

# WE BELIEVE

We have a **POWERFUL OPPORTUNITY**  
to make healthcare **BETTER TOGETHER.**



**BD**



**BAIRD**

April 24, 2017



## **IMPORTANT INFORMATION FOR INVESTORS**

In connection with the proposed transaction, Becton Dickinson and Company ("BD") will file with the SEC a registration statement on Form S-4 that will constitute a prospectus of BD and include a proxy statement of C.R. Bard, Inc. ("Bard"). BD and Bard also plan to file other relevant documents with the SEC regarding the proposed transaction. INVESTORS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. You may obtain a free copy of the proxy statement/prospectus (if and when it becomes available) and other relevant documents filed by BD and Bard with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, you will be able to obtain free copies of these documents by phone, e-mail or written request by contacting the investor relations department of BD or Bard at the following:

Becton, Dickinson and Company

1 Becton Drive  
Franklin Lakes, New Jersey 07417  
Attn: Investor Relations  
1-(800)-284-6845

C.R. Bard, Inc.

730 Central Avenue  
Murray Hill, New Jersey 07974  
Attn: Investor Relations  
1-(800)-367-2273

BD has filed a registration statement (including a prospectus) with the SEC for the permanent financings to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents BD has filed with the SEC for more complete information about BD and these offerings. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, BD will arrange to send you the prospectus if you request it by contacting the investor relations department of BD.

## **PARTICIPANTS IN THE SOLICITATION**

BD and Bard and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about BD's directors and executive officers is available in BD's proxy statement dated December 15, 2016, for its 2017 Annual Meeting of Shareholders. Information about Bard's directors and executive officers is available in Bard's proxy statement dated March 15, 2017, for its 2017 Annual Meeting of Stockholders. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the acquisition when they become available. Investors should read the proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from BD or Bard as indicated above.



This slide presentation contains certain estimates and other "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements generally are accompanied by words such as "will", "expect", "outlook", "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," or other similar words, phrases or expressions and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements regarding the estimated or anticipated future results of BD, and of the combined company following BD's proposed acquisition of Bard, the anticipated benefits of the proposed combination, including estimated synergies, the expected timing of completion of the transaction and other statements that are not historical facts. These statements are based on the current expectations of BD and Bard management and are not predictions of actual performance. These statements are subject to a number of risks and uncertainties regarding BD and Bard's respective businesses and the proposed acquisition, and actual results may differ materially. These risks and uncertainties include, but are not limited to, (i) the ability of the parties to successfully complete the proposed acquisition on anticipated terms and timing, including obtaining required shareholder and regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of the new combined company's operations and other conditions to the completion of the acquisition, (ii) risks relating to the integration of Bard's operations, products and employees into BD and the possibility that the anticipated synergies and other benefits of the proposed acquisition will not be realized or will not be realized within the expected timeframe, (iii) the outcome of any legal proceedings related to the proposed acquisition, (iv) access to available financing for the refinancing of BD's or Bard's debt on a timely basis and reasonable terms, (v) the ability to market and sell Bard's products in new markets, including the ability to obtain necessary regulatory product registrations and clearances, (vi) the loss of key senior management or other associates; the anticipated demand for BD's and Bard's products, including the risk of future reductions in government healthcare funding, changes in reimbursement rates or changes in healthcare practices that could result in lower utilization rates or pricing pressures, (vii) the impact of competition in the medical device industry, (viii) the risks of fluctuations in interest or foreign currency exchange rates, (ix) product liability claims, (x) difficulties inherent in product development, including the timing or outcome of product development efforts, the ability to obtain regulatory approvals and clearances and the timing and market success of product launches, (xi) risks relating to fluctuations in the cost and availability of raw materials and other sourced products and the ability to maintain favorable supplier arrangements and relationships, (xii) successful compliance with governmental regulations applicable to BD, Bard and the combined company, (xiii) changes in regional, national or foreign economic conditions, (xiv) uncertainties of litigation, and (xv) other factors discussed in BD's and Bard's respective filings with the Securities Exchange Commission. The forward-looking statements in this document speak only as of date of this document. BD and Bard undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date hereof, except as required by applicable laws or regulations.



# Speakers on today's call



**Vince Forlenza**  
Chairman & CEO  
Becton, Dickinson & Co.



**Tim Ring**  
Chairman & CEO  
C.R. Bard, Inc.



**Christopher Reidy**  
EVP, CFO and CAO  
Becton, Dickinson & Co.

# Accelerating and broadening BD's strategy

There are clear strategic benefits of a combination:

1

**Advances the strategies** of both companies and accelerates end-to-end medication management and infection prevention

2

**Creates new growth opportunities** across a range of clinically impactful segments

3

**Leverages BD's leading global capabilities** and creates new opportunities around the world to benefit from the combined company's product technology



**Better Together:  
A Dynamic and  
Differentiated Company**

- ~\$16 billion in combined annualized revenues
- Increases BD's addressable opportunity by \$20B
- 65,000 employees worldwide
- Presence in almost every country around the world





# Key highlights from Bard's perspective

**1**

**BD is a Company with a compelling mission, strong values and a track record of success**

**2**

**Our strategy has been focused on specific clinical improvements and therapy innovations**

**3**

**Combination offers:**

- Unmatched solutions for customers and their patients
- Leading portfolio of solutions across continuum of care
- New growth opportunities

**4**

**Unique value creation for shareholders**

**5**

**We would like to recognize the hard work of all Bard employees, which created a world-class company**



# Accelerating our strategy

## Built on an already strong foundation

2017

### Becoming a provider of complete healthcare solutions



**Clinical outcomes and disease management**

2015–2016



**Healthcare process efficiency, automation and informatics**

2011–2016

### Marketing and commercial excellence

2011–2013

<b>Growth</b> 	<b>Innovation</b> 
<ul style="list-style-type: none"> <li>• Emerging markets</li> <li>• Expanding addressable market opportunities</li> <li>• New product launches</li> <li>• Seeking new acquisition opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Building new customer capabilities</li> <li>• Institutionalize the management of innovation</li> <li>• Globalize R&amp;D</li> <li>• Increased spend in new product development</li> </ul>



# Our journey has been focused on four strategic pillars

1



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

**BAARD**

**Further enhances  
the medication  
management  
continuum**

2



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

**BAARD**

**Accelerates  
infection  
prevention  
strategy**

3



**Advance**  
the treatment of  
diabetes and  
other disease  
categories

**BAARD**

**Further advances  
the treatment of  
disease**

4



**Expand  
globally**

**BAARD**

**Further  
leverages BD's  
leading global  
capabilities**





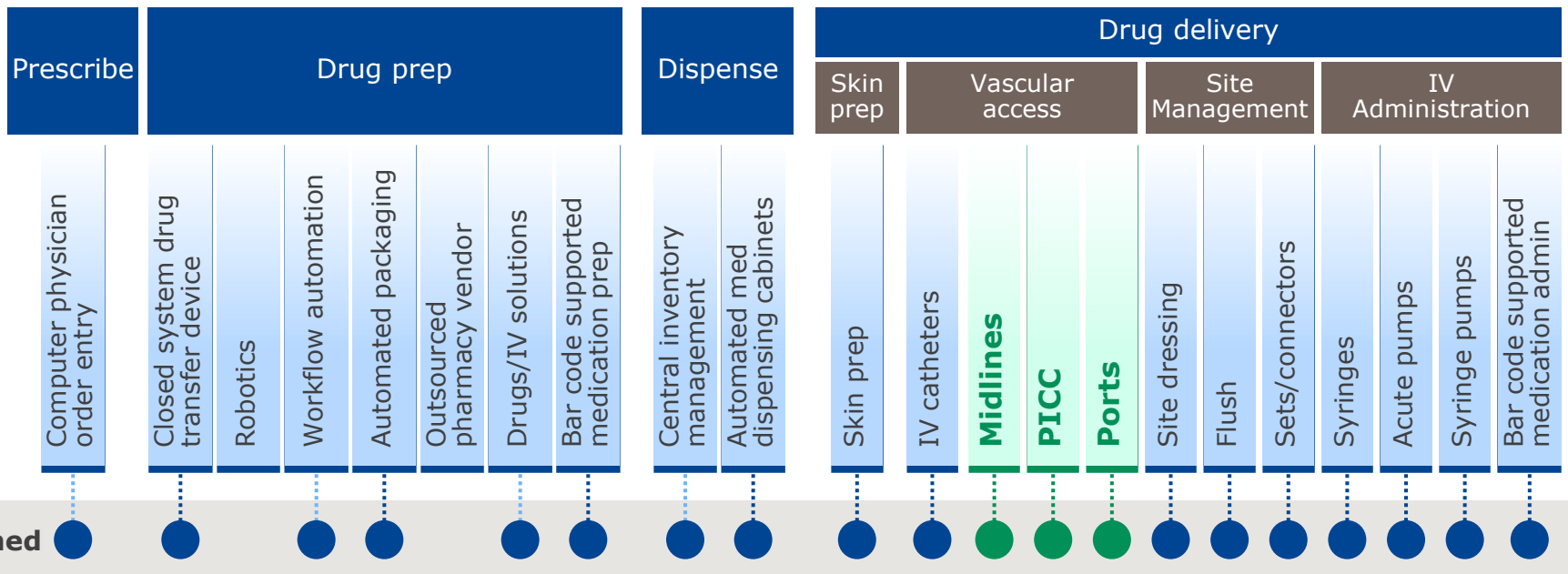
# Expands leadership in medication management



**Increases BD's access to a \$20B addressable opportunity**



**Completes Vascular Access offering in a fast growing segment of drug delivery**



# Creates the leader in solutions to address HAI's

## Major healthcare need

**\$9.8B<sup>1</sup>**

U.S. cost of **healthcare-associated infections**

1 in 15 patients acquire infection during care

## Most costly and relevant HAIs

Surgical Site Infection (SSI)

**\$3.3B in cost burden**

Central line associated blood stream infection (CLABSI)

**\$1.8B in cost burden**

Catheter associated urinary tract infection (CAUTI)

**\$1.0B in cost burden**

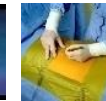
## Technology portfolio



Chloraprep



Clippers



Surgical drapes, wipes (pipeline)



Site prep



PICC

Ports



Connectors



PIVC



Disinfectant caps



Infection control Foley catheters and standardized kits



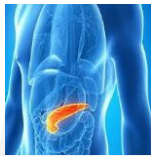
(1) Includes C.Diff and VAP, in addition to SSI, CLABSI, CAUTI as depicted above.

# Expanding to new high-growth clinical therapy areas with differentiated solutions

## Healthcare challenges

## Massive costs

## Solutions (current and pipeline)



### Diabetes

- 29 million patients (U.S.); 400+ million (global)

**\$175B**

Direct medical costs From **diabetes**



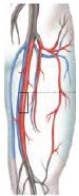
Pen needles



Dose Data Capture



T2 Patch Pump



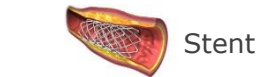
### Peripheral Vascular Disease

- 19 million patients (U.S.)
- Drives 10% of all hospitalizations

**\$200B**

Cost burden of **peripheral vascular disease**

DCB (Drug Coated Balloon)



Stent



Graft



PTA (Peripheral angioplasty balloons)



### Chronic Kidney Disease

- 26 million lives at risk (U.S.)
- Projected 60% increase in kidney failure incidence by 2020

**\$32B**

Treatment costs of **chronic kidney disease**



Dialysis catheters

AV Fistula DCB



# Scales and accelerates oncology and surgical offerings



Oncology



Fine Needle Biopsy



PleurX Denver Shunt



EnCor Vacuum Assisted Breast Biopsy (VAB)



Core Needle Biopsy



~\$0.5B oncology business

- Strengthens BD's offering globally
- Improves position in biopsy

Surgery



ChlorPrep



Hernia Mesh



Hernia Fixation



Biosurgery



V. Mueller



~\$1.0B surgery business

- Establishes BD as a strong player in general surgery with clinically preferred mesh, infection prevention, and biosurgery offerings



# Strengthens our global Med-Tech position

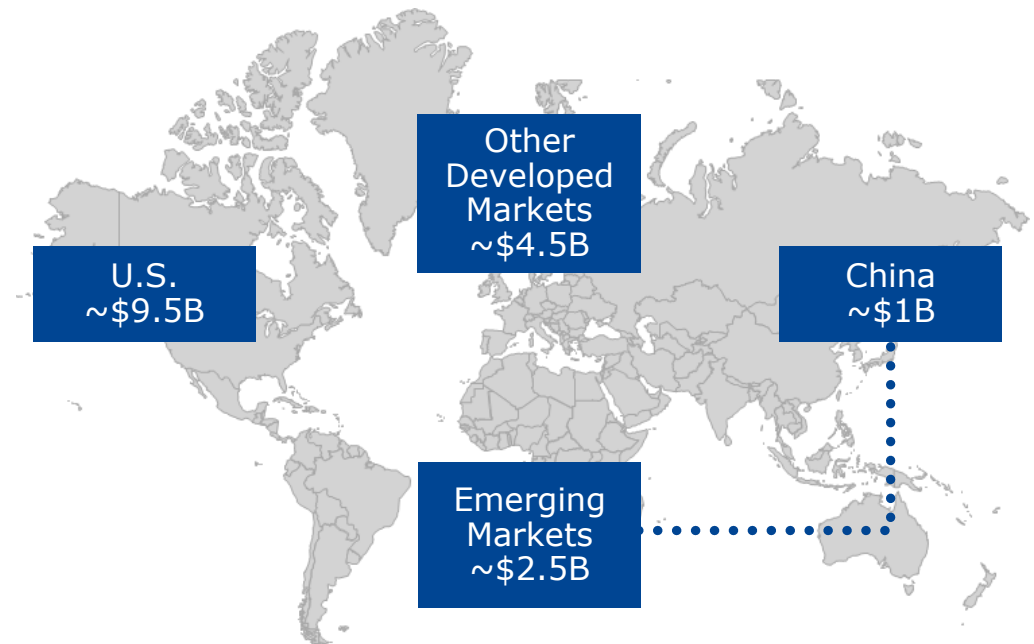


- Strong international presence (45% x-U.S. / 55% U.S.)
- Advanced market development, governmental affairs and regional innovation capabilities
- Substantial local manufacturing



- Channel expansion outside the U.S.
- Strong regional commercial teams
- Innovation pipeline with highly relevant product solutions for international markets

## Global Base for Sustained Growth FY 2016 combined revenues ~\$16B



Note: Totals may not add due to rounding.



# Combination strengthens our growth profile

**FY 2017 to FY 2019**  
BD Analyst Day  
November 2016

Revenue  
Growth

**5%+**

Operating  
Margin  
Expansion

**~100**  
bps per year

Earnings  
Growth

**10%+**

**FY 2018 to FY 2020**  
Bard Announcement  
April 2017

Revenue  
Growth

**5-6%**

Operating  
Margin  
Expansion

**~200**  
bps per year

Earnings  
Growth

**mid-  
teens**





# Transaction overview

## Transaction Terms

- **Total consideration of \$24 billion in cash and BD stock**
  - \$222.93 in cash per share and \$94.07 stock per share
  - Bard shareholders to own ~15% of combined company, ~\$8B
  - BD to assume \$1.6B of Bard debt and \$1.1B of cash

## Financing Overview

- Committed bridge financing covering the cash component of the transaction is in place
- Permanent financing expected to consist of a combination of cash on hand, new debt, and new equity and equity-linked securities:
  - ~\$1.7B of available cash on hand
  - ~\$10B of new debt
  - ~\$4.5B of new equity and equity-linked securities to be issued to the market (100% equity credit)

## Balance Sheet Implications

- **Commitment to deleveraging to below 3x over 3 years**
  - Pro forma leverage ratio of ~4.7x LTM adjusted EBITDA
  - Expect credit ratings of BBB (S&P) & Ba1 (Moody's)

## Timing

- Transaction expected to close in the fall of 2017, subject to regulatory and Bard shareholder approvals



# Creates meaningful value for shareholders

## Accelerating Revenue Growth

- **Accelerates top-line and expands addressable markets**
  - Enhances BD's growth strategy
  - Targeted top-line growth expected to increase from 5%+ to 5-6%
  - Increases BD's addressable market opportunity from approximately \$47 billion to \$70 billion

## Synergies

- **Approximately \$300 million of estimated run-rate cost synergies**
  - Expected to be fully realized by fiscal year 2020
- **Revenue and tax synergies are expected but not included**

## Earnings Impact and Returns

- **Expands gross margins by ~300 bps in FY 2018**
- **Earnings growth accelerates to mid-teens**
  - Immediately accretive in fiscal year 2018 and high single digit accretion in fiscal year 2019
- **Attractive return profile and strong cash flow generation**
  - Delivers strong ROIC

## Capital Allocation

- **Commitment to continue growing the dividend**



# A new interventional segment



BD Medical remains focused on solutions that address significant healthcare challenges

.....

A new Interventional Segment will be created with a focus on disease management

.....

BD Life Sciences segment remains focused on improving outcomes from discovery to diagnosis



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# Questions

