

# WE BELIEVE

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



**BD**



**BAIRD**

December 29, 2017



# Disclaimers

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



# Accelerating and broadening BD's strategy

There are clear strategic benefits of a combination:

1

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

2

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

3

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



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

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



# Accelerating our strategy

## Built on an already strong foundation

2018  
& Beyond

### Becoming a provider of complete healthcare solutions



**Clinical outcomes and disease management**

2015–2017



**Healthcare process efficiency, automation and informatics**

2011–2016

### Marketing and commercial excellence

2011–2013

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



# Accelerates our strategy across four strategic pillars

1



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

**BAARD**

**Further enhances  
the medication  
management  
offering**

2



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

**BAARD**

**Accelerates  
infection  
prevention  
strategy**

3



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

**BAARD**

**Further advances  
the treatment of  
disease**

4



**Expand  
globally**

**BAARD**

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



# Transaction overview

## Transaction Terms

- Total consideration of \$25.2 billion in cash and BD stock
  - \$222.93 in cash per share and .5077 shares of BD stock
  - Bard shareholders own ~15% of combined company
  - BD to assume \$1.6B of Bard debt and ~\$1.4B of cash

## Financing Overview

- Cash consideration of \$16.4B funded through:
  - ~\$10B of new debt
  - ~\$5B of new equity and equity-linked securities issued to the market (100% equity credit)
  - ~\$1.9B of available cash on hand to cover remaining cash consideration and transaction costs
- Equity consideration of \$8.8B via new BD shares issued to Bard shareholders

## Balance Sheet Implications

- Commitment to deleveraging to below 3x over 3 years
  - Credit ratings of BBB (S&P) BBB- (Fitch) Ba1 (Moody's)

## Financial Guidance

- Expect to update financial guidance on the Q1 FY 2018 conference call to reflect anticipated contribution from Bard's operations beginning in BD's second fiscal quarter through its fiscal 2018 year end
- Accounting close will occur on December 31, 2017



# Reporting changes

## Reportable Segments

- The majority of the Bard businesses will be reported under a new Interventional segment
  - The Interventional segment will have three organizational units
  - Interventional segment to include certain legacy BD product platforms: Infection prevention (largely surgical ChloroPrep™), Interventional Specialties and V. Mueller™ (all of which are currently reported within the Medical segment's MPS unit)
- Within the Medical segment, Medication and Procedural Solutions (MPS) to be renamed Medication Delivery Solutions (MDS)
  - The MDS unit within the BD Medical segment will include Bard's vascular access product platforms such as PICC's and midlines (which were reported in Bard's Oncology and Urology product groups.)
- BD Life Sciences will continue to be reported consistent with BD's legacy structure

## Geographic Regions

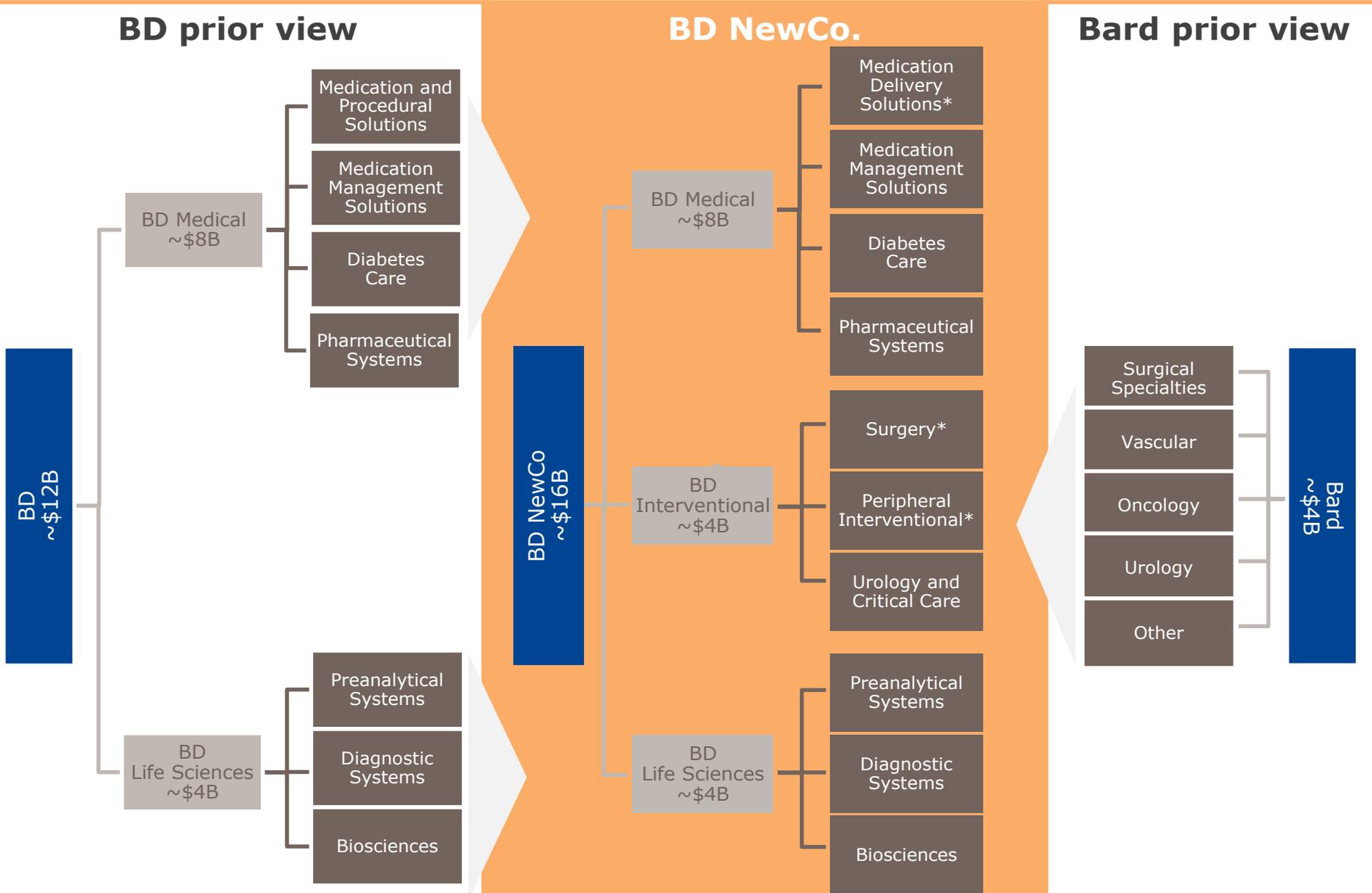
- Will continue to disclose results for 3 geographic regions:
  - United States, International and Emerging Markets
  - Bard did not previously disclose Emerging Markets data

## Rationale

- Aligns products with sales channel strategy
- Continues to provide visibility to growth in International and Emerging Markets



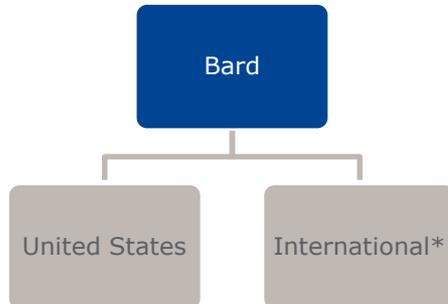
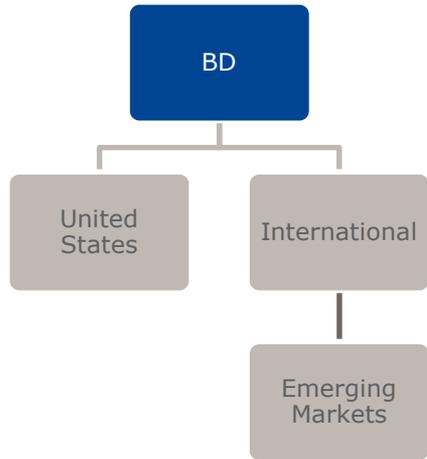
# Reporting Structure



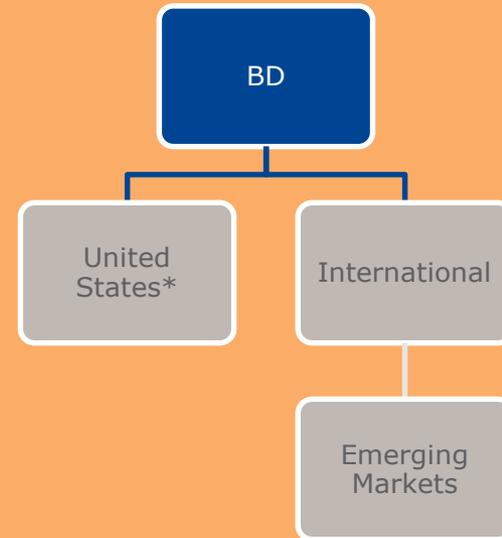
\* The MDS unit within the BD Medical segment will include Bard's vascular access product platforms such as PICC's and midlines (which were reported in Bard's Oncology and Urology product groups.) The Surgery and Peripheral Interventional units within the BD Interventional segment will include certain legacy BD product platforms: Infection prevention (largely surgical Chloraprep™), Interventional Specialties, and V. Mueller™ (all of which were reported within the Medical segment's MPS unit.)

# Geographic Region Reporting

## Prior View



## BD NewCo. View



\* Puerto Rico, previously reported as part of Bard International, will be reported as part of the U.S. consistent with existing BD reporting

# BD – Key Brand Mapping

	Organizational Unit	Key Product Families/Brands
Medical Segment	Medication Delivery Solutions	★ Vascular Access Devices (e.g., BD: BD Nexiva™, BD Insyte™ Autoguard™ and other peripheral catheters; Bard: PowerPICC™ Provena™, PowerGlide Pro™ and other PICC and Midline catheters*)
		Vascular Management Systems (e.g., BD PosiFlush™ prefilled flush syringes, vascular BD Chloraprep™ skin antisepsis applicators)
		Hazardous drug handling (BD PhaSeal™ and Texium™) and testing solutions
		Infusion Specialty Disposables (e.g., IV sets and connectors, including MaxZero™)
		Injection Systems (e.g., conventional and safety hypodermic needles and syringes, including BD SafetyGlide™ and BD Eclipse™ safety needles)
	Medication Management Solutions	Inventory management (e.g., BD Pyxis™ logistics)
		Pharmaceutical preparation (e.g., BD Pyxis™ IV prep)
		Medication dispensing solutions (e.g., BD Pyxis™, BD Rowa™)
		Infusion Pumps and related disposables and solutions (e.g., BD Alaris™ system)
		Informatics, analytics and surveillance
	Pharmaceutical Systems	Glass and plastic pre-fillable syringes (e.g., BD Hypak™)
		Pre-filled safety syringes
		Self-Administration Injection Systems (SAIS)
	Diabetes Care	Pen needles (e.g., BD Nano™)
		Safety pen needles
		Conventional and safety insulin syringes

★ Led by Bard Management

\* The MDS unit within the BD Medical segment will include Bard's vascular access product platforms such as PICC's and midlines (which were reported in Bard's Oncology and Urology product groups.)



# BD – Key Brand Mapping

	Organizational Unit	Key Product Families/Brands
Interventional Segment ★	Surgery ★	Soft tissue repair (e.g., Phasix™)
		Endoscopic suturing, surgical fixation, laparoscopic irrigation (e.g., CapSure™)
		Biosurgery hemostats and sealants (e.g., Progel™, Arista™)
		Surgical Infection Prevention (BD Chloraprep™)*
		Surgical instruments (V. Mueller™)*
		Drainage (PleurX™)*
	Peripheral Intervention ★	PTA/Stents/Grafts (e.g., LifeStent™)
		Drug-Coated Balloons (Lutonix™)
		Implantable ports (e.g., PowerPort™)
		Biopsy devices*
	Urology and Critical Care ★	Urological drainage (e.g., SureStep™ Foley Trays and intermittent catheters)
		Urological and endourological specialties
		Ventilator associated pneumonia prevention devices
		Targeted temperature management system (e.g., Artic Sun™)
		Liberator medical: direct-to-consumer distribution of medical products

★ Led by Bard Management

\* The Surgery and Peripheral Interventional units within the BD Interventional segment will include certain legacy BD product platforms: Infection prevention (largely surgical Chloraprep™), Interventional Specialties, and V. Mueller™ (all of which were reported within the Medical segment's MPS unit.)



# Integration

- Dedicated integration planning team led by Bill Tozzi
- New leadership structure includes members of both BD and Bard
- Confident in ability to achieve run-rate cost synergies of approximately \$300 million over three years through fiscal 2020
- A powerful opportunity to make healthcare better together



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