Third Quarter Results
Fiscal Year 2020

August 6, 2020
Forward-Looking Statements

• These materials include forward-looking statements and it's possible that actual results could differ from our expectations. Factors that could cause such differences appear in our earnings release furnished as an exhibit to the Form 8-k that BD filed today with the SEC, and in our recent SEC filings.

Non-GAAP Financial Measures

• These materials also include Non-GAAP financial measures. A reconciliation to the most directly comparable GAAP measures can be found herein, or in our earnings release and the financial schedules attached thereto.
• Certain financial information excludes the impact of foreign currency translation
• Basis of Presentation for Revenue Growth Metrics: All revenue amounts are presented on a GAAP basis. FXN revenue growth reflects growth on a currency neutral basis.
• A copy of our earnings release, including the financial schedules, is posted on the “Investors” section of the BD.com website.

Footnotes

1. Figures other than Revenue and Preferred Dividend are “as adjusted” which exclude, among other things, the impact of purchase accounting adjustments (including the non-cash amortization of acquisition-related intangible assets); integration, restructuring and transaction costs.

Note: COVID impact represents BD’s estimate of the net financial impact of the global COVID-19 pandemic on the Company’s results. Revenue growth rates are not adjusted to reflect the impact of COVID-19.
Q3 Overview

Tom Polen
CEO and President
Our Q3 financial results reflect the impact of COVID-19 during the quarter, with encouraging trends in June and July.

**Interventional**
Sequential improvement each month as elective and non-urgent procedures begin to resume.

**Medical**
Impacted by lower hospital utilization, with demand for medical consumables improving in June.

**Life Sciences**
Strong demand for COVID-19 diagnostics, offset by lower capital investments and deferral of routine lab work.

BD is well positioned to support customers through the pandemic and to return to growth as healthcare continues to stabilize and recover.
BD is uniquely positioned to advance COVID-19 solutions across the continuum of care

CONTINUUM OF CARE

**Discovery**

- **Life Sciences**
  - Improving diagnosis & selection of optimal treatment
    - Enabling research to understand immune response
    - Expanding rapid diagnostic & point-of-care testing & surveillance

**Diagnosis**

- **Medical**
  - Optimizing core healthcare delivery processes
    - Enabling medication management and delivery
    - Anticipating & preparing for a worldwide vaccination campaign

**Delivery of care & treatment of disease**

- **Interventional**
  - Advancing technologies to treat high-burden diseases & conditions
    - Ensuring critical care & treatment for high-burden conditions

**Informatics: integrated workflow management and data analytics**
Advancing innovation and launching new diagnostic solutions to help the world’s response to COVID-19

**Point-of-care antigen**

Rapid and reliable testing at the point of care:
- Confirms active COVID-19 infection in **15 minutes**
- Installed base of **>25,000** across U.S.
- Expect to deliver **10 million tests** by September
- Ramping production to **12 million tests** per month at end of February 2021

**BD Veritor™ Plus System**

**Molecular PCR**

Easy-to-use, real-time PCR tests on **BD MAX™**
- EUA & CE-marked COVID-19 assays
- Confirms active COVID-19 infection in **2-3 hours**
- Currently produce **1 million tests/month**
- Ramping production to **1.9 million tests/month** by end of calendar year 2020

**BD Synapsys™**

**Patient Management**

**Specimen Collection**
Leveraging our manufacturing capabilities and scale to help the world prepare to deliver a COVID-19 vaccine

- Global orders for **470 million** injection devices to date:
  - 190 million
  - 75 million
  - 65 million
  - 140 million
  - **Other**

- Investing to **expand injection device manufacturing capacity** in the U.S.
  - Through a public-private partnership, BARDA will invest an estimated $42 million into the $70 million capital project.

- Expect majority of orders to be delivered in FY21

We are continuing to actively discuss injection device needs with governments around the world.
FY 2020 Planned Product Launches: Robust pipeline drives growth with innovative solutions

**Medical**
- BD Provena™ Solo
- BD Provena™ Midline Catheter with Max Barrier+ Kits
- BD PowerMidline™ Catheter with Max Barrier+ Kits
- BD InSyte™ Autoguard™ BC Pro
- BD Intraosseous Vascular Access Device
- BD Pyxis™ Logistics 1.2
- BD Intevia™ 1ml
- BD HealthSight™: MedSafety, Clinical Advisor & Infusion Diversion
- BD Ultrasafe Plus™ 2.25
- BD Hyllok™ for IV

**Life Sciences**
- BD Synapsys™ 3.1
- BD COR™ GX/PX with Onclarity™
- BD Kiestra™ IdentifA
- BD Kiestra™ ReadA Compact
- BD MAX™ COVID-19 Assays
- BD FACSymphony™ S6 Sorter
- BD OptiBuild™ Reagents
- BD Veritor™ COVID-19 POC Antigen Test
- BD FACS Melody™ 4-way Sorting
- BD FACSDuet™ Enhancements
- BD Eclipse™ Ultrafill Blood Collection Safety Needle

**Interventional**
- SureStep™ Vacutainer®
- Ultraverse™ 014 and 018
- Lutonix® AV Low Profile
- Caterpillar™ Embolization Device
- WavelinQ™ 4F+
- Dry-Doc™ Vacuum Station
- Elevation™ Breast Biopsy Device
- BD PurPrep™
- 3D Max™ MID
- Layered Non-woven Hemostat
- Arctic Sun® Stat Temperature Management System
- Bone Biopsy Device

- Previously launched
- New launch since last quarter
Advancing our long-term strategy to emerge strong and better positioned for value creation

- Strong focus on **cash and expense management**
- **Project Recode** remains on track
- Operating with discipline to maximize impact

Access the report at [http://bd.com/sustainability](http://bd.com/sustainability)
Q3 results and COVID-19 impact

**Chris Reidy**
Executive Vice President, CFO and Chief Administrative Officer
Continuing to create and deliver value to all stakeholders

1. Continue to prioritize and adapt to the needs of our associates and customers around the world

2. Rapidly expanding our portfolio of solutions to address the COVID-19 pandemic

3. Focused on execution as our long-term strategy remains intact
Financial results: Q3 FY 2020

### Revenue Growth
Q3 revenue growth impacted by (~$600M) related to COVID-19

### Margin Expansion
Q3 operating margins impacted by rich decremental margins of lost COVID revenues as expected

### Capital Deployment
Retired $1.9B term-loan and $695M outstanding balance on revolver

<table>
<thead>
<tr>
<th></th>
<th>Q3</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FXN % growth</td>
<td>(9.4%)</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>COVID impact</td>
<td>~(1,400 bps)</td>
<td></td>
</tr>
<tr>
<td>% growth</td>
<td>(11.4%)</td>
<td>(2.9%)</td>
</tr>
<tr>
<td><strong>Adjusted OIBT (1)</strong></td>
<td>$773</td>
<td>$2,837</td>
</tr>
<tr>
<td>% of revenues</td>
<td>+20.1%</td>
<td>+23.0%</td>
</tr>
<tr>
<td>Margin expansion (FXN)</td>
<td>(480 bps)</td>
<td>(150 bps)</td>
</tr>
<tr>
<td><strong>Adjusted EPS (1)</strong></td>
<td>$2.20</td>
<td>$7.41</td>
</tr>
<tr>
<td>FXN % growth</td>
<td>(25.0%)</td>
<td>(9.7%)</td>
</tr>
<tr>
<td>% growth</td>
<td>(28.6%)</td>
<td>(11.5%)</td>
</tr>
</tbody>
</table>

Note: COVID impact represents BD’s estimate of the net financial impact of the global COVID-19 pandemic on the Company’s results. Revenue growth rates are not adjusted to reflect the impact of COVID-19.
Net COVID impact of (~$600M) in Q3 FY 2020

Q3 COVID headwinds of (~$800M) driven by:
- **Reduced elective procedure** impacting Surgery & PI
- **Reduced hospital admissions resulting in lower procedure volumes**, impacting medical device consumables in MDS and MMS
  - Consequently, saw distributor inventory levels re-balance down after surge increases in March/April
- **Lower non-COVID diagnostic testing** impacting DS and PAS and **lower research activity** impacting BIO
- Some **delays in capital instrument installations** across the businesses (e.g. MMS, DS, BIO)
- Pleased to see **sequential monthly improvement from May to June in the COVID impact** related to acute care admissions / procedures (MDS) and Non-COVID testing (IDS), and sequentially throughout the quarter in elective procedures (Surgery and PI)

Q3 COVID tailwinds of ~$200M driven by:
- **COVID-19 testing** on BD MAX and **global infusion pump demand**
  - ~$100M from BD MAX™ in Q3
  - Majority of Alaris **medical necessity demand occurred in April** as expected
Medical segment revenue

**Medication Delivery Solutions: $781**
- **Q3**
  - (17.8%) FXN
  - (20.3%) YTD
- **YTD**
  - (6.4%) FXN
  - (8.1%) YTD
- Reduced hospital admissions due to COVID-19 leading to lower demand across the portfolio. Additionally, lower volumes in China due to the tendering process
- **Q3 COVID impact:** ~(2,000 bps)

**Medication Management Solutions: $677**
- **Q3**
  - +3.9%
  - +2.5%
- **YTD**
  - (3.6%)
  - (4.4%)
- Strong demand for infusion pumps in the U.S. under ‘medical necessity’ in April, as well as strong International growth of pumps. Partial offsets include delayed capital installations of Dispensing systems and lower demand of infusion sets
- **Q3 COVID impact:** ~1,000 bps

**Pharmaceutical Systems: $403**
- **Q3**
  - +4.4%
  - +2.3%
- **YTD**
  - +8.1%
  - +6.0%
- Growth driven by pre-fillable syringes and also reflects timing of customer orders that occurred in the first half of the year

**Diabetes Care: $260**
- **Q3**
  - (2.9%)
  - (5.5%)
- **YTD**
  - +0.1%
  - (1.5%)
- Distributors and retailers reduced inventory, as expected, after increasing inventory in March due to COVID-19
- **Q3 COVID impact:** ~(400 bps)

**Note:** COVID impact represents BD’s estimate of the net financial impact of the global COVID-19 pandemic on the Company’s results. Revenue growth rates are not adjusted to reflect the impact of COVID-19.
Life sciences segment revenue

**Diagnostic Systems: $402**
- Q3: +12.1% (9.3%)
- YTD: +10.4% (8.7%)
  - Performance driven by increased demand for COVID-19 related testing on BD MAX™ partially offset by a significant decline in non-COVID-19 diagnostic testing
  - Q3 COVID impact: ~(100 bps)

**Preanalytical Systems: $312**
- Q3: (21.0%) (23.3%)
- YTD: (3.1%) (4.8%)
  - Significant decline in routine specimen collections due to COVID-19
  - Q3 COVID impact: ~(2,500 bps)

**Biosciences: $237**
- Q3: (14.7%) (16.4%)
- YTD: (1.4%) (2.6%)
  - Reduced demand for instruments and reagents as research and clinical lab activity slowed due to COVID-19
  - Q3 COVID impact: ~(2,500 bps)

---

**Note:** COVID impact represents BD’s estimate of the net financial impact of the global COVID-19 pandemic on the Company’s results. Revenue growth rates are not adjusted to reflect the impact of COVID-19.
Interventional segment revenue

**Peripheral Intervention: $318**
- Q3: $(18.2\%)$ (19.8\%)
- YTD: $(3.4\%)$ (4.6\%)

COVID-19 negatively impacted demand for elective procedures in Oncology within the U.S., Europe and China and ESKD and PAD in the U.S. and Europe. Sequential improvement seen across all platforms during the quarter.

**Surgery: $197**
- Q3: $(35.8\%)$ (36.5\%)
- YTD: $(9.5\%)$ (10.0\%)

COVID-19 negatively impacted demand for hernia repair and infection prevention in the U.S. and Europe as well as biosurgery in the U.S.

**Urology & Critical Care: $268**
- Q3: $(2.0\%)$ (3.0\%)
- YTD +2.4\% +2.0\%

Impact of COVID-19 seen in acute urology due to lower hospital utilization partially offset by solid performance in TTM and Home Care

**Q3 COVID-19 impact: ~(2,800 bps)**

**Q3 COVID-19 impact: ~(4,200 bps)**

**Q3 COVID-19 impact: ~(1,800 bps)**

COVID Impact: ~(3,000 bps)

COVID-19 negatively impacted demand for elective procedures in Oncology within the U.S., Europe and China and ESKD and PAD in the U.S. and Europe. Sequential improvement seen across all platforms during the quarter.

COVID-19 impact seen in acute urology due to lower hospital utilization partially offset by solid performance in TTM and Home Care

COVID-19 impact seen in biosurgery in the U.S.
Adjusted gross and operating margins: Q3 FY 2020

**Adjusted Gross margin**

- Q3 2019: 55.6%
- COVID Impact: -3.9%
- Leverage: 0.5%
- Currency: -0.5%
- Q3 2020: 51.7%

**Adjusted Operating margin**

- Q3 2019: 25.4%
- COVID Impact: -4.9%
- Leverage: 0.7%
- Deferred Comp: -0.6%
- Currency: -0.5%
- Q3 2020: 20.1%

~80% decremental margin from the mix of impacted revenues, high fixed costs and investments

Gross Profit COVID impact -3.9%
Increased shipping costs (0.5%)
Additional investments (0.5%)
## Adjusted income statement: Q3 FY 2020

<table>
<thead>
<tr>
<th>As Adjusted (1)</th>
<th>Q3 FY 2020</th>
<th>% Growth</th>
<th>% FXN Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>$3,855</td>
<td>(11.4%)</td>
<td>(9.4%)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>1,993</td>
<td>(17.6%)</td>
<td>(15.1%)</td>
</tr>
<tr>
<td>% of revenues</td>
<td>51.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SSG&amp;A</strong></td>
<td>979</td>
<td>8.8%</td>
<td>6.7%</td>
</tr>
<tr>
<td>% of revenues</td>
<td>25.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>241</td>
<td>0.3%</td>
<td>(0.2%)</td>
</tr>
<tr>
<td>% of revenues</td>
<td>6.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>773</td>
<td>(30.0%)</td>
<td>(26.6%)</td>
</tr>
<tr>
<td>% of revenues</td>
<td>20.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interest/Other, Net</strong></td>
<td>97</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tax Rate</strong></td>
<td>5.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>642</td>
<td>(27.4%)</td>
<td>(23.6%)</td>
</tr>
<tr>
<td><strong>Preferred Dividend</strong></td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Share Count</strong></td>
<td>291.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td>$2.20</td>
<td>(28.6%)</td>
<td>(25.0%)</td>
</tr>
<tr>
<td>Gore royalty impact</td>
<td>$2.20</td>
<td>(28.6%)</td>
<td>(25.0%)</td>
</tr>
</tbody>
</table>

Note: Above figures reflects favorable / (unfavorable) performance versus last year. BD and the BD Logo are trademarks of Becton, Dickinson and Company © 2020 BD and its subsidiaries All rights reserved
Macro view of COVID-19 impact as of August 6th and key considerations looking forward

### Macro view of COVID-19 impact

- Varying degrees of the COVID-19 pandemic around the world, including infection levels, recovery and resurgence, and the ongoing uncertainty in general healthcare utilization levels
- Expect a weaker global macroeconomic environment will pressure healthcare systems
- Pace of elective procedure return will depend on several factors including disease condition and acuity, COVID-19 testing availability, varying status of “reopening” of countries around the world and patient willingness to seek care
- Timing, effectiveness and rollout of a potential COVID-19 vaccine around the world and the resulting impact on surveillance testing

### Looking forward

<table>
<thead>
<tr>
<th>Elective Procedures</th>
<th>Acute Care / Non-Acute</th>
<th>Diagnostic Testing</th>
<th>Research &amp; Clinical Labs</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURG, PI</td>
<td>MDS, MMS, UCC</td>
<td>IDS (DS &amp; PAS)</td>
<td>BIO</td>
</tr>
</tbody>
</table>

- Variability to timing of return to pre-COVID procedure levels
- Closely watching the ongoing COVID resurgence in the U.S.
- Monitoring hospital admission and utilization levels, for both COVID and non-COVID patient care
- Watching for shift of care to non-acute settings
- Demand for Alaris infusion pumps in the U.S. under medical necessity not expected to continue at the same level
- Monitoring COVID and non-COVID testing volumes globally
- Impact on capital equipment purchases
- Demand for our COVID-19 testing on BD Veritor™ and BD MAX™
- Levels of research activity and clinical testing, including timing of when research institutions will resume and scale up to normal operations, along with capital spending
## COVID-19 Impact on Q3 Revenues and Key Observations

**Note:** Dollar and growth percentages reflect estimated COVID-19 revenue impact vs. pre-COVID expectations (Does not reflect year-over-year growth.)

<table>
<thead>
<tr>
<th>Elective Procedures</th>
<th>Acute / Non-Acute Care</th>
<th>Diagnostic Testing</th>
<th>Research &amp; Clinical Labs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SURG (~$130M)</strong></td>
<td><strong>MMS +~$65M</strong></td>
<td><strong>IDS (DS &amp; PAS)</strong></td>
<td><strong>BIO (~$70M)</strong></td>
</tr>
<tr>
<td><strong>PI (~$110M)</strong></td>
<td><strong>MDS (<del>$200M); UCC (</del>$50M)</strong></td>
<td>(~$105M)</td>
<td></td>
</tr>
</tbody>
</table>

- **Procedure declines** due to deferrals with sequential improvement during Q3; Overall procedure decline better than expected
- **Varies by category:** Impact across PI and Surgery platforms ranged from (↓~25%) to (↓~40%)
- **Around the world:** Surgery/PI procedures impacting US/Europe revenues (↓~35%); China Surgery/PI revenues (↓~15%)

### Procedure declines and lower volumes impacting WW MDS revenues
- Across the world, primarily U.S. and China (US ↓25%, China ↓30%, and Europe ↓5%; all with volumes improving sequentially in June)

### Demand for infusion pumps
- In U.S. under ‘medical necessity’, which slowed in May/June after initial April surge demand, as expected
- Strong demand surge of pumps outside U.S.
- **Q3 delays in instrument installations** (Pyxis, ROWA)

### High demand for BD COVID tests
- (BD MAX™ testing plus transport media and lancets)

### Decreased non-COVID 19 BD diagnostic testing and specimen collection revenues
- (↓~30%), driven by U.S., Europe and Asia
- **Q3 delays in large capital installations** (Kiestra)

### Decrease in research activity due to lab closures and reduced clinical testing revenues
- (↓~25%)
- **Q3 delays in instrument installations**

---

**Estimate (~$600M) COVID-19 impact to Q3 BDX revenues**
Preliminary July observations

Saw sequential improvement in recovery to pre-COVID levels

- Elective procedure volumes improved from ~80% in June to ~85% in July
- The impact from lower U.S. hospital admissions improved from ~80% in June to ~85% in July
- Non-COVID-19 diagnostic testing and specimen collection improved from ~75% in June to ~80% in July

COVID-19 testing demand

- Continued demand for COVID-19 tests on BD MAX™ and transport media
- Early strong demand of Veritor antigen test for rapid detection of COVID-19

Other observations

- Small amount of Alaris medical necessity demand as expected
- Continued delays in large capital installations as expected
### Q4 and FY 2020 guidance

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Adjusted EPS (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q4</strong></td>
<td>FXN and reported revenue expected to be down low-single digits</td>
<td>Adjusted EPS expected to be $2.40 to $2.60</td>
</tr>
<tr>
<td></td>
<td>FXN %: (2.0%) to (1.5%)</td>
<td>Adjusted EPS: $9.80 to $10.00</td>
</tr>
<tr>
<td></td>
<td>FX Impact: (~1%)</td>
<td>Adjusted FXN %: (~14.5%) to (~12.5%)</td>
</tr>
<tr>
<td></td>
<td>Reported %: (3.0%) to (2.5%)</td>
<td>Adjusted EPS %: (~16.0%) to (~14.0%)</td>
</tr>
</tbody>
</table>
Key takeaways

Continue to be uniquely positioned to respond to COVID-19 by leveraging our core capabilities across research, diagnosis and patient care

Third quarter results reflect encouraging trends in June

Establishing guidance for fiscal fourth quarter and full-year as we have improved near-term visibility

Remain focused on executing our long-term strategy and delivering value for customers, patients and shareholders
Advancing our long-term strategy to emerge strong and better positioned for value creation

**Grow**
- Category innovation
- Customer outcomes
- Globalization

**Simplify**
- Network and portfolio of SKU’s
- Business processes

**Empower**
- Digitalization
- Strong teams
Geographic revenue highlights

### Q3 revenue $ and FXN growth

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue ($M)</th>
<th>FXN Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$2,119</td>
<td>(13.1%)</td>
</tr>
<tr>
<td>International</td>
<td>$1,735</td>
<td>(4.7%)</td>
</tr>
<tr>
<td>Developed Markets</td>
<td>$3,283</td>
<td>(8.8%)</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>$572</td>
<td>(12.9%)</td>
</tr>
<tr>
<td>China</td>
<td>$250</td>
<td>(17.0%)</td>
</tr>
</tbody>
</table>

### Q3 COVID Impact

- United States: ~(15%) / ~($370M)
- International: ~(12%) / ~($230M)
- Developed Markets: ~(12%) / ~($450M)
- Emerging Markets: ~(21%) / ~($150M)
- China: ~(22%) / ~($70M)

Note: COVID impact represents BD’s estimate of the net financial impact of the global COVID-19 pandemic on the Company’s results. Revenue growth rates are not adjusted to reflect the impact of COVID-19.
## Impact: Delivering long-term value for all stakeholders

### Management Approach

- **Grow**
  - Develop and maintain a strong portfolio of **leading products and solutions that address significant unmet clinical needs**, improve outcomes, and reduce costs

- **Access**
  - Leverage our global scale to expand our reach in **providing access to affordable medical technologies** around the world

- **Simplify**
  - Work across our supply chain to minimize environmental impacts and **create more resilient operations**, including an enterprise-wide renewable energy strategy

- **Empower**
  - Foster a purpose-driven culture with a **focus on positive impact to all stakeholders** – customers, patients, employees and communities

### Q3 Update

- **• BD introduced the Halo One™ Thin-Walled Guiding Sheath which reduces the size of the arteriotomy compared to standard sheaths of equivalent French size, which is designed to help minimize access site complications.**

- **• BD deployed the BD Bactec FX™ and other IDAST platforms across 25 labs in Sub-Saharan Africa and Asia as part of the Fleming Fund and UK Aid Award to address the global AMR challenge.**

- **• BD reported* progress against our 2020 Sustainability goals in July, achieving our targets to reduce Scope 1 & 2 GHG emissions and water consumption ahead of schedule. In support of the recommendations of the Task Force on Climate-related Financial Disclosures, our Climate Management report will be available late summer.**

- **• BDs partnership with Planet Water continued, funding the installation of water towers in Mexico. These towers will provide clean and safe water for students in two communities.**

### Looking forward to sharing our 2030+ impact goals later in 2020

*See appendix.*

Highlights from this year’s report include:

**Innovation:** In FY 2019 BD launched 25 major products across the company, each of which moved our innovation goals forward. The report highlights a number of these products.

**Access:** BD was recognized by Forbes Magazine, naming us to its “Change the World List” for the company’s extensive efforts in helping combat the threat of antimicrobial resistance (AMR).

**Efficiency:** BD has continued to reducing its impact on the environment through reduced greenhouse gas emissions and water consumption and remains committed to waste reduction and increasing use of renewable energy.

**Empowerment:** BD received recognition from a number of organizations for its work towards fostering an environment that welcomes and empowers an inclusive and diverse workforce.

Access the report at www.bd.com/sustainability
## Estimated COVID-19 impact on preliminary April revenue results and key observations

<table>
<thead>
<tr>
<th>Elective Procedures</th>
<th>Acute / Non-Acute Care</th>
<th>Diagnostic Testing</th>
<th>Research &amp; Clinical Labs</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURG (~$60M)</td>
<td>MMS +~$70M</td>
<td>IDS (DS &amp; PAS)</td>
<td>BIO (~$20M)</td>
</tr>
<tr>
<td>PI (~$50M)</td>
<td>MDS (<del>$50M); UCC (</del>$20M)</td>
<td>(~$40M)</td>
<td>(~$40M)</td>
</tr>
</tbody>
</table>

### Elective Procedures

**Significant procedure declines** due to mandates to defer elective procedures and ‘stay at home’ orders.

**Varies by category:** Decrease in hernia and other elective procedures impacting Surgery revenue (↓50-70%), and slowdown in Oncology, ESKD & PAD procedures impacting PI revenue (↓30-40%).

**Around the world:** China Surgery revenues tracking to ~50% of pre-COVID expectations; and Surgery and PI procedures impacting revenue (↓60 to 90%) in US/Europe.

### Acute / Non-Acute Care

- **Demand for infusion pumps under ‘medical necessity’**: not expected to continue at same pace.
- **Delays of instrument installations** (Pyxis, ROWA).
- **Significant procedure declines impacting US MDS revenue** (↓15-20% vs. pre-COVID expectations).
- **China utilization**: hospital volumes broadly returning, but still ~30% to 40% below pre-COVID expectations.
- **Europe**: some COVID surge demand continued; revenue ~↑5% above pre-COVID expectations.

### Diagnostic Testing

- **Decreased non-COVID 19 BD diagnostic testing and specimen collection revenue** (↓20-30%), largest impact in the U.S.
- **High demand for BD COVID tests** (Molecular and Serology, transport media and lancets).
- **Expect delays in large capital installations** (Kiestra).

### Research & Clinical Labs

- **Decrease in research activity due to lab closures and reduced clinical testing revenue** (↓20-30%); expect slightly larger impact in coming months.
- **Expect impact on capital spending**.

---

**Estimate (~$240M) COVID-19 impact to our preliminary April BDX revenues,** partially offset by ~$70M positive impact in MMS.

---

Note: April revenue results are preliminary and unaudited, and are uncertain and subject to change when we prepare our consolidated financial statements for the three and nine months ended June 30, 2020. Actual results may differ materially from the revenue results discussed herein. Revenue dollar and growth percentages reflect estimated performance vs. pre-COVID expectations.
# Q3 FY 2020 & Q3 FY 2019 Adjustment Reconciliations

## Three Months Ended Jun 30, 2020

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Gross Profit</th>
<th>Selling and Administrative Expense</th>
<th>Research and Development Expense</th>
<th>Acquisitions and Other Restructurings</th>
<th>Other Operating (Income)/Expense</th>
<th>Operating income</th>
<th>Interest Income (Expense)</th>
<th>Other Income/Net</th>
<th>Income Tax Provision</th>
<th>Net Income</th>
<th>Diluted Earnings Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3,855</td>
<td>$1,395</td>
<td>$961</td>
<td>$382</td>
<td>$74</td>
<td>$15</td>
<td>$569</td>
<td>$133</td>
<td>$23</td>
<td>$30</td>
<td>$90</td>
<td>$0.37</td>
</tr>
</tbody>
</table>

Revenues reported $3,855, adjusted for changes $3,992.

Revenues as a percent of net sales 42.1%. Selling, general and administrative expenses as a percent of net sales 24.4%. Research and development expenses as a percent of net sales 8.2%. Operating income as a percent of net sales 6.2%. Income tax rate 14%. Diluted earnings per share $0.37.

## Three Months Ended Jun 30, 2020

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Gross Profit</th>
<th>Selling and Administrative Expense</th>
<th>Research and Development Expense</th>
<th>Acquisitions and Other Restructurings</th>
<th>Other Operating (Income)/Expense</th>
<th>Operating income</th>
<th>Interest Income (Expense)</th>
<th>Other Income/Net</th>
<th>Income Tax Provision</th>
<th>Net Income</th>
<th>Diluted Earnings Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$4,290</td>
<td>$2,074</td>
<td>$1,076</td>
<td>$382</td>
<td>$90</td>
<td>$59</td>
<td>$629</td>
<td>$134</td>
<td>$11</td>
<td>$9</td>
<td>$65</td>
<td>$1.51</td>
</tr>
</tbody>
</table>

Revenues reported $4,290, adjusted for changes $4,358.

Revenues as a percent of net sales 47.7%. Selling, general and administrative expenses as a percent of net sales 24.1%. Research and development expenses as a percent of net sales 8.3%. Operating income as a percent of net sales 14.4%. Income tax rate 2.6%. Diluted earnings per share $1.51.

---

(1) Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and variation of fixed assets and debt.

(2) Represents integration and restructuring costs associated with acquisitions.

(3) Includes an adjustment to the probable estimate of future costs associated with incremental product remediation efforts which was recorded in Cost of products sold as well as costs related to another product matter which were recorded in Other income (expenses), net.

(4) Represents initial costs required to develop processes and systems to comply with emerging regulations such as the European Union Medical Device Regulation ("EU MDR") and General Data Protection Regulation ("GDPR").

(5) Represents a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.

(6) Represents the dilute impact of BD shares issued in May 2020. The adjusted diluted average shares outstanding (in thousands) in 2020 were 291,476.
## YTD Q3 FY 2020 & YTD Q3 FY 2019 Adjustment Reconciliations

### Nine Months Ended June 30, 2020

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Gross Profit</th>
<th>Selling and Administrative Expense</th>
<th>Research and Development Expense</th>
<th>Acquisitions and Other Restructurings</th>
<th>Operating Income</th>
<th>Interest Expense (Net)</th>
<th>Other Income, (Net)</th>
<th>Income Tax Provision</th>
<th>Net Income</th>
<th>Diluted Earnings per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 12,939</td>
<td>$ 9,372</td>
<td>$ 3,566</td>
<td>$ 295</td>
<td>(15)</td>
<td>$ 1,528</td>
<td>(109)</td>
<td>$ 99,337</td>
<td>(786)</td>
<td>$ 12</td>
<td>$ 56</td>
</tr>
</tbody>
</table>

Reported % of Revenues
Adjusted effective tax rate

**Specified Items:**
- Purchase accounting adjustments pre-tax (1)
- Integration costs pre-tax (2)
- Restructuring costs pre-tax (3)
- Transaction gains/losses and product liability-related matters (4)
- European regulatory initiatives-related costs pre-tax (5)
- Investment gains/losses and asset impairments pre-tax
- Impact of debt extinguishment pre-tax
- Income tax benefit of special items and impact of tax reform

### Nine Months Ended June 30, 2020

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Gross Profit</th>
<th>Selling and Administrative Expense</th>
<th>Research and Development Expense</th>
<th>Acquisitions and Other Restructurings</th>
<th>Operating Income</th>
<th>Interest Expense (Net)</th>
<th>Other Income, Net</th>
<th>Income Tax Provision</th>
<th>Net Income</th>
<th>Diluted Earnings per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 12,708</td>
<td>$ 9,021</td>
<td>$ 3,626</td>
<td>$ 281</td>
<td>$ 61</td>
<td>$ 1,638</td>
<td>(480)</td>
<td>$ 102</td>
<td>$ 170</td>
<td>$ 1,207</td>
<td>$ 2.84</td>
</tr>
</tbody>
</table>

Reported % of Revenues
Adjusted effective tax rate

**Specified Items:**
- Purchase accounting adjustments pre-tax (1)
- Integration costs pre-tax (2)
- Restructuring costs pre-tax (3)
- Transaction gains/losses and product liability-related matters (4)
- European regulatory initiatives-related costs pre-tax (5)
- Investment gains/losses and asset impairments pre-tax
- Impact of debt extinguishment pre-tax
- Income tax benefit of special items and impact of tax reform

### Nine Months Ended June 30, 2019

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Gross Profit</th>
<th>Selling and Administrative Expense</th>
<th>Research and Development Expense</th>
<th>Acquisitions and Other Restructurings</th>
<th>Operating Income</th>
<th>Interest Expense (Net)</th>
<th>Other Income, Net</th>
<th>Income Tax Provision</th>
<th>Net Income</th>
<th>Diluted Earnings per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 12,706</td>
<td>$ 9,028</td>
<td>$ 3,626</td>
<td>$ 281</td>
<td>$ 61</td>
<td>$ 1,634</td>
<td>(499)</td>
<td>$ 102</td>
<td>$ 170</td>
<td>$ 1,207</td>
<td>$ 2.84</td>
</tr>
</tbody>
</table>

Reported % of Revenues
Adjusted effective tax rate

**Specified Items:**
- Purchase accounting adjustments pre-tax (1)
- Integration costs pre-tax (2)
- Restructuring costs pre-tax (3)
- Transaction gains/losses and product liability-related matters (4)
- European regulatory initiatives-related costs pre-tax (5)
- Investment gains/losses and asset impairments pre-tax
- Impact of debt extinguishment pre-tax
- Income tax benefit of special items and impact of tax reform

---

(1) Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identifiable intangible assets and valuation of fixed assets and debt
(2) Represents integration and restructuring costs associated with acquisitions
(3) The current-period amount represents a reasonable estimate of future costs associated with incremental product costs associated with a product line that was acquired in a cost of products sold, as well as costs related to another product line that were incurred in fiscal year 2020. Other costs are recorded in cost of sales. The costs estimated to occur over the next five years are approximately $100 million.
(4) Represents initial costs required to develop processes and systems to comply with emerging regulations such as the European Union Medical Device Regulation ("EU MDR") and Central Data Protection Regulation ("GDPR").
(5) Represents a charge recorded to write down the carrying value of certain intangible assets in the biogroup unit.

---

31 BD and the BD Logo are trademarks of Becton, Dickinson and Company © 2020 BD and its subsidiaries All rights reserved
## Q3 FY 2020 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Growth</th>
<th>Foreign Currency Translation</th>
<th>Foreign Currency Neutral Growth</th>
<th>Growth %</th>
<th>Foreign Currency Neutral Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Diluted Earnings per Share</td>
<td>$0.97</td>
<td>$1.51</td>
<td>0.54</td>
<td>-0.11</td>
<td>-0.43</td>
<td>35.8%</td>
<td>-28.5%</td>
</tr>
<tr>
<td>Purchase accounting adjustments ($325 million and $378 million pre-tax, respectively)</td>
<td>1.14</td>
<td>1.38</td>
<td>-0.23</td>
<td>-0.19</td>
<td>-0.43</td>
<td>-28.5%</td>
<td>-28.5%</td>
</tr>
<tr>
<td>Integration costs ($45 million and $63 million pre-tax, respectively)</td>
<td>0.16</td>
<td>0.23</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring costs ($28 million and $27 million pre-tax, respectively)</td>
<td>0.10</td>
<td>0.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction gain loss and product-related matters ($10 million pre-tax)</td>
<td>(0.05)</td>
<td></td>
<td>-0.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European regulatory initiative-related costs ($33 million and $14 million pre-tax, respectively)</td>
<td>0.12</td>
<td>0.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment gains/losses and asset impairments ($30 million pre-tax)</td>
<td>-</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impacts of debt extinguishment ($6 million and $52 million pre-tax, respectively)</td>
<td>0.02</td>
<td>0.19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hurricane-related insurance proceeds ($10 million pre-tax)</td>
<td>-</td>
<td>(0.04)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dilutive Impact</td>
<td>(0.02)</td>
<td></td>
<td>-0.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax benefit of special items and impact of tax reform ($72 million and $120 million, respectively)</td>
<td>(0.25)</td>
<td>(0.44)</td>
<td>-0.19</td>
<td>-0.11</td>
<td>-0.77</td>
<td>28.6%</td>
<td>-25.0%</td>
</tr>
<tr>
<td>Adjusted Diluted Earnings per Share</td>
<td>$2.20</td>
<td>$3.08</td>
<td>0.88</td>
<td>0.11</td>
<td>0.77</td>
<td>28.6%</td>
<td>-25.0%</td>
</tr>
</tbody>
</table>

(1) Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt.
(2) Represents integration and restructuring costs associated with acquisitions.
(3) Represents an adjustment to the probable estimate of future costs associated with product remediation efforts which was recorded in Cost of products sold as well as costs related to another product matter which were recorded in Other income (expense), net.
(4) Represents costs required to develop processes and systems to comply with emerging regulations such as the European Union Medical Device Regulation (”EUMDR”) and General Data Protection Regulation (”GDPR”).
(5) Represents a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.
(6) Represents the dilutive impact of BD shares issued in May 2020. The adjusted diluted average shares outstanding (in thousands) in 2020 were 291,476.
## YTD Q3 FY 2020 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Growth</th>
<th>Foreign Currency Translation</th>
<th>Foreign Currency Neutral Growth</th>
<th>Growth</th>
<th>Foreign Currency Neutral Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported Diluted Earnings per Share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase accounting adjustments ($1.012 billion and $1.135 billion pre-tax, respectively) (1)</td>
<td>3.63</td>
<td>4.14</td>
<td>(1.11)</td>
<td>(0.14)</td>
<td>(0.97)</td>
<td>(31.8)%</td>
<td>(27.8)%</td>
</tr>
<tr>
<td>Integration costs ($165 million and $205 million pre-tax, respectively) (2)</td>
<td>0.59</td>
<td>0.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring costs ($65 million and $99 million pre-tax, respectively) (2)</td>
<td>0.23</td>
<td>0.36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction gain/loss and product-related matters ($248 million and $61 million pre-tax, respectively) (3)</td>
<td>0.89</td>
<td>0.22</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European regulatory initiative-related costs ($77 million and $29 million pre-tax, respectively) (4)</td>
<td>0.28</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment gains/losses and asset impairments ($41 million and $30 million pre-tax, respectively) (5)</td>
<td>0.15</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impacts of debt extinguishment ($6 million and $55 million pre-tax, respectively)</td>
<td>0.02</td>
<td>0.19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction costs ($1 million pre-tax) (3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hurricane-related insurance proceeds ($10 million pre-tax)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax benefit of special items and impact of tax reform ($218 million and $263 million, respectively) (6)</td>
<td>(0.78)</td>
<td>(0.96)</td>
<td>(0.96)</td>
<td>(0.15)</td>
<td>(0.81)</td>
<td>(11.5)%</td>
<td>(9.7)%</td>
</tr>
<tr>
<td><strong>Adjusted Diluted Earnings per Share</strong></td>
<td>7.41</td>
<td>8.37</td>
<td>(0.96)</td>
<td>(0.96)</td>
<td>(0.15)</td>
<td>(0.81)</td>
<td>(11.5)%</td>
</tr>
</tbody>
</table>

(1) Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt.

(2) Represents integration, restructuring and transaction costs associated with acquisitions.

(3) The current period amount represents a probable estimate of future costs associated with product remediation efforts which was recorded in Cost of products sold, as well as costs related to another product matter which were recorded in Other income (expense), net. The prior-period amount includes amounts recorded to Other operating (income) expense, net to record product liability reserves of $331 million and the estimated cumulative costs of a product recall of $65 million, as well as the pre-tax gain of $336 million related to BD’s sale of its Advanced Bioprocessing business.

(4) Represents costs required to develop processes and systems to comply with emerging regulations such as the EU-IFR and GDPR.

(5) The current period amount primarily represents a charge recorded to write down the carrying value of certain intangible assets in the Biosciences unit. The prior-period amount represented a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.

(6) The amount for the nine months ended June 30, 2019 included additional tax benefit, net, of $54 million relating to new U.S. tax legislation.
### Q3 and YTD FY 2020 Reconciliation – FX Impact

**Emerging, Developed Markets & China**

<table>
<thead>
<tr>
<th></th>
<th>A BD Reported 2020</th>
<th>B BD Reported 2019</th>
<th>C=(A-B)/B</th>
<th>D FX Impact</th>
<th>E=(A-B-D)/B</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Three Months Ended Jun 30,</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEVELOPED MARKETS</td>
<td>3,283</td>
<td>3,647</td>
<td>-10.0</td>
<td>(45)</td>
<td>-8.8</td>
</tr>
<tr>
<td>EMERGING MARKETS</td>
<td>572</td>
<td>703</td>
<td>-18.7</td>
<td>(40)</td>
<td>-12.9</td>
</tr>
<tr>
<td>CHINA</td>
<td>250</td>
<td>312</td>
<td>-19.9</td>
<td>(9)</td>
<td>-17.0</td>
</tr>
<tr>
<td><strong>Nine Months Ended Jun 30,</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEVELOPED MARKETS</td>
<td>10,539</td>
<td>10,733</td>
<td>-1.8</td>
<td>(97)</td>
<td>-0.9</td>
</tr>
<tr>
<td>EMERGING MARKETS</td>
<td>1,795</td>
<td>1,973</td>
<td>-9.1</td>
<td>(70)</td>
<td>-5.5</td>
</tr>
<tr>
<td>CHINA</td>
<td>741</td>
<td>871</td>
<td>-14.9</td>
<td>(18)</td>
<td>-12.8</td>
</tr>
</tbody>
</table>
## FY 2020 Revenue & EPS Outlook Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues</td>
<td>% Change</td>
</tr>
<tr>
<td>BDX</td>
<td>$ 17,290</td>
<td>(3.0%) to (2.5%)</td>
</tr>
</tbody>
</table>

### FY2020 Outlook

<table>
<thead>
<tr>
<th>Reported Diluted Earnings per Share</th>
<th>FY2019</th>
<th>FY2020 Outlook</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase accounting adjustments ($1.499 billion pre-tax) (1)</td>
<td>$ 5.46</td>
<td>$ 5.46</td>
<td>0.0%</td>
</tr>
<tr>
<td>Restructuring costs ($180 million pre-tax) (2)</td>
<td>0.66</td>
<td>0.66</td>
<td>0.0%</td>
</tr>
<tr>
<td>Integration costs ($523 million pre-tax) (3)</td>
<td>1.18</td>
<td>1.18</td>
<td>0.0%</td>
</tr>
<tr>
<td>Transaction gain/loss and product-related matters ($646 million pre-tax) (3)</td>
<td>2.35</td>
<td>2.35</td>
<td>0.0%</td>
</tr>
<tr>
<td>Impacts of debt extinguishment ($54 million pre-tax) (4)</td>
<td>0.20</td>
<td>0.20</td>
<td>0.0%</td>
</tr>
<tr>
<td>European regulatory initiative-related costs ($51 million pre-tax) (5)</td>
<td>0.19</td>
<td>0.19</td>
<td>0.0%</td>
</tr>
<tr>
<td>Investment gains/losses and asset impairments ($17 million pre-tax) (6)</td>
<td>0.06</td>
<td>0.06</td>
<td>0.0%</td>
</tr>
<tr>
<td>Hurricane-related insurance proceeds ($24 million pre-tax)</td>
<td>(0.09)</td>
<td>(0.09)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Income tax benefit of special items and impact of tax reform ($622 million)</td>
<td>(2.26)</td>
<td>$9.80 to 10.00</td>
<td>(16.0%) to (14.0%)</td>
</tr>
<tr>
<td>Adjusted Diluted Earnings per Share</td>
<td>$ 11.68</td>
<td>$9.80 to 10.00</td>
<td>(16.0%) to (14.0%)</td>
</tr>
<tr>
<td>Estimated FX Impact</td>
<td>~1.5%</td>
<td>~1.5%</td>
<td></td>
</tr>
<tr>
<td>Adjusted FXN Growth</td>
<td>(14.5%) to (12.5%)</td>
<td>(14.5%) to (12.5%)</td>
<td></td>
</tr>
</tbody>
</table>

FXN - Foreign Currency Neutral

(1) Includes amortization and other adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt.
(2) Represents restructuring, integration and transaction costs associated with acquisitions.
(3) Includes amounts recorded to Other operating expense, net to record product liability reserves, including related legal defense costs, of $914 million and the estimated cumulative costs of a product recall of $75 million. Also includes the pre-tax gain of $336 million recognized in Other operating expense, net related to BD’s side of its Advanced Bioprocessing business.
(4) Represents the impacts recognized upon the extinguishment of certain long-term senior notes.
(5) Represents costs required to develop processes and systems to comply with emerging regulations such as the EUMDR and GDPR.
(6) Includes an unrealized gain recorded within Other income (expense), net relating to an investment and a charge recorded to write down the carrying value of certain intangible assets in the Surgery unit.
YTD Q3 FY 2020 Operating Cash Flow Reconciliation

(UNAUDITED, AMOUNTS IN BILLIONS)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported Operating Cash Flow</td>
<td>$ 2.1</td>
</tr>
<tr>
<td>Adjustments (excludes non-cash items)</td>
<td></td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>0.0</td>
</tr>
<tr>
<td>Integration costs</td>
<td>0.2</td>
</tr>
<tr>
<td>Transaction gain/loss and product-related matters</td>
<td>0.2</td>
</tr>
<tr>
<td>Other</td>
<td>0.4</td>
</tr>
<tr>
<td>Tax impact related to items above</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Adjusted Operating Cash Flow</strong></td>
<td><strong>$ 2.8</strong></td>
</tr>
</tbody>
</table>