

# Q3 FY22 Earnings Presentation

August 4, 2022



Advancing the  
world of health™

# Caution Concerning Forward-Looking Statements

This presentation contains certain estimates and other forward-looking statements (as defined under federal securities laws) regarding BD's future prospects and performance, including, but not limited to, future revenues, margins, earnings per share, leverage targets and capital deployment. All such statements are based upon current expectations of BD and involve a number of business risks and uncertainties. Actual results could vary materially from anticipated results described, implied or projected in any forward-looking statement. For a discussion of certain factors that could cause our actual results to differ from our expectations in any forward-looking statements see our latest Quarterly Report on Form 10-Q and other filings with the Securities and Exchange Commission. BD expressly disclaims any undertaking to update or revise any forward-looking statements set forth herein to reflect events or circumstances after the date hereof, except as required by applicable laws or regulations. The guidance in this presentation is only effective as of the date given, August 4, 2022, and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance. Distribution or reference of this deck following August 4, 2022 does not constitute BD re-affirming guidance.

# Caution Concerning Non-GAAP Financial Measures

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

Reconciliations of these and other non-GAAP measures to the comparable GAAP measures are included in the financial tables at the end of this presentation and in our August 4, 2022 earnings press release. Within these financial tables, certain columns and rows may not add due to the use of rounded numbers. Percentages and earnings per share amounts presented are calculated from the underlying amounts. Current and prior-year adjusted earnings per share results exclude, among other things, the impact of purchase accounting adjustments, integration and restructuring costs, spin-off related charges, certain transaction gains and losses, certain legal defense and product remediation costs, certain regulatory costs, certain investment gains and losses, certain asset impairment costs and the impact of the extinguishment of debt.

We also provide these measures, as well as revenues, on a currency-neutral basis after eliminating the effect of foreign currency translation, where applicable. We calculate foreign currency-neutral percentages by converting our current-period local currency financial results using the prior period foreign currency exchange rates and comparing these adjusted amounts to our current-period results. Reconciliations of these amounts to the most directly comparable GAAP measures are included in the financial tables at the end of this presentation and in our August 4, 2022 earnings press release.

# Basis of Presentation

All dollar amounts presented are USD (\$) in millions, unless otherwise indicated, except per share figures.

**Continuing Operations** - On April 1, 2022, the Company completed the spin-off of its Diabetes Care business as a separate publicly traded company named Embecta Corp. (“Embecta”). The historical results of the Diabetes Care business that were attributed to Embecta in the spin-off are now accounted for as discontinued operations. Financial information presented in this release reflects BD’s results on a continuing operations basis, which excludes Embecta. Prior periods have been recast to conform to this presentation.

Certain financial information, described as FXN (defined below), excludes the impact of foreign currency translation.

Revenue year-over-year change comparisons are on a FXN basis unless otherwise noted.

**Base revenue** denotes total revenues less estimated revenues for COVID-19 only diagnostic testing.<sup>(1)</sup>

**COVID only diagnostic testing** includes COVID only assays on our BD Veritor™ and BD Max™ platforms (with related collection, transport, and swabs included in the prior year).

**Base business margins** adjusts for the net impact of estimated COVID only diagnostic testing profitability and the related profit reinvestments back into our business.<sup>(1)</sup>

**FXN** denotes currency neutral basis. We calculate foreign currency-neutral percentages by converting our current-period local currency financial results using the prior period foreign currency exchange rates and comparing these adjusted amounts to our current-period results.

**Base Organic FXN** excludes the contribution from inorganic revenues from acquisitions, which is defined as the amount of revenues recognized during the first 12 months post acquisition on a currency neutral basis.<sup>(1)</sup>

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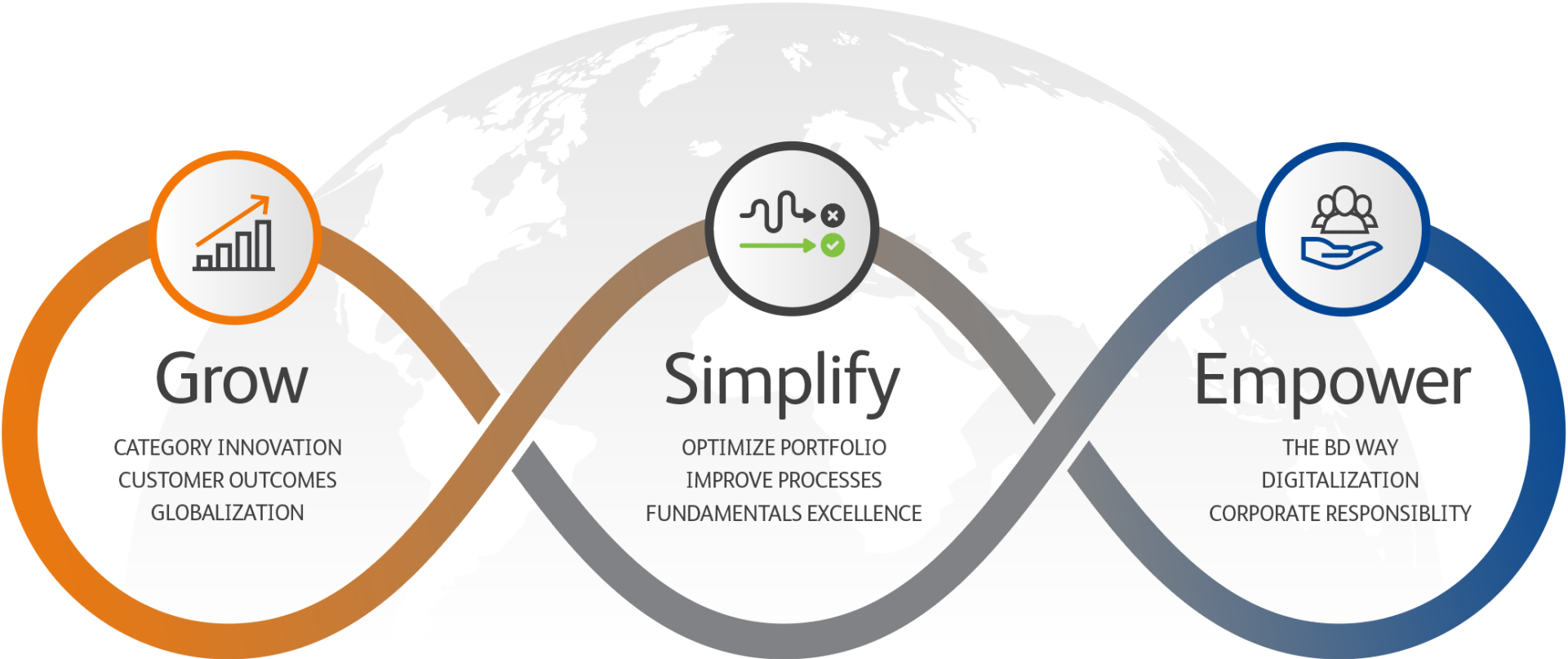
# Executive Summary and Strategic Highlights

*“Our BD2025 strategy continues to serve as our True North and has proven to be an effective, winning strategy as reflected in our continued strong performance, even amid a challenging macro environment. Through our talented team’s focused execution and commitment to our purpose, we are advancing our Grow-Simplify-Empower initiatives, innovation pipeline and capital deployment strategy, which are all contributing to profitable growth.”*

Tom Polen  
BD Chairman, CEO and President

# Strong performance is creating momentum behind our BD2025 strategy

Accelerating growth and driving strong margins





# Key Highlights

- ✓ BD2025 strategy is transforming healthcare and **positions us to deliver now and into the future**
- ✓ Foresight, agility and focused execution is **enabling an enhanced profile** in a challenging environment
- ✓ **Consistent strong organic growth** across all three segments
- ✓ Tuck-in M&A **fueling portfolio of transformative solutions**
- ✓ **Increasing revenue and adjusted EPS guidance** range on strong Q3 results and confidence in full-year outlook



# Q3 FY22 Financial Summary

Revenue

**\$4.6B**

+3.8% FXN

Base revenue:

+9.3% FXN

+8.8% Organic FXN

Adjusted EPS

**\$2.66**

compared to \$2.28 in Q3 FY21

Operating cash flow

**\$1.5B**

YTD

- ✓ Strong base business performance of **9.3% FXN** enabled by our **leading and durable portfolio** and **transformative solutions** that are **accelerating our growth profile**
- ✓ COVID-only **testing revenues of \$475M YTD** with \$76M in Q3 FY22 vs. \$300M in Q3 FY21
- ✓ Adjusted EPS growth of 16.7% driven by **profitable growth including continued progress in strategic margin improvement initiatives**



# Our innovation-driven growth strategy is on track

Robust innovation pipeline fueling >100 expected product launches through FY25



BD Medical



BD Life Sciences



BD Interventional



## BD Intellivault™:

- Commercially available to all customers in June 2022
- Extends Connected Medication Management across new care settings, a \$700M served space growing ~10% annually<sup>(1)</sup>

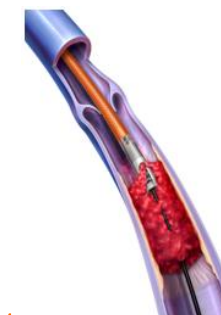
As a part of the BD Pyxis™ RapidRx Solutions family, the BD Intellivault™ Controlled Substance Management System is an RFID-enabled pharmacy automation solution that provides storage and prescription filling of controlled substance medications



## BD COR™ MX:

- The BD COR™ MX module and the CT/GC/TV2 assay on BD COR™ launched in May 2022
- BD COR™ enables entry into the high-volume molecular diagnostic segment, which is expected to grow at a 9% CAGR to a \$2.9B served space in 2025.

The launch of the BD COR™ MX module in the U.S. gives access to the high volume STI testing category with a fully automated and integrated platform. The CT/GC/TV2 assay (already cleared on BD MAX™) is the only FDA-cleared triplex assay for the 3 most prevalent non-viral STIs



## Aspirex™:

- Received 510(k) clearance from the U.S. FDA; launched in June 2022
- U.S. launch expands the offerings of our category leading venous portfolio

The BD Aspirex™ System is uniquely designed with a 3-in-1 method of action that removes fresh thrombus and/or thromboembolic material in peripheral vasculature

# Our innovation pipeline is progressing in support of BD2025 strategy

Over 90% YTD achievement of critical milestones and launches



BD Medical



BD Life Sciences



BD Interventional



## BD PosiFlush™ SafeScrub:

- Received 510(k) clearance from US FDA; expected launch to 1H FY23
- Integral part of our Vascular Access Management strategy that looks to simplify and standardize clinical practice in a ~\$900M addressable space

BD PosiFlush™ SafeScrub is a Prefilled Flush Syringe with an Integrated Disinfection Unit. This unique device will improve the clinical workflow for disinfecting and flushing vascular access devices (VADs) leading to adherence to guidelines and improved patient outcomes



## BD Horizon™ Flow Reagents:

- On track to launch 69 new antibodies and hundreds of new antibody-dye products in FY22
- Expect to launch more than 1,500 new flow cytometry reagent SKU's this year and close to 2,000 new SKU's next year

New flow cytometry reagent SKUs consist of antibodies conjugated to an ever-expanding palette of category-leading Brilliant Violet & Ultraviolet and Real Yellow & Blue fluorescent dyes. BD continues to offer unmatched experimental power and flexibility



## PureWick Male™:

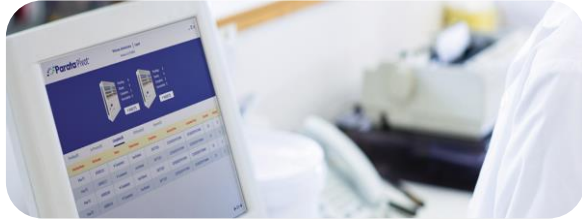
- Authorized For Release
- On track for Q4 FY22 launch
- Expected to expand BD's incontinence platform potential market by ~\$175M

PureWick Male™ will provide nurses with a non-invasive option for urine management in men, enabling earlier Foley catheter removal and resulting in reduced risk of infection

# Parata Systems: transformative solution in high growth pharmacy automation

Smart  
connected  
care

**Robotics, digitization and informatics** is transforming pharmacy workflow



**Increasing automation adoption** and more centralized pharmacies **servicing retail, hospital, long-term care and home**



New care  
settings

- ✓ Announced acquisition close on July 18, 2022
- ✓ **Reduces costs** and allows pharmacists to focus more time on **higher value clinical work** and **patient interactions**
- ✓ **Improves medication adherence and safety**, and **patient outcomes**
- ✓ \$600 million U.S. pharmacy automation **market expected to grow ~10% annually** to \$1.5B over 10 years
- ✓ Expected to be **immediately accretive** to revenue growth, adjusted operating margins and adjusted EPS
- ✓ **Enhances ability to achieve** long-range growth profile

# ESG: Together We Advance - driving outcomes across four pillars of health



BD 2021 ESG Report

Introduction | Climate change | Product impact | Responsible supply chain | Healthy workforce and communities | Transparency | Appendices

## ESG highlights

**Climate**

- Joined **Race to Zero** in September 2021
- Implemented **142 efficiency** projects in FY 2021, expected to generate **\$5.1 million** in energy savings
- In FY 2021, **reduced energy consumption by 14 percent**, with 13 locations using 100 percent renewable electricity
- Reduced water consumption by 23 percent**
- Diverted 79 percent** of nonhazardous waste from landfill

**Product impact**

- Spent **\$1,399 million** on R&D in FY 2021
- Announced **creation of the Scientific Advisory Board** in FY 2021 and launched **Sustainable Medical Technology Institute** in FY 2022
- Profiled in Science magazine**, demonstrating landmark advancement in flow Cytometry
- Deployed BD Production System (BDPS) at **over 90 percent** of manufacturing sites over 3 years, driving best-in-class operational excellence

**Responsible supply chain**

- In FY 2021, completed **160 supplier audits**, representing 15 percent of total spend
- In FY 2021, spent **\$1 billion** with small-business suppliers, impacting **2,766 suppliers**
- Established Scope 3 baselines** for category 1, 4 and 9
- In FY 2021, over **10,000 associates** who interact with our supply chain completed Modern Slavery and Human Trafficking training

**Healthy workforce and communities**

- Achieved **95 percent improvement** in responses to questions as compared to previous Voice of Associate survey
- In FY 2021, completed **global pay equity assessment**, finding our U.S. female associates earn 99 cents for every \$1 earned by male associates
- In FY 2021, donated over **\$24 million** in cash and products
- Invested **\$30 million** in free and charitable clinics and community centers since 2008

**Transparency**

- Published first Inclusion, Diversity and Equity report** and second Cybersecurity report
- Scored **100 percent** on the 2021 corporate political disclosure and accountability index, from the Center for Political Accountability
- First medical technology company authorized as a **Common Vulnerability and Exposures (CVE®) Authority** by the CVE Program
- Named one of **America's Most Responsible Companies** and on the inaugural list of America's Most Trusted Companies (Health Care and Life Sciences) by Newsweek

Issued 2021 ESG Report with notable progress toward **2030+ ESG commitments, addressing energy, water and waste reduction, environmental impact of product portfolio and supplier diversification**

**Best Place to Work for Disability Inclusion**  
for the fourth consecutive year earning a **perfect score on the 2022 Disability Equality Index**

Named a **“Noteworthy Company”**  
for the third straight year in DiversityInc’s annual ranking of the **top U.S. companies for diversity**

# Financial Performance

*“Our Q3 results demonstrate the strength of our business and the momentum of our strategy. We continue to deliver strong performance while simultaneously managing the macro-economic pressures through our simplification and mitigation programs and remain well-positioned to create long-term value for all stakeholders.”*

Christopher DeOrefice  
BD EVP and CFO



# Delivering consistent industry-leading performance and enhanced value creation

Base Revenue<sup>(1)</sup>

+9.3%

Base Operating Margin<sup>(2)</sup>

↑ 450 bps

Adjusted EPS<sup>(3)</sup>

↑ 16.7%

Capital Allocation



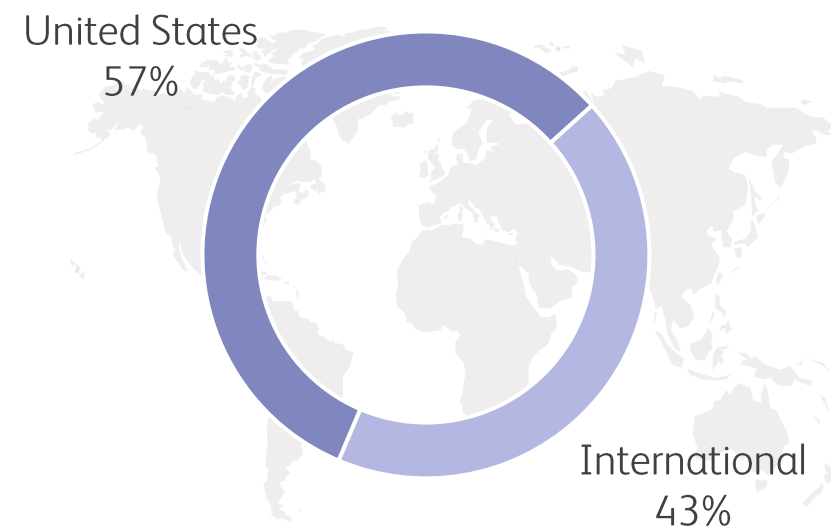
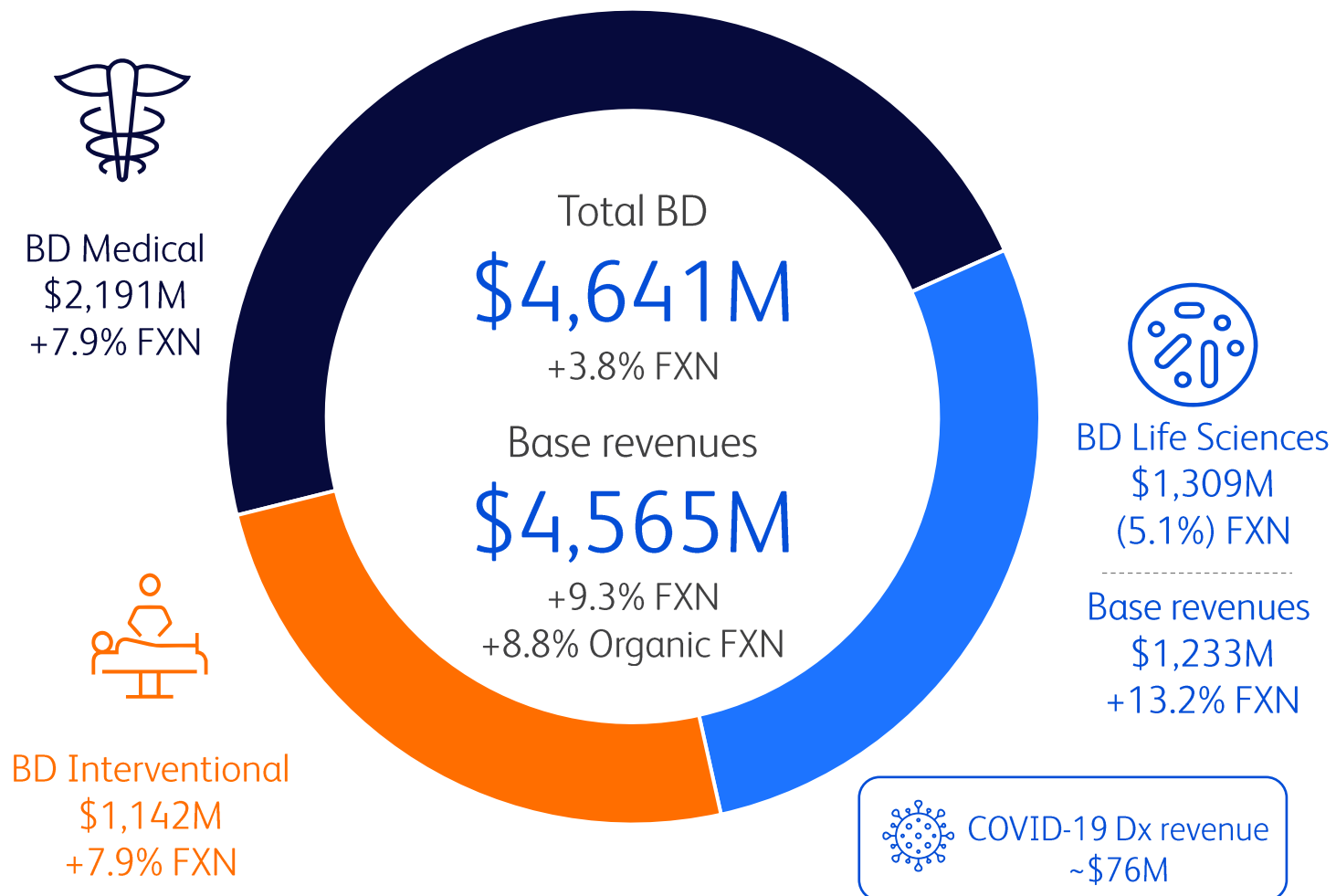
## Our differentiated actions are enabled by:

- ✓ **Strong execution** and outsized revenue growth through our **innovation pipeline and shift to transformative solutions** in higher-growth spaces
- ✓ Leveraging legacy of **manufacturing excellence and supply chain expertise** in unprecedented macro environment
- ✓ **Unmatched scale and global reach** to deliver products critical to patient care
- ✓ Accelerated progress in **strategic margin improvement initiatives** such as SKU productivity and Project RECODE
- ✓ **Strong balance sheet and cash flows** enable tuck-in M&A lever to enhance growth and margin profile

# Q3 FY22 revenue summary – by segment and geography

## Revenue by segment

## Revenue by geography



# Q3 FY22 revenue summary – by business unit



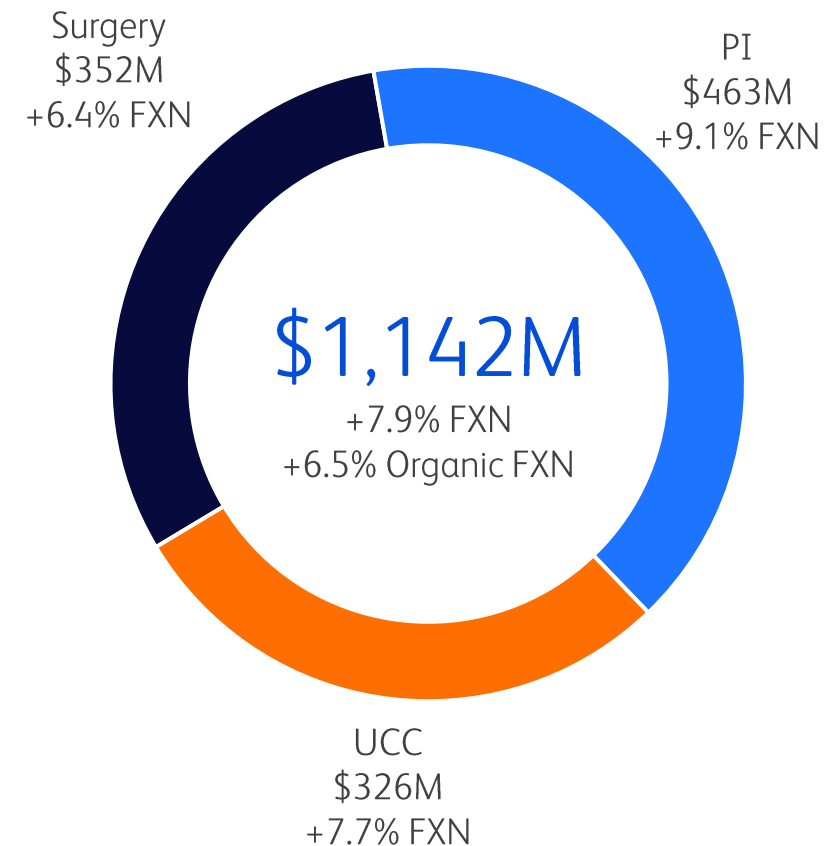
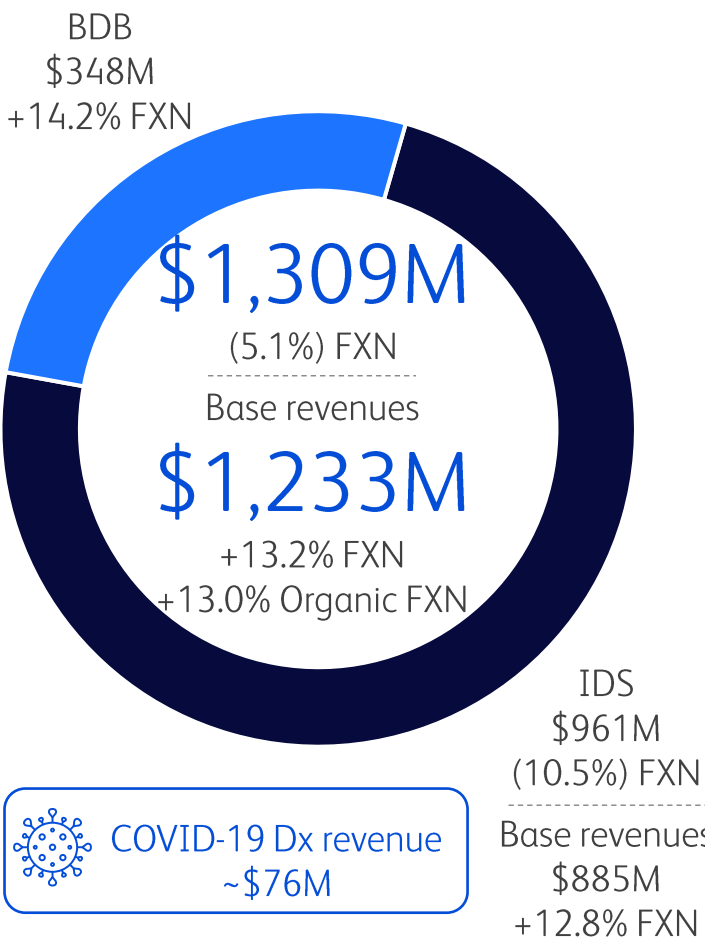
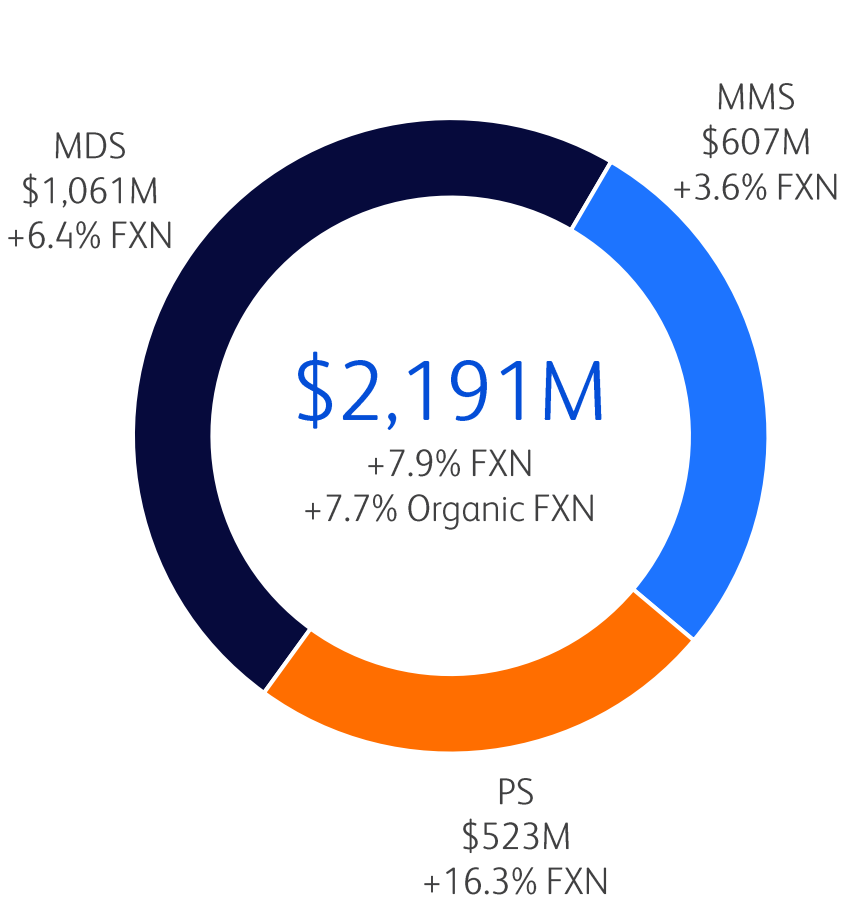
BD Medical






BD Life Sciences



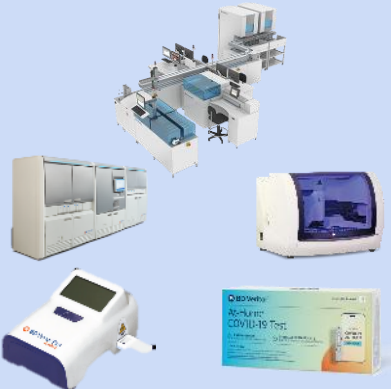
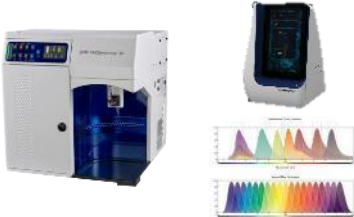
BD Interventional



# BD Medical: Strong growth driven by execution against core strategy


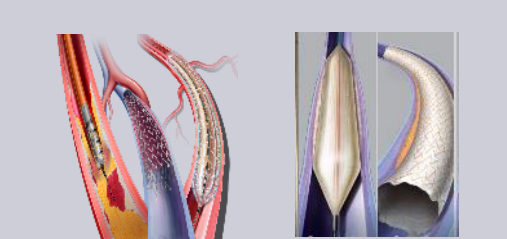

	Business Unit	Q3 FY22	BD Management Q3 Commentary
	Medication Delivery Solutions \$1,061M +6.4% FXN	<ul style="list-style-type: none"> <li>• Reflects global competitive gains in catheters driven by strong momentum in our vascular access management strategy, despite COVID restrictions in China</li> <li>• Hospital utilization recovery in the U.S. and Europe also drove growth across Medical Delivery Solutions franchise</li> </ul>	
	Medication Management Solutions \$607M +3.6% FXN	<ul style="list-style-type: none"> <li>• Strong momentum in Dispensing worldwide with continuous customer adoption of our Connected Medication Management and Pharmacy Automation Solutions</li> <li>• Flat performance in worldwide infusion reflects similar year-over-year demand in the U.S. for pumps under medical necessity</li> </ul>	
	Pharmaceutical Systems \$523M +16.3% FXN	<ul style="list-style-type: none"> <li>• Strong leadership position in pre-fillable devices supported by ongoing capacity expansion and supply availability enabling us to address the increasing demand for biologics drugs</li> </ul>	
<b>BD Medical</b>		<b>\$2,191M</b> <b>+7.9% FXN</b> <b>+7.7% Organic FXN</b>	

# BD Life Sciences: Execution rigor driving continued double-digit growth

	Business Unit	Q3 FY22	BD Management Q3 Commentary
	Integrated Diagnostic Solutions	\$961M (10.5%) FXN ----- +12.8% FXN (ex-COVID only testing)	<ul style="list-style-type: none"> <li>• Strong growth driven by continued adoption of broader respiratory panel and leveraging increased BD MAX™ install base</li> <li>• Appropriate price management and continued production ramp-up, enabling strong growth in Specimen Management products</li> <li>• COVID-19 diagnostic revenues of ~\$76 million in Q3 with ~\$475 million YTD</li> </ul>
	Biosciences	\$348M +14.2% FXN	<ul style="list-style-type: none"> <li>• Reagent growth continues to be strong enabled by our anti-body and dye strategy, and continued adoption of our e-commerce platform</li> <li>• Strong instrument growth from recently launched products and strategic procurement of critical components enabling higher instrument placements</li> </ul>
BD Life Sciences		\$1,309M (5.1%) FXN ----- +13.2% FXN (ex-COVID only testing) +13.0% Organic FXN	



# BD Interventional: Continued strong performance across the portfolio expanding focus on chronic disease outcomes

	Business Unit	Q3 FY22	BD Management Q3 Commentary
	Surgery	\$352M +6.4% FXN	<ul style="list-style-type: none"> <li>Advanced Repair and Reconstruction delivered strong performance worldwide, driven by continued strong market adoption of Phasix™ hernia resorbable scaffold and Tepha acquisition</li> <li>Performance also reflects double-digit growth worldwide in Biosurgery</li> </ul>
	Peripheral Intervention	\$463M +9.1% FXN	<ul style="list-style-type: none"> <li>Driven by share gain from Venovo™ return to market and continued global penetration of Rotarex™ and the acquisition of Venclose expanding our focus across chronic disease settings</li> <li>Growth aided by partial backorder recovery</li> <li>Deferrable procedures impacted by macroeconomic factors such as labor constraints</li> </ul>
	Urology and Critical Care	\$326M +7.7% FXN	<ul style="list-style-type: none"> <li>Continued strong demand for chronic female incontinence with PureWick™ in the acute care &amp; alternative care settings</li> <li>Strength in Acute Care aided by backorder recovery</li> </ul>
<b>BD Interventional</b>		\$1,142M +7.9% FXN +6.5% Organic FXN	

# Solid base revenue growth and margin expansion drives double-digit earnings growth

	Q3 FY22	Q3 FY21	Reported Y/Y Δ	FXN Y/Y Δ
Revenues	\$4,641	\$4,607	0.7%	3.8%
Base revenue	\$4,565	\$4,307	6.0%	9.3%
Gross Profit	\$2,439	\$2,317	5.3%	5.2%
Gross margin	52.6%	50.3%	230 bps	70 bps
Base gross margin	52.9%	51.1%	180 bps	20 bps
SSG&A	\$1,147	\$1,194	(4.0%)	(1.3%)
% of revenues	24.7%	25.9%	(120 bps)	(130 bps)
R&D	\$289	\$306	(5.6%)	(4.4%)
% of revenues	6.2%	6.7%	(50 bps)	(60 bps)
Other Operating (Inc) exp, net	(\$17)	\$0	N/A	N/A
Operating Income	\$1,020	\$817	24.9%	20.5%
Base operating income	\$1,013	\$760	33.2%	28.5%
Operating margin	22.0%	17.7%	430 bps	290 bps
Base operating margin	22.2%	17.7%	450 bps	310 bps
Interest Income (exp), net	(\$95)	(\$115)	(17.1%)	(15.7%)
Other Income (exp), net	(\$32)	\$17	(286.7%)	(228.9%)
Tax Rate	12.0%	4.3%	770 bps	N/A
Net Income	\$786	\$688	14.2%	10.8%
Preferred Dividend	\$23	\$23		
Net Income Applicable to Common Shareholders	\$764	\$666		
Avg diluted common shares	287	292		
Adjusted EPS	\$2.66	\$2.28	16.7%	13.2%

## P&L Highlights

**Revenue:** Strong base growth of 9.3% FXN driven by execution across all three segments

**Margins:** Base operating margins ↑450 bps, ahead of expectations, driven by:

- Base gross margin ↑180 bps from volume utilization, mix optimization, continued execution of simplification and inflation mitigation initiatives, and FX partially offset by outsized inflation
- Strong leverage in Selling and G&A inclusive of ~75 bps from favorable impact of an employee benefit related item partially offset by inflationary impacts in shipping

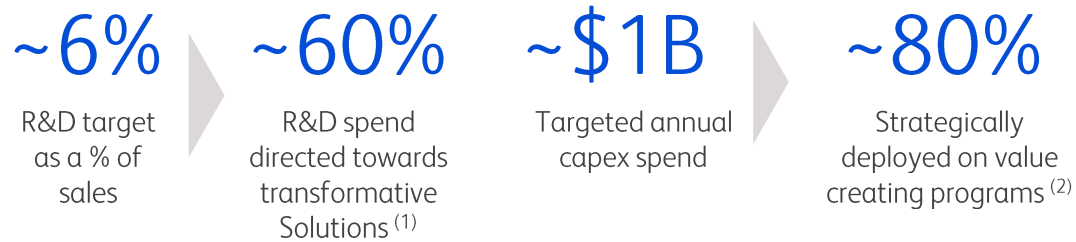
**Other Income (exp), net:** reflects offsetting unfavorable impact of employee benefit related item

**Tax:** Driven by the timing of discrete items

**Adjusted EPS:** Growth of 16.7% driven by strong revenue and margin improvement

# Disciplined capital allocation policy supported by strong cash flows

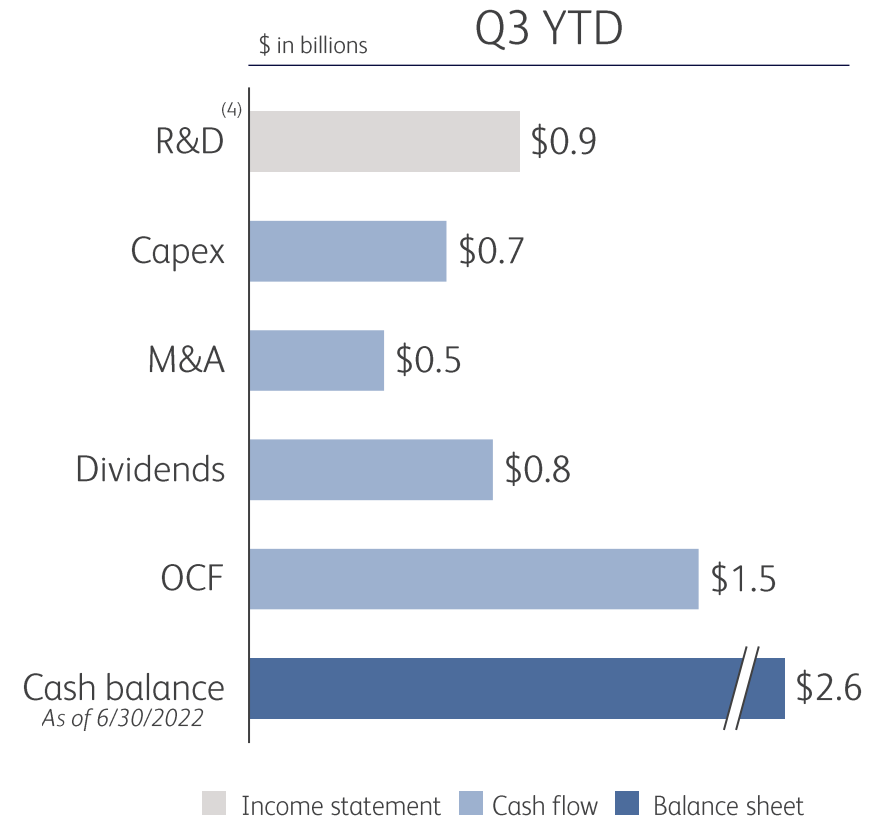
Purposeful and balance investments help fuel our robust pipeline



New lever for accelerating our strategy with meaningful capital deployment through our strengthened balance sheet



Committed to increasing the dividend and returning cash to shareholders through share repurchase program



R&D / Capex

Tuck-in M&A

Dividend / Share Repurchase



(1) Refer to slide 21 of the November 2021 Investor Day presentation.  
 (2) Refer to slide 89 of the November 2021 Investor Day presentation.  
 (3) Refer to slide 86 of the November 2021 Investor Day presentation.  
 (4) As adjusted. Please see slide 37 for non-GAAP reconciliations

# Guidance

# FY22 Assumptions and Considerations

## Macro Considerations:

- Continued easing of COVID-19 restrictions
- No significant or lasting disruptions to deferrable procedure volumes
- Guidance assumes no prolonged and larger scale restrictions and countries continue to be more efficient in managing safety protocols and the containment of any new COVID variants to allow continuity of care for patients
- Expect continued recovery from recent restrictions in China over the balance of the fiscal year
- Anticipate continued inflationary and supply chain pressure in Q4. Guidance does not contemplate a more significant escalation of macro headwinds
- Base business revenue includes our combination flu/COVID assays
- Does not assume legislation changes that would impact the broader market

Medical	Life Sciences	Interventional
<ul style="list-style-type: none"> <li>• Continue to extend our leadership position with competitive gains in vascular access and care and pre-filled injectables</li> <li>• Investing in solutions transforming healthcare through smart connected care and new care settings</li> <li>• FY22 BD Medical revenue growth expected to be slightly below BDX guidance <sup>(1)</sup> <ul style="list-style-type: none"> <li>• Alaris capital revenue generally in-line with FY21</li> <li>• Alaris 510(k) FDA clearance not expected in FY22</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Leadership positions in attractive and growing categories</li> <li>• Investing in higher growth spaces by enabling smart automated laboratory workflows, improving chronic disease treatment with clinically differentiated assays, research tools and companion diagnostics, and migrating point of care to new care settings</li> <li>• FY22 BD Life Sciences revenue growth expected to be slightly above BDX guidance <sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Continuing strategy to evolve from product to category leadership in chronic disease treatment while continuing to invest in accretive high-growth spaces</li> <li>• Investing in organic and inorganic portfolio offerings, expanded labeling and increasing non-acute care presence</li> <li>• FY22 BD Interventional revenue growth expected to be in-line with BDX guidance <sup>(1)</sup></li> </ul>



# FY22 Guidance Summary

## Raising and narrowing revenue and adjusted EPS guidance ranges

	August 4, 2022	May 5, 2022	Comments
Base revenue growth (FXN) <sup>(1)</sup>	8.75% to 9.25%	7.25% to 8.25%	<ul style="list-style-type: none"> <li>• ↑~100 bps attributable to strong Q3 base performance and confidence in full-year</li> <li>• ↑~25 bps attributable to Parata acquisition</li> <li>• Compared to FY21 base revenue of \$17.2B</li> </ul>
COVID-only testing <sup>(1)</sup> revenue	up to \$500M	~\$450M	<ul style="list-style-type: none"> <li>• YTD ~\$475M in COVID only testing revenue</li> </ul>
Estimated FX impact	~(225 bps)	~(200 bps)	<ul style="list-style-type: none"> <li>• Based on current spot rates and currency mix</li> </ul>
Estimated total company reported revenue	\$18.75B to \$18.83B	\$18.5B to \$18.7B	
Base operating margin <sup>(1,2)</sup>	~275 bps improvement	~250 bps improvement	<ul style="list-style-type: none"> <li>• On track to deliver ~250 bps committed base margin improvement; ~25 bps improvement reflects Q3 employee benefit related item which is neutral to adjusted EPS</li> <li>• COVID-only testing operating margin expected to be modestly above BDX average</li> <li>• Compared to base operating margin in FY21 of 19.6%</li> </ul>
Interest / Other	~\$30M improvement	~\$60M to ~\$75M improvement	<ul style="list-style-type: none"> <li>• Change reflects Q3 employee benefit related item which is neutral to adjusted EPS</li> <li>• Year over year improvement primarily driven by debt refinancing activities completed</li> <li>• Targeting ~\$1B of debt paydown aligned to our capital allocation priorities</li> </ul>
Effective tax rate	13.5% to 14.0%	13.5% to 14.5%	<ul style="list-style-type: none"> <li>• Narrowed guidance range to reflect YTD results and full-year outlook on business and geographic mix</li> </ul>
Adjusted EPS <sup>(1)</sup>	\$11.28 to \$11.35	\$11.15 to \$11.30	<ul style="list-style-type: none"> <li>• Increases mid-point of guidance range by 9¢ on strong Q3 performance and confidence in full-year outlook</li> </ul>

Note: indicates change in guidance

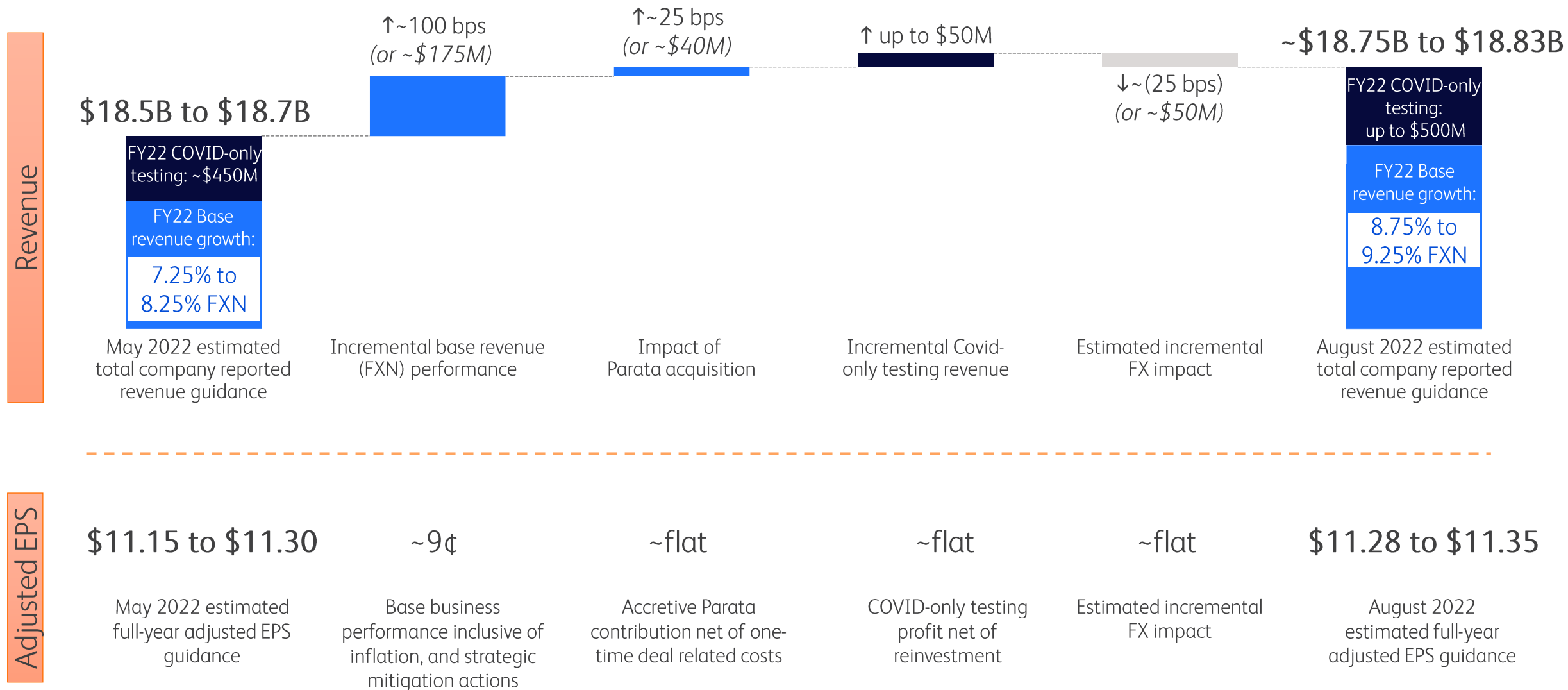


(1) Please see Basis of Presentation on slide 3 and Appendix for Non-GAAP reconciliations

(2) Please see slide 31 for a reconciliation of adjusted operating margin to base operating margin

Note: This guidance is only effective as of the date given, August 4, 2022, and will not be updated or affirmed unless and until we publicly announce updated or affirmed guidance. Distribution or reference of this deck following August 4, 2022 does not constitute BD re-affirming guidance.

# Raising FY22 guidance driven by strong base business performance



# Key Considerations

Q4 FY22	P&L Line item	Key Considerations
	Base revenue	<ul style="list-style-type: none"> <li>• Expect continued strong mid-single digit growth (excluding the impact of acquisitions); above 5.5%+ targeted growth profile outlined at Investor Day</li> <li>• Difficult prior-year comparison (Q4 FY21) driven by:               <ul style="list-style-type: none"> <li>• COVID Delta variant surge drove high acuity and demand for infusion sets and products used in the care of COVID</li> <li>• Initial shipments of combination flu/COVID assays</li> <li>• Normalization of lab utilization and research activity</li> </ul> </li> </ul>
	COVID-only testing	<ul style="list-style-type: none"> <li>• Minimal revenue expected in Q4 FY22 compared to \$316M in Q4 FY21</li> </ul>
	Base margins	<ul style="list-style-type: none"> <li>• Expect sequential improvement in base gross margins and at a level to near YTD performance of 53.8%</li> <li>• Expect significant YoY base operating margin expansion driven by base gross margin and continued strong leverage in selling and G&amp;A, and slightly lower R&amp;D expense</li> </ul>

FY23	<ul style="list-style-type: none"> <li>• Value creation framework outlined at November 2021 Investor Day is in-tact on an FXN basis</li> <li>• Expect macro challenges to persist, not worsen, and anticipate there may be some modest relief from some of the current supply chain complexity as we move towards the back end of the year</li> <li>• On a currency neutral basis, expect 5.5%+ base revenue growth and double-digit adjusted base EPS growth</li> <li>• In addition:           <ul style="list-style-type: none"> <li>• COVID-only testing revenues and related earnings at a level significantly below FY22 (~\$100M revenue for FY23)</li> <li>• Positive contribution from a full year of Parata revenue and income that will partially offset reduced COVID testing</li> </ul> </li> <li>• On a currency neutral basis, expect 'all-in' adjusted EPS growth around double-digits while absorbing impact of reduced COVID-only testing</li> <li>• Currency expected to be a headwind at current spot rates</li> </ul>
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# Appendix

# Glossary

## Acronym      Defined Term

B	Billion
BDB	Biosciences
BPS	Basis Points
Capex	Capital Expenditures
CT/GC/TV2	Chlamydia/Gonorrhea/Trichomonas
CAGR	Compounded Annual Growth Rate
Dx	Diagnostics
EBITDA	Earnings Before Interest, Taxes, Depreciation, Amortization
EPS	Earnings Per Share
ESG	Environmental, Social, Governance
FY	Fiscal Year
G&A	General and Administrative
IDS	Integrated Diagnostics Solutions
M&A	Mergers and Acquisitions

## Acronym      Defined Term

MDS	Medication Delivery Solutions
MMS	Medication Management Solutions
M	Million
OCF	Operating Cash Flow
PI	Peripheral Intervention
PS	Pharmaceutical Systems
R&D	Research and Development
RFID	Radio-Frequency Identification
SURG	Surgery
STI	Sexually Transmitted Infection
TSA	Transitional Service Agreement
UCC	Urology & Critical Care
YTD	Year to Date
1H	First Half of Fiscal Year



# Supplemental Revenue Information

Quarterly Reconciliation of Reported Revenue Change to Base Revenue Change  
For the Three Months Ended June 30,

(Unaudited; \$ in millions)	A	B	C	D=A-B	E=A-B-C	F=(A-B)/B	G=(A-B-C)/B
	2022	2021	FX Impact	Reported Change	FXN Change	% Change Reported	% Change FXN
<b>TOTAL REVENUES FROM CONTINUING OPERATIONS</b>	\$4,641	\$4,607	(\$142)	\$34	\$176	0.7%	3.8%
Less: COVID-19-only Diagnostic Testing Revenues	\$76	\$300	(\$2)	(\$224)	(\$222)	(74.8%)	(74.1%)
<b>Base Revenues from Continuing Operations</b>	<b>\$4,565</b>	<b>\$4,307</b>	<b>(\$140)</b>	<b>\$258</b>	<b>\$398</b>	<b>6.0%</b>	<b>9.3%</b>
<i>impact of COVID-19-only Diagnostic Testing Revenues<sup>(1)</sup></i>				(4.9%)	(4.8%)		
<b>BD LIFE SCIENCES REVENUES</b>	<b>\$1,309</b>	<b>\$1,433</b>	<b>(\$52)</b>	<b>(\$124)</b>	<b>(\$73)</b>	<b>(8.7%)</b>	<b>(5.1%)</b>
Less: COVID-19-only Diagnostic Testing Revenues	\$76	\$300	(\$2)	(\$224)	(\$222)	(74.8%)	(74.1%)
<b>Base BD Life Sciences Revenues</b>	<b>\$1,233</b>	<b>\$1,133</b>	<b>(\$50)</b>	<b>\$100</b>	<b>\$149</b>	<b>8.8%</b>	<b>13.2%</b>
<i>impact of COVID-19-only Diagnostic Testing Revenues<sup>(1)</sup></i>				(15.6%)	(15.5%)		
<b>Integrated Diagnostic Solutions Revenues</b>	<b>\$961</b>	<b>\$1,117</b>	<b>(\$39)</b>	<b>(\$156)</b>	<b>(\$118)</b>	<b>(14.0%)</b>	<b>(10.5%)</b>
Less: COVID-19-only Diagnostic Testing Revenues	\$76	\$300	(\$2)	(\$224)	(\$222)	(74.8%)	(74.1%)
<b>Base Integrated Diagnostic Solutions Revenues</b>	<b>\$885</b>	<b>\$817</b>	<b>(\$37)</b>	<b>\$68</b>	<b>\$104</b>	<b>8.3%</b>	<b>12.8%</b>
<i>impact of COVID-19-only Diagnostic Testing Revenues<sup>(1)</sup></i>				(20.1%)	(19.9%)		

# Supplemental Revenue Information - Organic Growth

Quarterly Reconciliation of Reported Revenue Change to Base Organic Revenue Change  
For the Three Months Ended June 30,

(Unaudited; \$ in millions)	A	B	C	D=A-B	E=A-B-C	F=(A-B)/B	G=(A-B-C)/B
	2022	2021	FX Impact	Reported Change	FXN Change	% Change Reported	% Change FXN
<b>TOTAL BDX REVENUES FROM CONTINUING OPERATIONS</b>	\$4,641	\$4,607	(\$142)	\$34	\$176	0.7%	3.8%
Less: COVID-19-only Diagnostic Testing Revenues	\$76	\$300	(\$2)	(\$224)	(\$222)	(74.8%)	(74.1%)
<b>TOTAL BDX BASE REVENUES FROM CONTINUING OPERATIONS</b>	\$4,565	\$4,307	(\$140)	\$258	\$398	6.0%	9.3%
Less: Inorganic revenue contribution <sup>(1)</sup>				\$20	\$20	0.5%	0.5%
<b>Total Base Organic Revenue Growth from Continuing Operations</b>				<b>\$238</b>	<b>\$379</b>	<b>5.5%</b>	<b>8.8%</b>
<b>TOTAL BD MEDICAL REVENUES FROM CONTINUING OPERATIONS</b>	\$2,191	\$2,091	(\$65)	\$99	\$164	4.7%	7.9%
Less: Inorganic revenue contribution <sup>(1)</sup>				\$3	\$3	0.1%	0.1%
<b>Total BD Medical Organic Revenue Growth from Continuing Operations</b>				<b>\$96</b>	<b>\$161</b>	<b>4.6%</b>	<b>7.7%</b>
<b>TOTAL BD LIFE SCIENCES REVENUES</b>	\$1,309	\$1,433	(\$52)	(\$124)	(\$73)	(8.7%)	(5.1%)
Less: COVID-19-only Diagnostic Testing Revenues	\$76	\$300	(\$2)	(\$224)	(\$222)	(74.8%)	(74.1%)
<b>BD Life Sciences Base Revenues</b>	\$1,233	\$1,133	(\$50)	\$100	\$149	8.8%	13.2%
Less: Inorganic revenue contribution <sup>(1)</sup>				\$2	\$2	0.2%	0.2%
<b>Total BD Life Sciences Organic Revenue Growth</b>				<b>\$97</b>	<b>\$147</b>	<b>8.6%</b>	<b>13.0%</b>
<b>TOTAL BD INTERVENTIONAL REVENUES</b>	\$1,142	\$1,082	(\$26)	\$59	\$85	5.5%	7.9%
Less: Inorganic revenue contribution <sup>(1)</sup>				\$14	\$14	1.3%	1.3%
<b>Total BD Interventional Organic Revenue Growth</b>				<b>\$45</b>	<b>\$71</b>	<b>4.1%</b>	<b>6.5%</b>

# Reconciliation of Non-GAAP Adjusted Margins to Base Business Margins

	Adjusted Gross Margin					Adjusted Operating Margin			
	(A)	(B)	(C) = (A) - (B)	(D)	(E) = (C) - (D)	(F)	(G) = (F) / (A)	(H)	(I) = (G) - (H)
Unaudited; \$ in millions	Revenues	All-in adjusted gross profit	All-in adjusted gross margin percentage	COVID-19 Dx test and reinvestment impact	Base business gross margin	All-in adjusted operating profit	All-in adjusted operating margin percentage	COVID-19 Dx test and reinvestment impact	Base business operating margin
Q1 FY21 <sup>(1)</sup>	\$5,041	\$2,899	57.5 %	~310 bps	54.4 %	\$1,527	30.3 %	~740 bps	22.9 %
Q2 FY21 <sup>(1)</sup>	\$4,634	\$2,446	52.8 %	~60 bps	52.2 %	\$1,050	22.7 %	~290 bps	19.8 %
Q3 FY21 <sup>(3)</sup>	\$4,607	\$2,317	50.3 %	~(80 bps)	51.1 %	\$817	17.7 %	~0 bps	17.7 %
Q4 FY21 <sup>(1)</sup>	\$4,849	\$2,470	50.9 %	~(80 bps)	51.7 %	\$850	17.5 %	~(70 bps)	18.2 %
FY21 <sup>(1)</sup>	\$19,131	\$10,132	53.0 %	~70 bps	52.3 %	\$4,244	22.2 %	~260 bps	19.6 %
Q1 FY22 <sup>(1)</sup>	\$4,718	\$2,588	54.9 %	~60 bps	54.3 %	\$1,122	23.8 %	~130 bps	22.5 %
Q2 FY22 <sup>(2)</sup>	\$4,750	\$2,568	54.1 %	~0 bps	54.1 %	\$1,075	22.6 %	~30 bps	22.3 %
Q3 FY22 <sup>(3)</sup>	\$4,641	\$2,439	52.6 %	~(30 bps)	52.9 %	\$1,020	22.0 %	~(20 bps)	22.2 %

<sup>(1)</sup> Please see the Form 8-K posted on April 14, 2022 at investors.bd.com for reconciliation of GAAP to non-GAAP gross and operating margins

<sup>(2)</sup> Please see the Form 8-K posted on May 31, 2022 at investors.bd.com for reconciliation of GAAP to non-GAAP gross and operating margins

<sup>(3)</sup> Please see slide 35 for reconciliation of GAAP to non-GAAP gross and operating margins

# Supplemental Non-GAAP Reconciliation – Reported Diluted EPS to Adjusted Diluted EPS

Quarterly Reconciliation of Reported Diluted EPS from Continuing Operations to Adjusted Diluted EPS from Continuing Operations  
For the Three Months ended June 30,

(Unaudited)	2022	2021	Change	Foreign Currency Translation	Foreign Currency Neutral Change	Change %	Foreign Currency Neutral Change %
Reported Diluted Earnings per Share from Continuing Operations	\$1.28	\$1.32	(\$0.04)	\$0.10	(\$0.14)	(3.0%)	(10.6%)
Purchase accounting adjustments (\$354 million and \$355 million pre-tax, respectively) <sup>(1)</sup>	\$1.23	\$1.22		(\$0.01)			
Integration costs (\$18 million and \$27 million pre-tax, respectively) <sup>(2)</sup>	\$0.06	\$0.09		-			
Restructuring costs (\$38 million and \$(4) million pre-tax, respectively) <sup>(2)</sup>	\$0.13	(\$0.01)		\$0.01			
Separation-related items (\$11 million pre-tax) <sup>(3)</sup>	\$0.04	-		-			
Transaction gain/loss, product and other litigation-related matters (\$6 million and \$(70) million pre-tax, respectively) <sup>(4)</sup>	\$0.02	(\$0.24)		-			
European regulatory initiative-related costs (\$39 million and \$32 million pre-tax, respectively) <sup>(5)</sup>	\$0.14	\$0.11		-			
Investment gains/losses and asset impairments (\$4 million pre-tax) <sup>(6)</sup>	\$0.01	-		-			
Impacts of debt extinguishment (\$2 million pre-tax)	\$0.01	-		-			
Income tax benefit of special items (\$76) million and \$(59) million, respectively)	(\$0.26)	(\$0.20)		-			
<b>Adjusted Diluted Earnings per Share from Continuing Operations</b>	<b>\$2.66</b>	<b>\$2.28</b>	<b>\$0.38</b>	<b>\$0.08</b>	<b>\$0.30</b>	<b>16.7 %</b>	<b>13.2 %</b>

<sup>(1)</sup>Includes amortization and other adjustments related to the purchase accounting for acquisitions.

<sup>(2)</sup>Represents costs associated with acquisition-related integrations and expenses associated with restructuring activities, such as simplification and cost saving initiatives.

<sup>(3)</sup>Represents costs recorded to *Other operating expense (income), net* and incurred in connection with the separation of BD's former Diabetes Care business.

<sup>(4)</sup>The amount in 2022 represents a charge of \$6 million recorded to *Cost of products sold* to adjust the estimate of future product remediation costs. The amount in 2021 includes a gain of \$88 million on a sale-leaseback transaction which was recorded to *Other operating expense (income), net*.

<sup>(5)</sup>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.

<sup>(6)</sup>Includes non-cash (gains) losses recorded within *Other expense, net* relating to certain investments.

# Supplemental Non-GAAP Reconciliation

1 of 3

Quarterly Reconciliation of Adjusted Change and Adjusted Foreign Currency Neutral Change from Continuing Operations  
For the Three Months ended June 30, 2022

(Unaudited; \$ in millions, except per share data)	Reported (GAAP)	Purchase accounting	Integration costs	Restructuring costs	Separation & related items	Transactional / product / litigation	European Regulatory	Investment gains/losses and asset impairments	TSA / LSA total	Impacts of debt extinguishment	Income tax benefit of special items	(A) Adjusted (Non-GAAP)	Notes for Non-GAAP Adjustments (Slide 32)
Revenues	\$4,641	-	-	-	-	-	-	-	-	-	-	\$4,641	
Gross Profit	\$2,067	\$353	-	-	-	\$6	\$13	-	-	-	-	\$2,439	1,4,5,6
% Revenues	44.5%											52.6%	
Adjusted FXN % Revenues												51.0%	
SSG&A	\$1,149	(\$2)	-	-	-	-	(\$1)	-	-	-	-	\$1,147	1,5
% Revenues	24.8%											24.7%	
Adjusted FXN % Revenues												24.6%	
R&D	\$315	(\$0)	-	-	-	-	(\$26)	-	-	-	-	\$289	1,5
% Revenues	6.8%											6.2%	
Adjusted FXN % Revenues												6.1%	
Operating Income	\$537	\$355	\$18	\$38	\$11	\$6	\$39	-	\$17	-	-	\$1,020	1,2,3,4,5,6
Operating Margin	11.6%											22.0%	
Adjusted FXN % Operating Margin												20.6%	
Net interest expense	(\$94)	(\$1)	-	-	-	-	-	-	-	-	-	(\$95)	1
Other Income, Net	(\$21)	-	-	-	-	-	-	\$4	(\$17)	\$2	-	(\$32)	6
Income Tax Provision	\$31										\$76	\$107	
Effective Tax Rate	7.4%											12.0%	
Net Income from Continuing Operations	\$390	\$354	\$18	\$38	\$11	\$6	\$39	\$4	-	\$2	(\$76)	\$786	1,2,3,4,5,6
% Revenues	8.4%											16.9%	
Diluted Earnings per Share from Continuing Operations	\$1.28	\$1.23	\$0.06	\$0.13	\$0.04	\$0.02	\$0.14	\$0.01	\$0.00	\$0.01	(\$0.26)	\$2.66	1,2,3,4,5,6

# Supplemental Non-GAAP Reconciliation

2 of 3

Quarterly Reconciliation of Adjusted Change and Adjusted Foreign Currency Neutral Change from Continuing Operations  
For the Three Months ended June 30, 2021

(Unaudited; \$ in millions, except per share data)	Reported (GAAP)	Purchase accounting	Integration costs	Restructuring costs	Separation & related items	Transactional / product / litigation	European Regulatory	Investment gains/losses and asset impairments	Impacts of debt extinguishment	Income tax benefit of special items	(B) Adjusted (Non-GAAP)	Notes for Non-GAAP Adjustments (Slide 32)
Revenues	\$4,607	-	-	-	-	-	-	-	-	-	\$4,607	
Gross Profit	\$1,958	\$349	-	-	-	-	\$10	-	-	-	\$2,317	1,5
% Revenues	42.5%										50.3%	
SSG&A	\$1,200	(\$6)	-	-	-	-	(\$0)	-	-	-	\$1,194	1,5
% Revenues	26.1%										25.9%	
R&D	\$330	(\$1)	-	-	-	-	(\$22)	-	-	-	\$306	1,5
% Revenues	7.2%										6.7%	
Operating Income	\$492	\$357	\$27	(\$4)	(\$0)	(\$88)	\$32	-	-	-	\$817	1,2,4,5
Operating Margin	10.7%										17.7%	
Net interest expense	(\$113)	(\$1)	-	-	-	-	-	-	\$0	-	(\$115)	1
Other Income, Net	(\$1)	-	-	-	-	\$18	-	-	-	-	\$17	
Income Tax Provision	(\$28)									\$59	\$31	
Effective Tax Rate	(7.5%)										4.3%	
Net Income from Continuing Operations	\$407	\$355	\$27	(\$4)	(\$0)	(\$70)	\$32	-	\$0	(\$59)	\$688	1,2,4,5
% Revenues	8.8%										14.9%	
Diluted Earnings per Share from Continuing Operations	\$1.32	\$1.22	\$0.09	(\$0.01)	\$0.00	(\$0.24)	\$0.11	\$0.00	\$0.00	(\$0.20)	\$2.28	1,2,4,5

# Supplemental Non-GAAP Reconciliation

3 of 3

Quarterly Reconciliation of Adjusted Change and Adjusted Foreign Currency Neutral Change from Continuing Operations  
Change in Three Months Ended June 30, 2022 Compared With Three Months Ended June 30, 2021

(Unaudited, \$ in millions, except per share data)	(A) FY22 Adjusted (Non-GAAP)	(B) FY21 Adjusted (Non-GAAP)	(C) = (A) - (B) Adjusted \$ Change	(D) = (C) / (B) Adjusted % Change	(E) FX Translation Adjustment	(F) = (C) - (E) Adjusted FXN \$ Change	(G) = (F) / (B) Adjusted FXN % Change
Revenues	\$4,641	\$4,607	\$34	0.7%	(\$142)	\$176	3.8%
Gross Profit	\$2,439	\$2,317	\$122	5.3%	\$1	\$121	5.2%
% Revenues	52.6%	50.3%					
Adjusted FXN % Revenues	51.0%						
SSG&A	\$1,147	\$1,194	(\$47)	(4.0%)	(\$32)	(\$15)	(1.3%)
% Revenues	24.7%	25.9%					
Adjusted FXN % Revenues	24.6%						
R&D	\$289	\$306	(\$17)	(5.6%)	(\$4)	(\$13)	(4.4%)
% Revenues	6.2%	6.7%					
Adjusted FXN % Revenues	6.1%						
Operating Income	\$1,020	\$817	\$204	24.9%	\$36	\$167	20.5%
Operating Margin	22.0%	17.7%					
Adjusted FXN % Operating Margin	20.6%						
Net interest expense	(\$95)	(\$115)	\$20	(17.1%)	\$2	\$18	(15.7%)
Other Income, Net	(\$32)	\$17	(\$49)	(286.7%)	(\$10)	(\$39)	(228.9%)
Income Tax Provision	\$107	\$31	\$76	246.7%	\$4	\$72	234.1%
Effective Tax Rate	12.0%	4.3%					
Net Income from Continuing Operations	\$786	\$688	\$98	14.2%	\$24	\$74	10.8%
% Revenues	16.9%	14.9%					
Diluted Earnings per Share from Continuing Operations	\$2.66	\$2.28	\$0.38	16.7%	\$0.08	\$0.30	13.2%

Please note:

(A) refers to the adjusted figures for the three-month period ending June 30, 2022 from slide 33  
(B) refers to the adjusted figures for the three-month period ending June 30, 2021 from slide 34



# Supplemental Non-GAAP Reconciliation – Reported Diluted EPS to Adjusted Diluted EPS

Year-to-date Reconciliation of Reported Diluted EPS from Continuing Operations to Adjusted Diluted EPS from Continuing Operations  
For the Nine Months ended June 30,

(Unaudited)	2022	2021	Change	Foreign Currency Translation	Foreign Currency Neutral Change	Change %	Foreign Currency Neutral Change %
Reported Diluted Earnings per Share from Continuing Operations	\$4.45	\$4.72	(\$0.27)	\$0.30	(\$0.57)	(5.7%)	(12.1%)
Purchase accounting adjustments (\$1.074 billion and \$1.055 billion pre-tax, respectively) <sup>(1)</sup>	\$3.73	\$3.60		(\$0.01)			
Integration costs (\$46 million and \$94 million pre-tax, respectively) <sup>(2)</sup>	\$0.16	\$0.32		-			
Restructuring costs (\$72 million and \$27 million pre-tax, respectively) <sup>(2)</sup>	\$0.25	\$0.09		\$0.01			
Separation-related items (\$10 million pre-tax) <sup>(3)</sup>	\$0.04	-		-			
Transaction gain/loss, product and other litigation-related matters (\$47 million and \$258 million pre-tax, respectively) <sup>(4)</sup>	\$0.17	\$0.88		-			
European regulatory initiative-related costs (\$105 million and \$91 million pre-tax, respectively) <sup>(5)</sup>	\$0.37	\$0.31		-			
Investment gains/losses and asset impairments (\$94 million pre-tax) <sup>(6)</sup>	\$0.33	-		(\$0.01)			
Impacts of debt extinguishment (\$2 million and \$30 million pre-tax, respectively)	\$0.01	\$0.10		-			
Income tax benefit of special items (\$258 million and \$262 million, respectively)	(\$0.90)	(\$0.89)		\$0.01			
Adjusted Diluted Earnings per Share from Continuing Operations	\$8.60	\$9.13	(\$0.53)	\$0.27	(\$0.80)	(5.8%)	(8.8%)

<sup>(1)</sup> Includes amortization and other adjustments related to the purchase accounting for acquisitions.

<sup>(2)</sup> Represents costs associated with acquisition-related integrations and expenses associated with restructuring activities, such as simplification and cost saving initiatives.

<sup>(3)</sup> Represents costs recorded to Other operating expense, net and incurred in connection with the separation of BD's former Diabetes Care business.

<sup>(4)</sup> The amounts in 2022 and 2021 include charges of \$41 million and \$37 million, respectively, recorded to Cost of products sold to adjust the estimate of future product remediation costs. The 2021 amount also included a gain of \$88 million on a sale-leaseback transaction, as well as charges to record product liability reserves, including related legal defense costs, of \$296 million. The sale-leaseback gain and product liability-related charges were recorded to Other operating expense, net.

<sup>(5)</sup> 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.

<sup>(6)</sup> Includes a noncash asset impairment charge of \$54 million which was recorded in Cost of products sold. Also includes non-cash (gains) losses recorded within Other (expense) income, net relating to certain investments

# Supplemental Non-GAAP Reconciliation

1 of 3

Year-to-date Reconciliation of Adjusted Change and Adjusted Foreign Currency Neutral Change from Continuing Operations  
For the Nine Months ended June 30, 2022

(Unaudited, \$ in millions, except per share data)	Reported (GAAP)	Purchase accounting	Integration costs	Restructuring costs	Separation & related items	Transactional / product / litigation	European Regulatory	Investment gains/losses and asset impairments	TSA / LSA total	Impacts of debt extinguishment	Income tax benefit of special items	(A) Adjusted (Non-GAAP)	Notes for Non-GAAP Adjustments (Slide 36)
Revenues	\$14,109	-	-	-	-	-	-	-	-	-	-	\$14,109	
Gross Profit	\$6,400	\$1,065	-	-	-	\$43	\$34	\$54	-	-	-	\$7,595	1,4,5,6
% Revenues	45.4%											53.8%	
Adjusted FXN % Revenues												52.7%	
SSG&A	\$3,527	(\$12)	-	-	-	-	(\$2)	-	-	-	-	\$3,513	1,5
% Revenues	25.0%											24.9%	
Adjusted FXN % Revenues												24.9%	
R&D	\$956	(\$0)	-	-	-	-	(\$69)	-	-	-	-	\$886	1,5
% Revenues	6.8%											6.3%	
Adjusted FXN % Revenues												6.2%	
Operating Income	\$1,793	\$1,077	\$46	\$72	\$11	\$43	\$105	\$54	\$17	-	-	\$3,217	1,2,3,4,5,6
Operating Margin	12.7%											22.8%	
Adjusted FXN % Operating Margin												21.7%	
Net interest expense	(\$285)	(\$4)	-	-	(\$0)	-	-	-	-	-	-	(\$289)	1,3
Other Income, Net	(\$45)	-	-	-	-	\$5	-	\$41	(\$17)	\$2	-	(\$14)	4,6
Income Tax Provision	\$115										\$258	\$373	
Effective Tax Rate	7.9%											12.8%	
Net Income from Continuing Operations	\$1,348	\$1,074	\$46	\$72	\$10	\$47	\$105	\$94	-	\$2	(\$258)	\$2,541	1,2,3,4,5,6
% Revenues	9.6%											18.0%	
Diluted Earnings per Share from Continuing Operations	\$4.45	\$3.73	\$0.16	\$0.25	\$0.04	\$0.17	\$0.37	\$0.33	\$0.00	\$0.01	(\$0.90)	\$8.60	1,2,3,4,5,6

# Supplemental Non-GAAP Reconciliation

2 of 3

Year-to-date Reconciliation of Adjusted Change and Adjusted Foreign Currency Neutral Change from Continuing Operations  
For the Nine Months ended June 30, 2021

(Unaudited; \$ in millions, except per share data)	Reported (GAAP)	Purchase accounting	Integration costs	Restructuring costs	Separation & related items	Transactional / product / litigation	European Regulatory	Investment gains/losses and asset impairments	Impacts of debt extinguishment	Income tax benefit of special items	(B) Adjusted (Non-GAAP)	Notes for Non-GAAP Adjustments (Slide 36)
Revenues	\$14,282	-	-	-	-	-	-	-	-	-	\$14,282	
Gross Profit	\$6,544	\$1,044	-	-	-	\$45	\$30	-	-	-	\$7,662	1,4,5
% Revenues	45.8%										53.6%	
SSG&A	\$3,434	(\$10)	-	-	-	-	(\$0)	-	-	-	\$3,424	1
% Revenues	24.0%										24.0%	
R&D	\$911	(\$7)	-	-	-	-	(\$61)	-	-	-	\$844	1,5
% Revenues	6.4%										5.9%	
Operating Income	\$1,870	\$1,061	\$94	\$27	(\$0)	\$253	\$91	-	-	-	\$3,394	1,2,4,5
Operating Margin	13.1%										23.8%	
Net interest expense	(\$351)	(\$5)	-	-	-	-	-	-	\$5	-	(\$352)	1
Other Income, Net	\$22	-	-	-	-	\$6	-	-	\$26	-	\$53	4
Income Tax Provision	\$92	-	-	-	-	-	-	-	-	\$262	\$354	
Effective Tax Rate	5.9%										11.4%	
Net Income from Continuing Operations	\$1,450	\$1,056	\$94	\$27	(\$0)	\$258	\$91	-	\$30	(\$262)	\$2,743	1,2,4,5
% Revenues	10.1%										19.2%	
Diluted Earnings per Share from Continuing Operations	\$4.72	\$3.60	\$0.32	\$0.09	\$0.00	\$0.88	\$0.31	\$0.00	\$0.10	(\$0.89)	\$9.13	1,2,4,5

# Supplemental Non-GAAP Reconciliation

3 of 3

Year-to-date Reconciliation of Adjusted Change and Adjusted Foreign Currency Neutral Change from Continuing Operations  
Change in Nine Months Ended June 30, 2022 Compared With Nine Months Ended June 30, 2021

(Unaudited, \$ in millions, except per share data)	(A) FY22 Adjusted (Non-GAAP)	(B) FY21 Adjusted (Non-GAAP)	(C) = (A) - (B) Adjusted \$ Change	(D) = (C) / (B) Adjusted % Change	(E) FX Translation Adjustment	(F) = (C) - (E) Adjusted FXN \$ Change	(G) = (F) / (B) Adjusted FXN % Change
Revenues	\$14,109	\$14,282	(\$173)	(1.2%)	(\$232)	\$59	0.4%
Gross Profit	\$7,595	\$7,662	(\$66)	(0.9%)	\$40	(\$107)	(1.4%)
% Revenues	53.8%	53.6%					
Adjusted FXN % Revenues	52.7%						
SSG&A	\$3,513	\$3,424	\$89	2.6%	(\$53)	\$142	4.1%
% Revenues	24.9%	24.0%					
Adjusted FXN % Revenues	24.9%						
R&D	\$886	\$844	\$43	5.1%	(\$6)	\$49	5.8%
% Revenues	6.3%	5.9%					
Adjusted FXN % Revenues	6.2%						
Operating Income	\$3,217	\$3,394	(\$177)	(5.2%)	\$99	(\$276)	(8.1%)
Operating margin	22.8%	23.8%					
Adjusted FXN Operating margin	21.7%						
Net interest expense	(\$289)	(\$352)	\$63	(17.9%)	\$3	\$60	(17.1%)
Other Income, Net	(\$14)	\$53	(\$68)	(126.8%)	(\$13)	(\$55)	(103.2%)
Income tax provision	\$373	\$354	\$20	5.6%	\$11	\$8	2.4%
Effective tax rate	12.8%	11.4%					
Net Income from Continuing Operations	\$2,541	\$2,743	(\$202)	(7.4%)	\$78	(\$280)	(10.2%)
% Revenues	18.0%	19.2%					
Diluted Earnings per Share from Continuing Operations	\$8.60	\$9.13	(\$0.53)	(5.8%)	\$0.27	(\$0.80)	(8.8%)

# Supplemental Non-GAAP Reconciliation – Revenues by Business Segments and Units

For the Three Months ended June 30,

(Unaudited; \$ in millions)	A 2022	B 2021	C FX Impact	D=(A-B)/B	E=(A-B-C)/B
				% Change	
				Reported	FXN
<b>BD MEDICAL</b>					
Medication Delivery Solutions <sup>(1)</sup>	\$1,061	\$1,019	(\$23)	4.1%	6.4%
Medication Management Solutions	\$607	\$597	(\$12)	1.6%	3.6%
Pharmaceutical Systems <sup>(1)</sup>	\$523	\$475	(\$30)	10.0%	16.3%
<b>TOTAL BD MEDICAL REVENUES FROM CONTINUING OPERATIONS</b>	<b>\$2,191</b>	<b>\$2,091</b>	<b>(\$65)</b>	<b>4.7%</b>	<b>7.9%</b>
<b>BD LIFE SCIENCES</b>					
Integrated Diagnostic Solutions	\$961	\$1,117	(\$39)	(14.0%)	(10.5%)
Biosciences	\$348	\$316	(\$13)	10.1%	14.2%
<b>TOTAL BD LIFE SCIENCES REVENUES</b>	<b>\$1,309</b>	<b>\$1,433</b>	<b>(\$52)</b>	<b>(8.7%)</b>	<b>(5.1%)</b>
<b>BD INTERVENTIONAL</b>					
Surgery	\$352	\$336	(\$6)	4.7%	6.4%
Peripheral Intervention	\$463	\$436	(\$12)	6.3%	9.1%
Urology and Critical Care	\$326	\$310	(\$8)	5.2%	7.7%
<b>TOTAL BD INTERVENTIONAL REVENUES</b>	<b>\$1,142</b>	<b>\$1,082</b>	<b>(\$26)</b>	<b>5.5%</b>	<b>7.9%</b>
<b>TOTAL REVENUES FROM CONTINUING OPERATIONS</b>	<b>\$4,641</b>	<b>\$4,607</b>	<b>(\$142)</b>	<b>0.7%</b>	<b>3.8%</b>

# Supplemental Non-GAAP Reconciliation – Revenues by Geographic Regions

For the Three Months ended June 30,

(Unaudited; \$ in millions)	A 2022	B 2021	C FX Impact	D=(A-B)/B	E=(A-B-C)/B
				% Change	
				Reported	FXN
United States	\$2,643	\$2,424	\$0	9.0%	9.0%
International	\$1,998	\$2,182	(\$142)	(8.4%)	(1.9%)
Developed Markets	\$3,937	\$3,928	(\$126)	0.2%	3.4%
Emerging Markets	\$703	\$679	(\$17)	3.7%	6.1%
China	\$316	\$313	(\$3)	0.9%	1.8%
<b>TOTAL REVENUES FROM CONTINUING OPERATIONS</b>	<b>\$4,641</b>	<b>\$4,607</b>	<b>(\$142)</b>	<b>0.7%</b>	<b>3.8%</b>

# Supplemental Non-GAAP Reconciliation – Net Leverage

Reconciliation of Net Income from Continuing Operations to Non-GAAP Adjusted EBITDA from Continuing Operations – Unaudited; \$ in millions  
For the Twelve Months ended June 30, 2022

<b>Reported GAAP Net Income from Continuing Operations</b>	<b>\$1,502</b>
Adjusted for:	
Depreciation and amortization expense	\$2,230
Interest expense	\$404
Income taxes	\$111
Share-based compensation	\$230
Integration costs pre-tax <sup>(1)</sup>	\$87
Restructuring and other costs pre-tax <sup>(1)</sup>	\$84
Separation and related costs pre-tax <sup>(2)</sup>	\$10
Transaction (gain)/loss, product and other litigation-related matters pre-tax <sup>(3)</sup>	\$61
European regulatory initiative-related costs pre-tax <sup>(4)</sup>	\$148
Investment (gains)/losses and asset impairments pre-tax <sup>(5)</sup>	\$49
Impacts of debt extinguishment pre-tax	\$155
<b>Adjusted EBITDA from Continuing Operations</b>	<b>\$5,072</b>
<b>Short-Term Debt</b>	<b>\$1,682</b>
Long-Term Debt	\$14,683
Less: Cash, Cash Equivalents and Short Term Investments	(\$2,572)
<b>Net Debt</b>	<b>\$13,794</b>
<b>Net Leverage <sup>(6)</sup></b>	<b>2.7x</b>

(1) Includes integration and restructuring resulting from acquisitions, as well as simplification and other cost saving initiatives.

(2) Represents costs incurred in connection with the separation of BD's former Diabetes Care business.

(3) Includes net charges related to the estimate of probable future product remediation costs. Also includes a gain on a sale-leaseback transaction, as well as charges to record product liability reserves, including related legal defense costs.

(4) 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 include the cost of labor, other services and consulting (in particular, research and development and clinical trials) and supplies, travel and other miscellaneous costs.

(5) Represents net gains and losses relating to certain investments and asset impairments.

(6) Net Leverage is calculated by dividing Net Debt by Adjusted EBITDA.



# Supplemental Non-GAAP Reconciliation – FY2022 Outlook Reconciliation

	<u>Full Year FY2021</u>	<u>Full Year FY2022 Outlook</u>	
	<u>(\$ in millions)</u>	<u>FX Neutral % Change</u>	<u>Reported Revenues</u>
BDX Reported Revenues from Continuing Operations	\$19,131		
Less: COVID-19-only Diagnostic Testing Revenues	\$1,956		
Base Business Revenues from Continuing Operations	<u>\$17,175</u>		
FY2022 Base Business Revenue Growth		+8.75% to +9.25%	
FY2022 COVID-19-only Diagnostic Testing Revenues			up to \$500 million
Illustrative Foreign Currency (FX) Impact, based on FX spot rates			(~225) basis points
Total FY2022 Revenues from Continuing Operations			\$18.75 - \$18.83 billion

# Supplemental Non-GAAP Reconciliation – FY2022 Outlook Reconciliation

	Full Year FY2021 from Continuing Operations	Full Year FY2022 Outlook Total Company
<b>Reported Diluted Earnings per Share</b>	\$5.18	
Purchase accounting adjustments (\$1.405 billion pre-tax) <sup>(1)</sup>	\$4.81	
Integration costs (\$135 million pre-tax) <sup>(2)</sup>	\$0.46	
Restructuring costs (\$44 million pre-tax) <sup>(2)</sup>	\$0.15	
Transaction gain/loss, product and other litigation-related matters (\$272 million pre-tax) <sup>(3)</sup>	\$0.93	
European regulatory initiative-related costs (\$134 million pre-tax) <sup>(4)</sup>	\$0.46	
Investment gains/losses and asset impairments (\$46 million pre-tax) <sup>(5)</sup>	(\$0.16)	
Impacts of debt extinguishment (\$185 million pre-tax)	\$0.63	
Income tax benefit of special items (\$348 million)	(\$1.19)	
<b>Adjusted Diluted Earnings per Share</b>	<b>\$11.28</b>	<b>\$11.28 to \$11.35</b>

(1) Includes amortization and other adjustments related to the purchase accounting for acquisitions.

(2) Represents costs associated with acquisition-related integrations and expenses associated with restructuring activities, such as simplification and cost saving initiatives.

(3) Includes gains of \$158 million on sale-leaseback transactions and charges of \$361 million to record product liability reserves, including related legal defense costs, which were recorded to Other operating expense, net. The amount also includes charges of \$56 million recorded to Cost of products sold related to the estimate of future product remediation costs.

(4) 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.

(5) Includes non-cash (gains) losses recorded within Other (expense) income, net relating to certain investments.

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