro Finance S.à r.l. ("Becton Finance"), as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.7 to the registrant's Post-Effective Amendment to the Registration Statement on Form S-3 filed on May 17, 2019.
4(q)	First Supplemental Indenture, dated as of June 4, 2019, among Becton Finance, as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on June 4, 2019.
4(r)	Form of 1.208% Note due June 4, 2026.	Incorporated by reference to Exhibit 4.4 to the registrant's Current Report on Form 8-K filed on June 4, 2019.
4(s)	Form of 2.823% Notes due May 20, 2030.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on May 20, 2020.
4(t)	Form of 3.794% Notes due May 20, 2050.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on May 20, 2020.
4(u)	Form of 1.957% Notes due February 11, 2031.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on February 11, 2021.
4(v)	Second Supplemental Indenture, dated as of February 12, 2021, among Becton Finance, as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on February 12, 2021.
4(w)	Form of 1.213% Note due February 12, 2036.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on February 12, 2021.
4(x)	Third Supplemental Indenture, dated as of August 13, 2021, among Becton Finance, as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on August 13, 2021.
4(y)	Form of 0.334% Notes due August 13, 2028.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on August 13, 2021.

Exhibit Number	Description	Method of Filing
4(z)	Form of 1.336% Notes due August 13, 2041.	Incorporated by reference to Exhibit 4.3 to the registrant's Current Report on Form 8-K filed on August 13, 2021.
4(aa)	Form of 0.034% Notes due August 13, 2025.	Incorporated by reference to Exhibit 4.3 to the registrant's registration statement on Form 8-A filed on August 13, 2021.
4(bb)	Form of 4.298% Notes due August 22, 2032.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on August 22, 2022.
4(cc)	Description of the Registrant's Securities.	Filed with this report.
4(dd)	Fourth Supplemental Indenture, dated as of February 13, 2023, among Becton Finance, as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on February 13, 2023.
4(ee)	Form of 3.553% Notes due September 13, 2029.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on February 13, 2023.
4(ff)	Form of 4.693% Notes due February 13, 2028.	Incorporated by reference to Exhibit 4.3 to the registrant's Current Report on Form 8-K filed on February 13, 2023.
4(gg)	Form of 3.519% Notes due February 8, 2031	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on February 8, 2024.
4(hh)	Form of 4.874% Notes due February 8, 2029	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on February 8, 2024.
4(ii)	Form of 5.110% Notes due February 8, 2034	Incorporated by reference to Exhibit 4.3 to the registrant's Current Report on Form 8-K filed on February 8, 2024.
4(jj)	Form of 3.828% Notes due June 7, 2032	Incorporated by reference to Exhibit 4.1 to the registrant's Current Report on Form 8-K filed on June 7, 2024.
4(kk)	Fifth Supplemental Indenture, dated as of June 7, 2024, among Becton Finance, as issuer, Becton, Dickinson and Company, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee.	Incorporated by reference to Exhibit 4.2 to the registrant's Current Report on Form 8-K filed on June 7, 2024.

Exhibit Number	Description	Method of Filing
4(ll)	Form of 4.029% Notes due June 7, 2036	Incorporated by reference to Exhibit 4.3 to the registrant's Current Report on Form 8-K filed on June 7, 2024.
4(mm)	Form of 5.081% Notes due June 7, 2029	Incorporated by reference to Exhibit 4.4 to the registrant's Current Report on Form 8-K filed on June 7, 2024.
10(a)	Form of Employment Agreement with executive officers relating to employment following a change of control of the registrant (without tax reimbursement provisions).*	Incorporated by reference to Exhibit 10(a)(ii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2013.
10(b)	Stock Award Plan, as amended and restated as of January 31, 2006.*	Incorporated by reference to Exhibit 10(a) to the registrant's Quarterly Report on Form 10-Q for the period ended December 31, 2005.
10(c)	Performance Incentive Plan, as amended and restated July 25, 2023.*	Incorporated by reference to Exhibit 10(c) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2023.
10(d)	Deferred Compensation and Retirement Benefit Restoration Plan, as amended as of September 30, 2024.*	Filed with this report.
10(e)	1996 Directors' Deferral Plan, as amended and restated as of November 25, 2014.*	Incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on December 2, 2014.
10(f)	Aircraft Time Sharing Agreement dated June 5, 2020, between the registrant and Thomas E. Polen.*	Incorporated by reference to Exhibit 10.2 to the registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2020.
10(g)(i)	2004 Employee and Director Equity-Based Compensation Plan, as amended and restated as of July 25, 2023.*	Incorporated by reference to Exhibit 10(g)(i) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2023.
10(g)(ii)	French Addendum to the 2004 Employee and Director Equity-Based Compensation Plan dated January 21, 2019.*	Incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed on January 31, 2020.
10(g)(iii)	Terms of Awards under 2004 Employee and Director Equity-Based Compensation Plan and Stock Award Plan.*	Incorporated by reference to Exhibit 10(g)(iii) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2020.
10(h)	Tax Matters Agreement, dated August 31, 2009, by and between Cardinal Health, Inc. and CareFusion Corporation.	Incorporated by reference to Exhibit 10.3 to Cardinal Health, Inc.'s Current Report on Form 8-K filed on September 4, 2009.
10(i)	Letter Agreement, dated August 4, 2021, between the registrant and Christopher DelOrefice.*	Incorporated by reference to Exhibit 10(n) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2021.

Exhibit Number	Description	Method of Filing
10(j)	Second Amended and Restated Credit Agreement, dated as of January 25, 2023, by and among Becton, Dickinson and Company, the other entities party thereto and Citibank, N.A., as administrative agent.	Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed January 25, 2023.
10(j)(i)	Lender Confirmation, dated July 9, 2024. * *	Filed with this report.
10(k)	Advisory Board Consulting Agreement, dated October 31, 2022, by and between the registrant and Claire M. Fraser.*	Incorporated by reference to Exhibit 10(p) to the registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2022.
10(l)	Omnibus Amendment, dated as of March 9, 2023, among Becton, Dickinson and Company and each of the financial institutions party thereto as dealer. * *	Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed March 10, 2023.
10(m)	Dealer Agreement, dated March 9, 2023, among Becton, Dickinson and Company and each of the financial institutions party thereto as dealer. * *	Incorporated by reference to Exhibit 10.2 to the registrant's Current Report on Form 8-K filed March 10, 2023.
10(n)	Executive Officer Cash Severance Policy, effective as of November 21, 2023.	Incorporated by reference to Exhibit 10.1 to the registrant's Current Report on Form 8-K filed on November 27, 2023.
19	Global Insider Trading and Securities Transactions Policy, effective as of July 31, 2024.	Filed with this report.
21	Subsidiaries of the registrant.	Filed with this report.
22	Subsidiary Issuer of Guaranteed Securities.	Filed with this report.
23	Consent of independent registered public accounting firm.	Filed with this report.
24	Power of Attorney.	Included on signature page.
31	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to SEC Rule 13(a)-14(a).	Filed with this report.
32	Certifications of Chief Executive Officer and Chief Financial Officer, pursuant to Section 1350 of Chapter 63 of Title 18 of the U.S. Code.	Filed with this report.
97	Policy Regarding the Mandatory Recovery of Compensation, dated as of December 1, 2023.	Filed with this report.

Exhibit Number	Description	Method of Filing
101	The following materials from this report, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.	Filed with this report.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

* Denotes a management contract or compensatory plan or arrangement.
** Portions omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

Copies of any Exhibits not accompanying this Form 10-K are available at a charge of 10 cents per page by contacting: Investor Relations, Becton, Dickinson and Company, 1 Becton Drive, Franklin Lakes, New Jersey 07417-1880, Phone: 1-800-284-6845.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BECTON, DICKINSON AND COMPANY

By: /s/ STEPHANIE M. KELLY
Stephanie M. Kelly
Associate General Counsel, Securities and Governance and Assistant Secretary

Dated: November 27, 2024

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each of the undersigned hereby constitutes and appoints Thomas E. Polen, Michelle T. Quinn, Christopher J. DelOrefice and Stephanie M. Kelly, and each of them, acting individually and without the other, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the Company's fiscal year ended September 30, 2024, and any amendments thereto, each in such form as they or any one of them may approve, and to file the same with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done so that such Annual Report shall comply with the Securities Exchange Act of 1934, as amended, and the applicable Rules and Regulations adopted or issued pursuant thereto, as fully and to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their substitute or resubstitute, may lawfully do or cause to be done by virtue hereof.

This Power of Attorney shall not revoke any powers of attorney previously executed by the undersigned. This Power of Attorney shall not be revoked by any subsequent power of attorney that the undersigned may execute, unless such subsequent power of attorney specifically provides that it revokes this Power of Attorney by referring to the date of the undersigned's execution of this Power of Attorney. For the avoidance of doubt, whenever two or more powers of attorney granting the powers specified herein are valid, the agents appointed on each shall act separately unless otherwise specified.

Pursuant to the requirements of the Securities Act of 1934, as amended, this Annual Report and Power of Attorney have been signed as of November 27, 2024 by the following persons in the capacities indicated.

Name	Capacity
/S/ THOMAS E. POLEN Thomas E. Polen	Chairman, Chief Executive Officer and President (Principal Executive Officer)
/S/ CHRISTOPHER J. DELOREFICE Christopher J. DelOrefice	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Name	Capacity
/S/ WILLIAM M. BROWN William M. Brown	Director
/S/ CATHERINE M. BURZIK Catherine M. Burzik	Director
/S/ CARRIE L. BYINGTON Carrie L. Byington	Director
/S/ R. ANDREW ECKERT R. Andrew Eckert	Director
/S/ CLAIRE M. FRASER Claire M. Fraser	Director
/S/ JEFFREY W. HENDERSON Jeffrey W. Henderson	Director
/S/ CHRISTOPHER JONES Christopher Jones	Director
/S/ TIMOTHY M. RING Timothy M. Ring	Director
/S/ BERTRAM L. SCOTT Bertram L. Scott	Director
/S/ JOANNE WALDSTREICHER Joanne Waldstreicher	Director

Corporate Information

Annual Meeting

Tuesday, January 28, 2025 - 1 p.m. (EST)

Virtual Meeting Only:
Please visit
https://meetnow.global/M5X7D4A

This annual report is not a solicitation of proxies.

Transfer agent and registrar

Computershare Trust Company, N.A.

By regular mail

P.O. Box 43006
Providence, RI 02940-3006

By overnight mail

150 Royall Street
Canton, MA 02021
Toll free: 877.498.8861
Toll: 781.575.2879
https://www.computershare.com

Direct stock purchase plan

The direct stock purchase plan established through Computershare Trust Company, N.A., enhances the services provided to existing shareholders and facilitates initial investments in BD shares. Plan documentation and additional information may be obtained by calling Computershare Trust Company, N.A., at 877.498.8861, or by accessing the "Buy stock direct" feature located with the Investor Center of Computershare's website at http://www.computershare.com.

NYSE symbol: BDX

Independent auditors

Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604
Phone: 212.773.3000
http://www.ey.com

Shareholder information

As of November 29, 2024, BD had 9,959 shareholders of record. The BD Statement of Corporate Governance Principles, the BD Code of Conduct, the charters of the BD Committees of the Board of Directors, BD reports and statements filed with or furnished to the Securities and Exchange Commission and other information are posted on the BD website at **investors.bd.com**

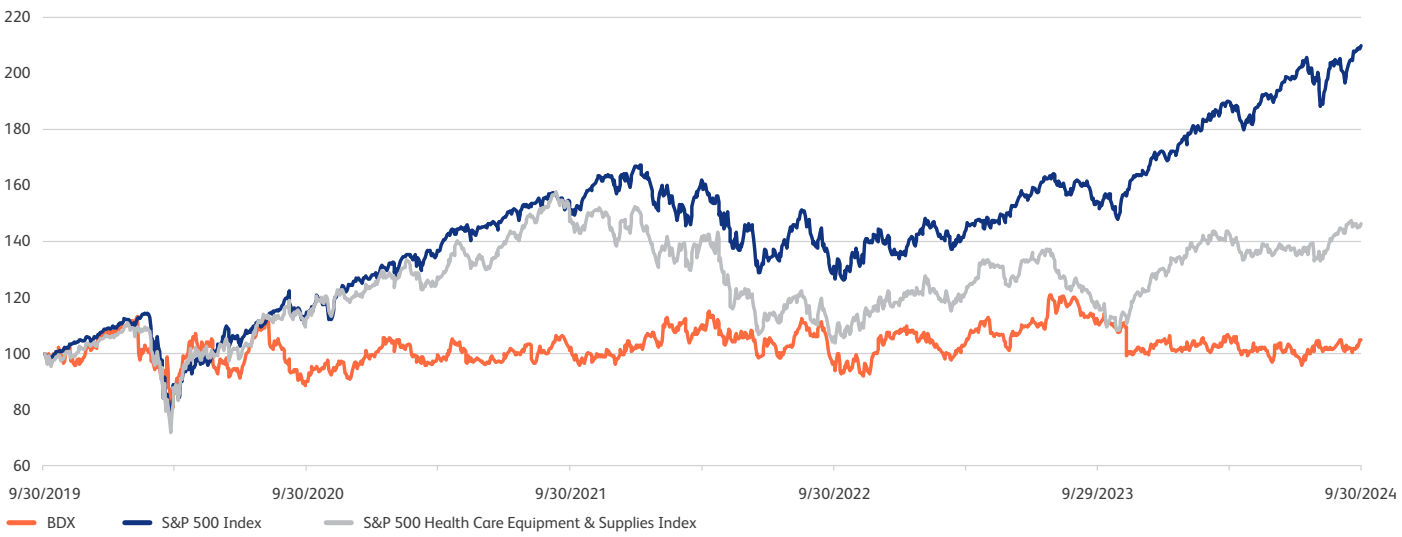
Shareholders may receive, without charge, printed copies of these documents, including the BD 2024 Annual Report on Form 10-K, including the financial statements and related schedules, by contacting:

Investor Relations

BD
1 Becton Drive
Franklin Lakes, NJ 07417-1880
Phone: 800.284.6845

bd.com

Comparison of 5-year cumulative total return among BD, the S&P 500 Index and S&P 500 healthcare peers



The graph above presents a comparison of cumulative total return to shareholders for the 5-year period that ended September 30, 2024, for BD, the S&P 500 Index and the S&P 500 Health Care Equipment & Supplies Index.*

Cumulative total return to shareholders is measured by dividing total dividends (assuming dividend reinvestment) plus per-share price change for the period by the share price at the beginning of the measurement period. The BD cumulative shareholder return is based on an investment of $100 on September 30, 2019, and is compared to the cumulative total return of the S&P 500 Index and the S&P 500 Health Care Equipment & Supplies Index over the same period with a like amount invested.

*Source: FactSet

BD Franklin Lakes, NJ 07417 U.S.
201.847.6800

BD
Advancing the world of health™

bd.com