

Second Quarter Results Fiscal Year 2018

May 3rd, 2018



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 and in our recent SEC filings.

Non-GAAP Financial Measures

- These materials also include Non-GAAP financial measures. A reconciliation to the 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 the following items:
 1. Foreign currency translation.
 2. Adjustments to current and prior year periods as noted in the schedules in the appendix of this presentation.
- Reconciliations of certain forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures are omitted from the financial schedules attached hereto as we are unable to provide such reconciliations without unreasonable efforts. Sufficient information is not available to calculate certain forward-looking adjustments required for such reconciliations, including future restructuring charges and acquisition-related costs. We expect these future charges and costs could have a potentially significant impact on our future GAAP financial results.
- Basis of Presentation for Revenue Growth Metrics: All revenue amounts are presented on a GAAP basis. As such, YTD revenue amounts reflect BD standalone results in Q1 and BD + Bard results starting in Q2. In addition, revenue amounts reflect the BD / Bard portfolio alignment. Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment. Reconciliations of comparable FXN revenue growth to the comparable GAAP measure are included in our earnings release and the related financial schedules.
- A copy of our earnings release, including the financial schedules, is posted on the "Investors" section of the BD.com website.

Note: All figures on accompanying slides are rounded. Totals may not add due to rounding. Percentages are based on un-rounded figures. FXN = Estimated foreign exchange-neutral currency growth. \$ = Dollars in millions except per share data.

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Executive overview

Vincent A. Forlenza
Chairman and CEO

BD strategy and execution toward advancing the world of health

Our long-term strategy is focused on

- Providing **leading medical technologies** and **innovative solutions** for our customers and their patients,
- **Driving sustainable healthcare** by increasing access, driving better outcomes, mitigating system cost pressures, and improving health care safety, through:

Medical

- Improving medication management across the continuum of care
- Leading in infection prevention and health care safety

Life Sciences

- Enhancing the diagnosis of infectious disease and cancer
- Empowering research insights inside and outside the cell

Interventional

- Advancing the management of high burden diseases
- Enabling surgical and interventional procedures

Q2 FY 2018

Business highlights

Robust Q2 performance as our first combined quarter

- Revenue performance exceeded our expectations with strong growth across all three segments
- Bard integration off to a great start
- Successfully transformed the U.S. Dispensing business with very strong momentum in Medication Management
- Divested remaining interest in Vyaire Medical joint venture
- Raising FY 2018 revenue guidance to high-end of prior range and raising adjusted EPS guidance
- Expect continued momentum over second half of FY 2018
- Strong year-to-date performance gives us confidence in our outlook as we move forward

Financial performance

Christopher Reidy

Executive Vice President, CFO and Chief Administrative Officer

Q2 FY 2018

Financial highlights

Revenue growth:

Robust Q2 revenue growth driven by strength across all three segments

Margin Expansion:

Robust gross margin expansion of +350 bps

Capital deployment:

4.5x gross leverage as of March due to EBITDA growth; Paid down \$100M in debt

	Second quarter	Year-to-date
Revenues⁽¹⁾	\$4,222	\$7,302
% Growth	+42.2%	+23.9%
Comparable FXN % Growth ⁽²⁾	+5.7%	+4.7%
<i>U.S. Dispensing Change and Q1 Hurricane Impact⁽³⁾</i>	<i>(0.8%)</i>	<i>(1.2%)</i>
Adjusted EPS⁽⁴⁾	\$2.65	\$5.15
% Growth	+15.2%	+11.2%
FXN % Growth	+7.8%	+6.0%

(1) All revenue amounts are presented on a GAAP basis. As such, YTD revenue amounts reflect BD standalone results in Q1 and BD + Bard results starting in Q2. In addition, revenue amounts reflect the BD / Bard portfolio alignment.

(2) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

(3) Represents estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2 and the hurricane in Puerto Rico on the Bard business in Q1.

(4) Current and prior-year adjusted diluted earnings per share results 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; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment.

Note: Figures are \$ millions, except per share data.

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Q2 FY 2018

Medical segment update

Revenues ⁽¹⁾	Second quarter			Year-to-date		
	\$	% Growth	Comparable FXN % Growth ⁽²⁾	\$	% Growth	Comparable FXN % Growth ⁽²⁾
Medical segment <i>U.S. Dispensing Change⁽³⁾</i>	\$2,172	+19.7%	+4.2% (1.6%)	\$4,024	+11.6%	+3.3% (1.6%)
Medication Delivery Solutions	958	+38.3%	+4.9%	1,700	+22.5%	+5.3%
Medication Management Solutions <i>U.S. Dispensing Change⁽³⁾</i>	581	+2.5%	+0.5% (5.8%)	1,168	0.0%	(1.5%) (5.6%)
Diabetes Care	267	+9.8%	+5.7%	544	+6.6%	+3.9%
Pharmaceutical Systems	366	+17.4%	+7.9%	612	+13.5%	+6.1%



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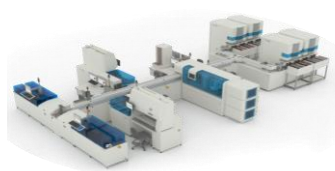
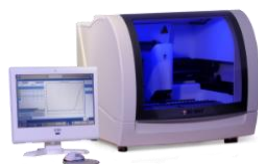
(3) Represents estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2.

Note: Figures are \$ millions. Totals may not add due to rounding.

Q2 FY 2018

Life Sciences segment update

Revenues	Second quarter			Year-to-date		
	\$	% Growth	FXN % Growth	\$	% Growth	FXN % Growth
Life Sciences segment	\$1,098	+11.8%	+7.3%	\$2,143	+10.4%	+7.3%
Diagnostic Systems	410	+17.0%	+12.6%	791	+15.6%	+12.5%
Prenalytical Systems	381	+5.1%	+1.0%	756	+5.4%	+2.5%
Biosciences	307	+13.9%	+8.9%	596	+10.6%	+7.1%



Note: Figures are \$ millions. Totals may not add due to rounding.

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Q2 FY 2018

Interventional segment update

Revenues ⁽¹⁾	Second quarter			Year-to-date
	\$	% Growth	Comparable FXN % Growth ⁽²⁾	Comparable FXN % Growth ⁽²⁾
Interventional Segment <i>Q1 Hurricane Impact⁽³⁾</i>	\$952	NM	+7.1%	+4.9% (1.8%)
Peripheral Intervention	338	NM	+10.9%	+10.8%
Surgery <i>Q1 Hurricane Impact⁽³⁾</i>	351	NM	+4.2%	+0.1% (4.8%)
Urology & Critical Care	264	NM	+6.5%	+4.0%



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(2) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

(3) Represents estimated impact from the hurricane in Puerto Rico on the Bard business in Q1.

Note: Figures are \$ millions. Totals may not add due to rounding. NM = not meaningful.

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Q2 FY 2018

Geographic revenue highlights

Revenues ⁽¹⁾	Second quarter			Year-to-date		
	\$	% Growth	Comparable FXN % Growth ⁽²⁾	\$	% Growth	Comparable FXN % Growth ⁽²⁾
United States <i>U.S. Dispensing Change and Q1 Hurricane Impact⁽³⁾</i>	\$2,325	+42.9%	+4.0% (1.5%)	\$3,982	+22.3%	+2.6% (2.2%)
International	1,898	+41.4%	+7.9%	3,321	+26.0%	+7.5%
Developed Markets <i>U.S. Dispensing Change and Q1 Hurricane Impact⁽³⁾</i>	3,591	+42.7%	+4.6% (0.9%)	6,164	+23.7%	+3.4% (1.5%)
Emerging Markets	631	+39.6%	+12.4%	1,139	+25.4%	+12.1%
China	269	+60.5%	+13.3%	449	+36.1%	+12.8%

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(3) Represents estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2 and the hurricane in Puerto Rico on the Bard business in Q1.

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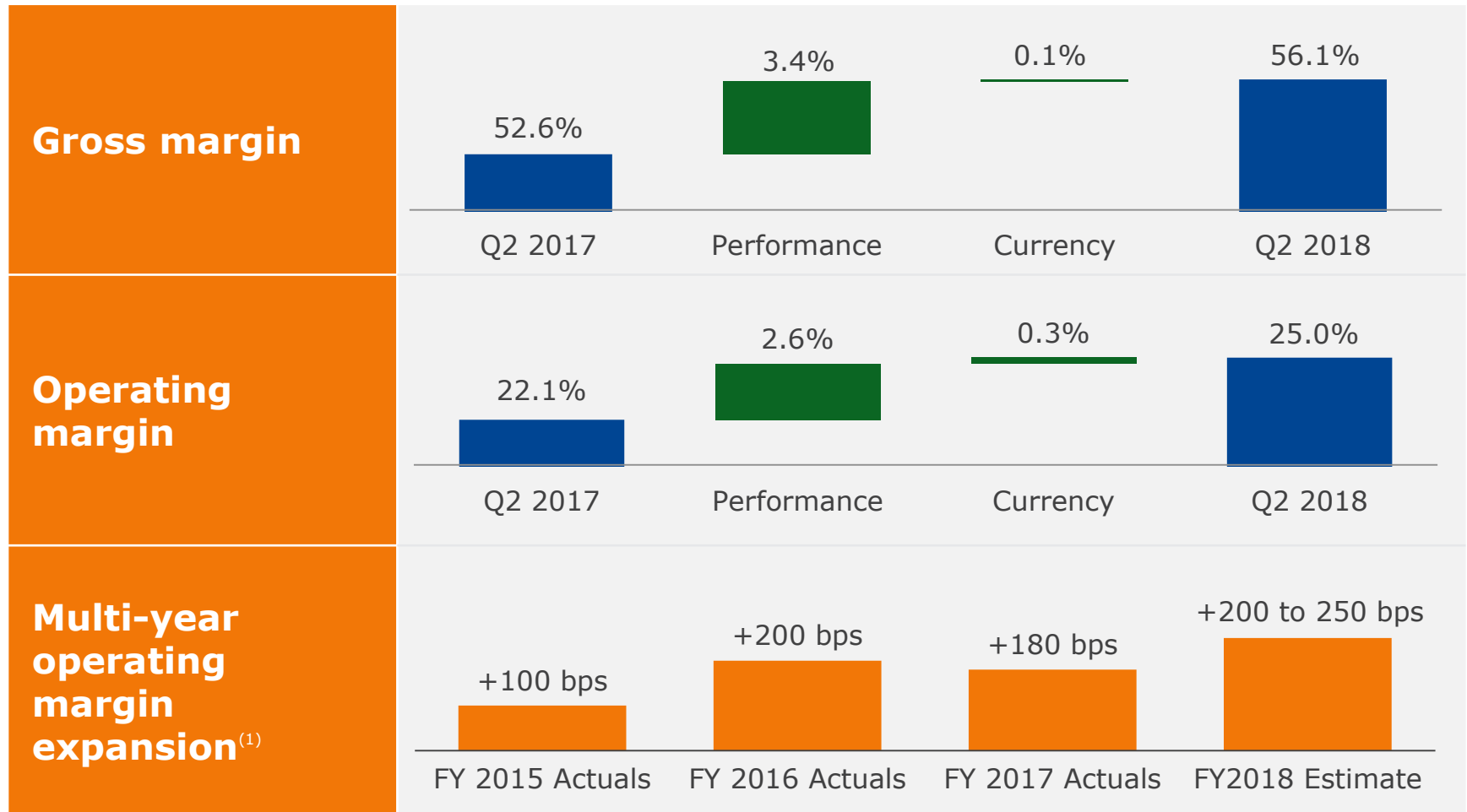


Q2 FY 2018 adjusted income statement

As adjusted	Q2 FY 2018	% Growth	% FXN Growth	Q2 FY 2017
Revenues <i>Comparable % FXN Growth⁽¹⁾</i> <i>U.S. Dispensing Change⁽²⁾</i>	\$4,222	42.2%	37.2% 5.7% (0.8%)	\$2,969
Gross profit % of revenues	2,370 56.1%	51.6%	45.9%	1,563 52.6%
SSGA % of revenues	1,055 25.0%	(46.3%)	(41.4%)	721 24.3%
R&D % of revenues	260 6.2%	(39.2%)	(37.4%)	187 6.3%
Operating income % of revenues	1,055 25.0%	61.0%	53.4%	655 22.1%
Interest / Other, Net	137			82
Tax rate	16.9%			12.5%
Net Income	763	52.2%	43.0%	501
Preferred Dividend	38			n/a
Net Income applicable to common shareholders	725	44.7%	35.5%	501
Share Count	273.7			217.9
Adjusted EPS⁽³⁾	\$2.65	15.2%	7.8%	\$2.30

(1) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment. (2) Represents the estimated impact from the U.S. Dispensing revenue recognition change. (3) Current and prior-year adjusted diluted earnings per share results 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; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment. Note: Figures are \$ millions, except per share data. Totals may not add due to rounding. Above figures reflects favorable / (unfavorable) performance versus last year.

Q2 FY 2018 adjusted gross and operating margins



(1) Underlying margin expansion excludes currency and pension impacts for all periods.
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Guidance update

Christopher Reidy

Executive Vice President, CFO and Chief Administrative Officer

FY 2018 revenue guidance

Comparable Revenues FXN % Guidance ⁽¹⁾	Medical	Life Sciences	Interventional
Segments	4.0% to 5.0%	5.0% to 6.0%	5.5% to 6.5% ⁽²⁾
BD + Bard Underlying	5.0% to 5.5% 5.5% to 6.0% ^(2,3)		

(1) Comparable FXN revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment.

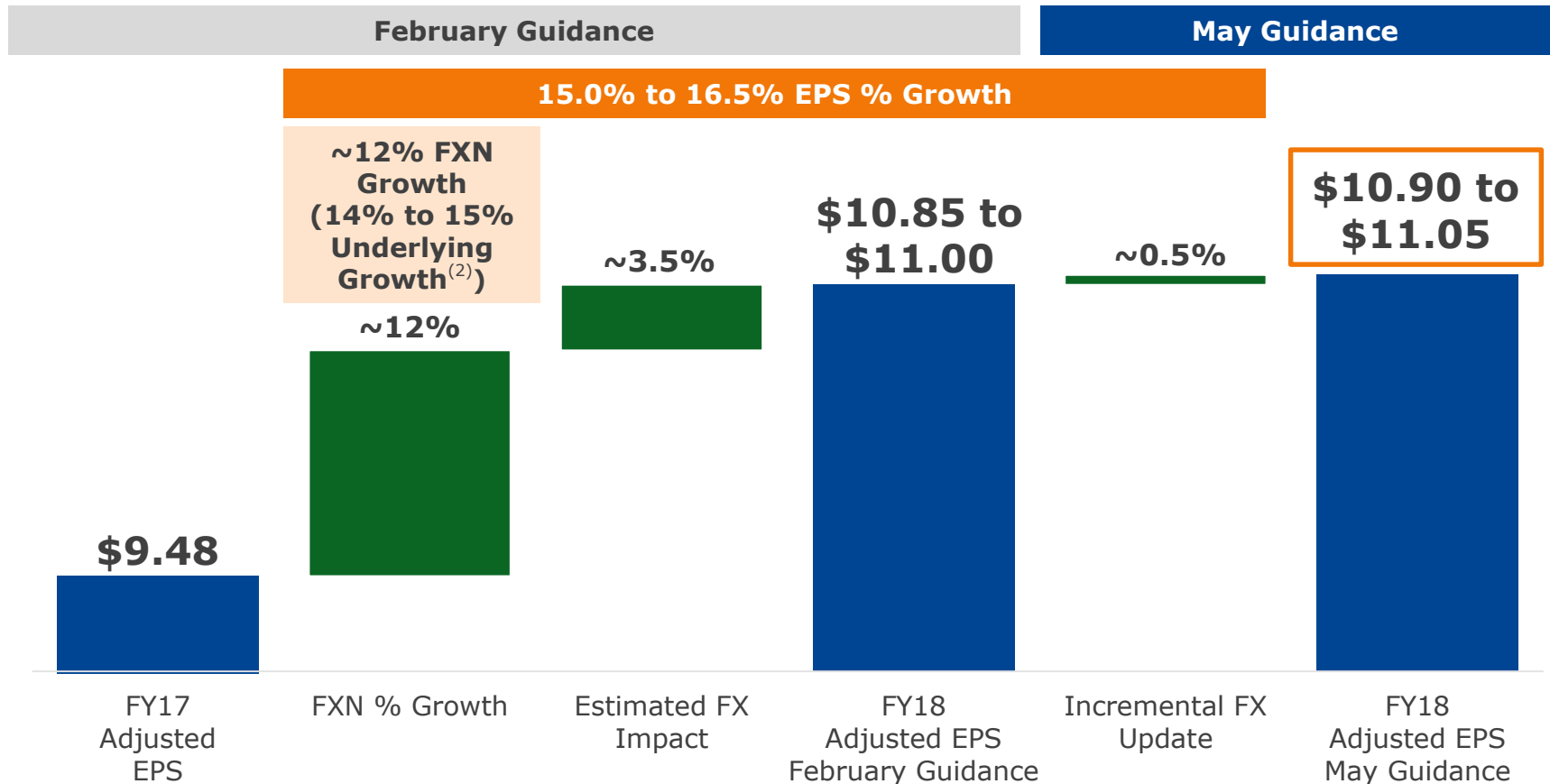
(2) Underlying Revenues FXN % Growth excludes the estimated sales impact from the hurricane in Puerto Rico on the Bard business in Q1.

(3) Underlying Revenues FXN % Growth excludes the estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2.

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FY 2018 adjusted EPS guidance⁽¹⁾



(1) Current and prior-year adjusted diluted earnings per share results 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; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment.

(2) Underlying growth excludes the estimated (2 to 3%) EPS impact from the U.S. Dispensing revenue recognition change in Q1 and Q2.

Q2 FY 2018 guidance update

As adjusted	BD + Bard May Guidance	BD + Bard February Guidance
BD Comparable Revenues FXN % Growth⁽¹⁾	5.0% to 5.5%	4.5% to 5.5%
Underlying Revenues FXN % Growth⁽²⁾	5.5% to 6.0%	5.0% to 6.0%
Revenue – FX Impact	~2.5%	~2.0%
BD Reported Revenues	31.0% to 31.5%	30.0% to 31.0%
Gross margin	56.0% to 57.0%	56.0% to 57.0%
SSG&A (% of sales)	24.5% to 25.5%	24.5% to 25.5%
R&D (% of sales)	6.0% to 7.0%	6.0% to 7.0%
Operating margin Operating margin expansion FXN	25.0% to 26.0% +200 to 250 bps	25.0% to 26.0% +200 to 250 bps
Interest/other, net ⁽³⁾	(\$500M to \$525M)	(\$500M to \$525M)
Effective tax rate	17.0% to 19.0%	17.0% to 19.0%
Preferred Dividend	(\$114M)	(\$114M)
Share count	~261M	~261M
Adjusted EPS	\$10.90 to \$11.05	\$10.85 to \$11.00
Adjusted EPS FXN % Growth	~12%	~12%
Adjusted EPS % Growth	15% to 16.5%	15% to 16%
Operating cash flow	~\$3.5B	~\$3.5B
Capital expenditures	\$850M to \$900M	\$850M to \$900M

(1) Comparable revenue growth reflects growth on a currency neutral basis, adjusted to include Bard in all current and prior periods, excludes divestitures, and reflects BD / Bard portfolio alignment. (2) Underlying Growth excludes the estimated impact from the U.S. Dispensing revenue recognition change in Q1 and Q2 and the estimated sales impact from the hurricane in Puerto Rico on the Bard business in Q1. (3) Amounts previously reported by Bard as related to the Gore royalty revenue have been reclassified to Other Income to reflect the reporting classification by BD. (4) Current and prior-year adjusted diluted earnings per share results 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; a litigation charge and the reversal of a litigation reserve; and the loss on debt extinguishment.

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Executive summary

Vincent A. Forlenza
Chairman and CEO

Q2 FY 2018

BD transformation update

	CareFusion	Bard
Integration	<ul style="list-style-type: none"> Integration largely complete 	<ul style="list-style-type: none"> Organizational design and integration plan fully in place Pivoting towards execution
Cost Synergies	<ul style="list-style-type: none"> Confidence in achieving ~\$350M through FY 2018 	<ul style="list-style-type: none"> Expect ~\$300M by FY 2020 Realizing public company cost savings and starting to see procurement cost savings Comprehensive work streams with assigned accountability in the operational synergy plan
Revenue Synergies	<ul style="list-style-type: none"> Good traction with our International MMS portfolio (ROWA™, CMax, Workflow Solutions, and infusion pumps for hospital and ambulatory care settings) International MDS and MMS have been growing high-single digits since the combination of BD + CFN 	<ul style="list-style-type: none"> Starting to execute on our combined vascular access go-to-market strategy Beginning to leverage our enhanced surgical portfolio in U.S. and commercial presence globally

FY 2018 Planned Product Launches

Medical	Life Sciences	Interventional
<ul style="list-style-type: none"> • BD PhaSeal™ Optima • BD PureHub™ IV needless connector disinfectant caps ✓ IV Solutions – sodium chloride and 5% dextrose • IV Solutions – additional compounds in FY 2018 • Next Gen Accucath™ catheter ✓ BD Venflon™ I with BD Instaflash™ Needle Technology ✓ BD Venflon™ Pro Safety with BD Instaflash™ Needle Technology ✓ BD HealthSight™ integrated MMS platform ✓ BD Pyxis™ ES 1.5.2 ✓ BD Neopak™ XSi™ glass pre-fillable syringe 	<ul style="list-style-type: none"> ✓ BD MAX™ – Enteric Viral Panel (CE Mark) • BD MAX™ – TB ✓ BD MAX™ Check-Points CPO assay (CE Mark) ✓ BD Onclarity™ HPV (U.S. PMA) • BD Synapsys™ Informatics DS platform • BD AbSeq assays for protein expression ✓ Additional BD OptiBuild™ reagents / Sirigen dyes 	<ul style="list-style-type: none"> ✓ LifeStent™ 5Fr. ProSeries™ stent ✓ OptiFix™ open fixation system ✓ Lutonix™ AV catheter • Covera™ stent graft (AV access graft indication) ✓ Magic3™ catheter ✓ AllPoints™ port access system • Echo 2™ position system with Ventralight™ ST mesh • Lutonix™ drug coated balloon catheter – Long Lesion (200mm+ balloon lengths for SFA treatment)

Key takeaways

Pleased with very strong first half performance

- Robust year-to-date revenue growth in all three segments
- Strong performance and execution in our first quarter combined as BD + Bard
- Raising FY 2018 revenue guidance to high-end of prior range and raising adjusted EPS guidance
- Expect continued momentum over second half of FY 2018
- Confidence in our outlook



BD

Advancing the
world of health

Q2 FY 2018 & Q2 FY 2017 Adjustment Reconciliations

(Unaudited; Amounts in millions, except per share data)

Three Months Ended March 31, 2018													
	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Income, Net	Income Tax Provision	Net Income	Diluted Earnings per Share	
Reported \$ for Three Months Ended March 31, 2018	\$ 4,222	\$ 1,604	\$ 1,057	\$ 260	\$ 104	\$ -	\$ 183	\$ (181)	\$ 4	\$ 18	\$ (12)	\$ (0.19)	
<i>Reported % of Revenues</i>		38.0%	25.0%	6.2%			4.3%				-0.3%		
<i>Reported effective tax rate</i>										288.8%			
Specified items:													
Purchase accounting adjustments pre-tax ⁽¹⁾	-	761	(1)	-	-	-	762	(3)	31	-	790	2.96	
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(19)	-	19	-	-	-	19	0.07	
Integration costs pre-tax ⁽²⁾	-	-	-	-	(79)	-	79	-	-	-	79	0.29	
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(7)	-	7	-	-	-	7	0.03	
Financing Costs ⁽³⁾	-	-	-	-	-	-	-	(1)	-	-	(1)	-	
Hurricane Relief Costs ⁽⁴⁾	-	5	-	-	-	-	5	-	-	-	5	0.02	
Loss on Debt Extinguishment ⁽⁵⁾	-	-	-	-	-	-	-	-	13	-	13	0.05	
Dilutive Share Impact ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	-	(0.06)	
Income Tax Benefit of Special Items	-	-	-	-	-	-	-	-	-	137	(137)	(0.51)	
Adjusted \$ for Three Months Ended March 31, 2018	\$ 4,222	\$ 2,370	\$ 1,055	\$ 260	\$ -	\$ -	\$ 1,055	\$ (184)	\$ 48	\$ 155	\$ 763	\$ 2.65	
<i>Adjusted % of Adjusted Revenues</i>		56.1%	25.0%	6.2%			25.0%				18.1%		
<i>Adjusted effective tax rate</i>										16.9%			
Three Months Ended March 31, 2017													
	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Income, Net	Income Tax Provision	Net Income	Diluted Earnings per Share	
Reported \$ for Three Months Ended March 31, 2017	\$ 2,969	\$ 1,432	\$ 724	\$ 187	\$ 76	\$ -	\$ 446	\$ (79)	\$ (5)	\$ 18	\$ 344	\$ 1.58	
<i>Reported % of Revenues</i>		48.2%	24.4%	6.3%			15.0%				11.6%		
<i>Reported effective tax rate</i>										4.9%			
Specified items:													
Purchase accounting adjustments pre-tax ⁽¹⁾	-	131	(2)	-	-	-	133	(4)	-	-	129	0.59	
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(11)	-	11	-	-	-	11	0.05	
Integration costs pre-tax ⁽²⁾	-	-	-	-	(63)	-	63	-	-	-	63	0.29	
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(2)	-	2	-	6	-	8	0.04	
Income Tax Benefit of Special Items	-	-	-	-	-	-	-	-	-	54	(54)	(0.25)	
Adjusted \$ for Three Months Ended March 31, 2017	\$ 2,969	\$ 1,563	\$ 721	\$ 187	\$ -	\$ -	\$ 655	\$ (83)	\$ 1	\$ 72	\$ 501	\$ 2.30	
<i>Adjusted % of Revenues</i>		52.6%	24.3%	6.3%			22.1%				16.9%		
<i>Adjusted effective tax rate</i>										12.5%			
Three Months Ended March 31, 2018 versus March 31, 2017													
Adjusted \$ change	C=A-B	\$ 1,253	\$ 807	\$ (334)	\$ (73)	\$ -	\$ -	\$ 400	\$ (101)	\$ 47	\$ (84)	\$ 262	\$ 0.35
Adjusted % change	D=C/B	42.2%	51.6%	(46.3%)	(39.2%)	-	-	61.0%	(121.5%)	5076.5%	(116.7%)	52.2%	15.2%
Foreign currency translation impact	E	\$ 149	\$ 89	\$ (35)	\$ (3)	\$ -	\$ -	\$ 50	\$ -	\$ 6	\$ (10)	\$ 46	\$ 0.17
Adjusted foreign currency neutral \$ change	F=C-E	\$ 1,104	\$ 718	\$ (298)	\$ (70)	\$ -	\$ -	\$ 350	\$ (101)	\$ 41	\$ (73)	\$ 216	\$ 0.18
Adjusted foreign currency neutral % change	G=F/B	37.2%	45.9%	(41.4%)	(37.4%)	-	-	53.4%	(121.5%)	4407.1%	(102.6%)	43.0%	7.8%

⁽¹⁾ Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$422 million recorded relative to Bard's inventory on the acquisition date.

⁽²⁾ Represents integration, restructuring and transaction costs which are associated with the Bard and CareFusion acquisitions, as well as restructuring and transaction costs associated with other portfolio rationalization initiatives.

⁽³⁾ Represents financing impacts associated with the Bard acquisition.

⁽⁴⁾ Represents costs incurred as a result of hurricane-related damage to production facilities in Puerto Rico.

⁽⁵⁾ Represents losses recognized upon the extinguishment of certain long-term senior notes.

⁽⁶⁾ Represents the dilutive impact of share equivalents associated with share-based plans that were excluded from the reported diluted shares outstanding calculation because the result would have been antidilutive. The adjusted diluted average shares outstanding (in thousands) was 273,693.

Q2 YTD FY 2018 & Q2 YTD FY 2017 Adjustment Reconciliations

(Unaudited; Amounts in millions, except per share data)

Six Months Ended March 31, 2018												
	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Expense, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
Reported \$ for Six Months Ended March 31, 2018	\$ 7,302	\$ 3,154	\$ 1,831	\$ 452	\$ 458	\$ -	\$ 413	\$ (295)	\$ (6)	\$ 260	\$ (148)	\$ (0.90)
Reported % of Revenues		43.2%	25.1%	6.2%			5.7%				-2.0%	
Reported effective tax rate										233.3%		
Specified Items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	894	(3)	-	-	-	897	(3)	32	-	925	3.72
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(255)	-	255	-	-	-	255	1.02
Integration costs pre-tax ⁽²⁾	-	-	-	-	(153)	-	153	-	-	-	153	0.61
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(51)	-	51	-	-	-	51	0.20
Financing costs pre-tax ⁽³⁾	-	-	-	-	-	-	-	49	-	-	49	0.20
Hurricane Relief Costs ⁽⁴⁾	-	11	(1)	-	-	-	12	-	-	-	12	0.05
Loss on debt extinguishment ⁽⁵⁾	-	-	-	-	-	-	-	-	13	-	13	0.05
Dilutive Share Impact ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	-	0.20
Income tax benefit of special items and impact of tax reform ⁽⁷⁾	-	-	-	-	-	-	-	-	-	2	(2)	(0.01)
Adjusted \$ for Six Months Ended March 31, 2018	\$ 7,302	\$ 4,059	\$ 1,827	\$ 452	\$ -	\$ -	\$ 1,780	\$ (249)	\$ 38	\$ 262	\$ 1,307	\$ 5.15
Adjusted % of Adjusted Revenues		55.6%	25.0%	6.2%			24.4%			16.7%	17.9%	
Adjusted effective tax rate												
Six Months Ended March 31, 2017												
	Revenues	Gross Profit	Selling and Administrative Expense	Research and Development Expense	Acquisitions and Other Restructurings	Other Operating (Income) Expense	Operating Income	Interest Income (Expense) Net	Other Expense, Net	Income Tax Provision	Net Income	Diluted Earnings per Share
Reported \$ for Six Months Ended March 31, 2017	\$ 5,892	\$ 2,884	\$ 1,432	\$ 368	\$ 163	\$ (336)	\$ 1,257	\$ (169)	\$ (35)	\$ 148	\$ 905	\$ 4.15
Reported % of Revenues		49.0%	24.3%	6.2%			21.3%				15.4%	
Reported effective tax rate										14.1%		
Specified Items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	266	-	-	-	-	266	(11)	-	-	255	1.17
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(46)	-	46	-	-	-	46	0.21
Integration costs pre-tax ⁽²⁾	-	-	-	-	(109)	-	109	-	-	-	109	0.50
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(8)	-	8	-	6	-	14	0.06
Loss on debt extinguishment ⁽⁵⁾	-	-	-	-	-	-	-	-	42	-	42	0.19
Litigation-related item ⁽⁶⁾	-	-	-	-	-	336	(336)	-	-	-	(336)	(1.54)
Income tax benefit of special items	-	-	-	-	-	-	-	-	-	27	(27)	(0.12)
Adjusted \$ for Six Months Ended March 31, 2017	\$ 5,892	\$ 3,151	\$ 1,432	\$ 368	\$ -	\$ -	\$ 1,350	\$ (179)	\$ 13	\$ 176	\$ 1,009	\$ 4.63
Adjusted % of Revenues		53.5%	24.3%	6.2%			22.9%			14.8%	17.1%	
Adjusted effective tax rate												
Six Months Ended March 31, 2018 versus March 31, 2017												
Adjusted \$ change	C=A-B	\$ 1,411	\$ 908	\$ (395)	\$ (84)	\$ -	\$ 430	\$ (70)	\$ 24	\$ (86)	\$ 298	\$ 0.52
Adjusted % change	D=C/B	23.9%	28.8%	(27.6%)	(22.7%)	-	31.8%	(39.0%)	181.2%	(49.2%)	29.6%	11.2%
Foreign currency translation impact	E	\$ 199	\$ 124	\$ (47)	\$ (5)	\$ -	\$ 72	\$ -	\$ 1	\$ (13)	\$ 60	\$ 0.24
Adjusted foreign currency neutral \$ change	F=C-E	\$ 1,212	\$ 785	\$ (348)	\$ (79)	\$ -	\$ 358	\$ (70)	\$ 23	\$ (73)	\$ 238	\$ 0.28
Adjusted foreign currency neutral % change	G=F/B	20.6%	24.9%	(24.3%)	(21.4%)	-	26.5%	(39.0%)	173.9%	(41.7%)	23.6%	6.0%

⁽¹⁾ Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$422 million recorded relative to Bard's inventory on the acquisition date.

⁽²⁾ Represents integration, restructuring and transaction costs which are associated with the Bard and CareFusion acquisitions, as well as restructuring and transaction costs associated with other portfolio rationalization initiatives.

⁽³⁾ Represents financing impacts associated with the Bard acquisition.

⁽⁴⁾ Represents costs incurred as a result of hurricane-related damage to production facilities in Puerto Rico.

⁽⁵⁾ Represents losses recognized upon the extinguishment of certain long-term senior notes.

⁽⁶⁾ Represents the dilutive impact of the following: BD shares issued in May 2017, in anticipation of the Bard acquisition; BD shares issued as consideration transferred to acquire Bard; and share equivalents associated with share-based plans that were excluded from the reported diluted shares outstanding calculation because the result would have been antidilutive. The adjusted diluted average shares outstanding (in thousands) was 246,179.

⁽⁷⁾ Includes additional tax expense, net, of \$275 million relating to new U.S. tax legislation. An estimated one-time transition tax payable of \$561 million, payable over an eight year period with 8% due in each of the first five years, was offset by a tax benefit of \$285 million related to the remeasurement of deferred tax balances due to the lower corporate tax rate at which they are expected to reverse in the future.

⁽⁸⁾ Represents the reversal of certain reserves related to an appellate court decision which, among other things, reversed an unfavorable antitrust judgment in the RTI case.

Q2 FY 2018 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

(Unaudited)

	Three Months Ended March 31,						
	2018	2017	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted (Loss) Earnings per Share	\$ (0.19)	\$ 1.58	\$ (1.77)	\$ 0.16	\$ (1.93)	(112.0)%	(122.2)%
Purchase accounting adjustments (\$790 million and \$129 million pre-tax, respectively) ⁽¹⁾	2.96	0.59					
Restructuring costs (\$19 million and \$11 million pre-tax, respectively) ⁽²⁾	0.07	0.05		0.01			
Integration costs (\$79 million and \$63 million pre-tax, respectively) ⁽²⁾	0.29	0.29					
Transaction costs (\$7 million and \$8 million pre-tax, respectively) ⁽²⁾	0.03	0.04					
Hurricane recovery costs (\$5 million) ⁽³⁾	0.02	—					
Losses on debt extinguishment (\$13 million pre-tax) ⁽⁴⁾	0.05	—					
Dilutive impact ⁽⁵⁾	(0.06)	—					
Income tax benefit of special items (\$137 million and \$54 million, respectively)	(0.51)	(0.25)					
Adjusted Diluted Earnings per Share	\$ 2.65	\$ 2.30	\$ 0.35	\$ 0.17	\$ 0.18	15.2 %	7.8 %

- (1) Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$422 million recorded relative to Bard's inventory on the acquisition date.
- (2) Represents integration, restructuring and transaction costs which are associated with the Bard and CareFusion acquisitions, as well as restructuring and transaction costs associated with other portfolio rationalization initiatives.
- (3) Represents costs incurred as a result of hurricane-related damage to production facilities in Puerto Rico.
- (4) Represents losses recognized upon the extinguishment of certain long-term senior notes.
- (5) Represents the dilutive impact of share equivalents associated with share-based plans that were excluded from the reported diluted shares outstanding calculation because the result would have been antidilutive. The adjusted diluted average shares outstanding (in thousands) were 273,693.

YTD FY 2018 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

(Unaudited)

	Six Months Ended March 31,						
	2018	2017	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted (Loss) Earnings per Share	\$ (0.90)	\$ 4.15	\$ (5.05)	\$ 0.22	\$ (5.27)	(121.7)%	(127.0)%
Purchase accounting adjustments (\$925 million and \$255 million pre-tax, respectively) ⁽¹⁾	3.72	1.17		0.01			
Restructuring costs (\$255 million and \$46 million pre-tax, respectively) ⁽²⁾	1.02	0.21		0.01			
Integration costs (\$153 million and \$109 million pre-tax, respectively) ⁽²⁾	0.61	0.50					
Transaction costs (\$51 million and \$14 million pre-tax, respectively) ⁽²⁾	0.20	0.06					
Financing impacts (\$49 million pre-tax) ⁽³⁾	0.20	—					
Hurricane recovery costs (\$12 million pre-tax) ⁽⁴⁾	0.05	—					
Losses on debt extinguishment (\$13 million and \$42 million pre-tax), respectively ⁽⁵⁾	0.05	0.19					
Litigation-related item (\$(336) million pre-tax) ⁽⁶⁾	—	(1.54)					
Dilutive Impact ⁽⁷⁾	0.20	—					
Income tax benefit of special items and impact of tax reform (\$2 million and \$27 million, respectively) ⁽⁸⁾	(0.01)	(0.12)					
Adjusted Diluted Earnings per Share	\$ 5.15	\$ 4.63	\$ 0.52	\$ 0.24	\$ 0.28	11.2 %	6.0 %

(1) Includes adjustments related to the purchase accounting for acquisitions impacting identified intangible assets and valuation of fixed assets and debt. The amount in 2018 also included a fair value step-up adjustment of \$422 million recorded relative to Bard's inventory on the acquisition date.

(2) Represents integration, restructuring and transaction costs which are associated with the Bard and CareFusion acquisitions, as well as restructuring and transaction costs associated with other portfolio rationalization initiatives.

(3) Represents financing impacts associated with the Bard acquisition.

(4) Represents costs incurred as a result of hurricane-related damage to production facilities in Puerto Rico.

(5) Represents losses recognized upon the extinguishment of certain long-term senior notes.

(6) Represents the reversal of certain reserves related to an appellate court decision which, among other things, reversed an unfavorable antitrust judgment in the RTI case.

(7) Represents the dilutive impact of the following: BD shares issued in May 2017, in anticipation of the Bard acquisition; BD shares issued as consideration transferred to acquire Bard; and share equivalents associated with share-based plans that were excluded from the reported diluted shares outstanding calculation because the result would have been antidilutive. The adjusted diluted average shares outstanding (in thousands) was 246,179.

(8) Includes additional tax expense, net, of \$275 million relating to new U.S. tax legislation. An estimated one-time transition tax payable of \$561 million, payable over an eight year period with 8% due in each of the first five years, was offset by a tax benefit of \$285 million related to the remeasurement of deferred tax balances due to the lower corporate tax rate at which they are expected to reverse in the future.

FY 2017 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

(Unaudited)

	Twelve Months Ended September 30,						
	2017	2016	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 4.60	\$ 4.49	\$ 0.11	\$ (0.23)	\$ 0.34	2.4%	7.6%
Purchase accounting adjustments (\$491 million and \$527 million pre-tax, respectively) ⁽¹⁾	2.20	2.42					
Restructuring costs (\$85 million and \$526 million pre-tax, respectively) ⁽²⁾	0.38	2.42					
Integration costs (\$237 million and \$192 million pre-tax, respectively) ⁽²⁾	1.06	0.88					
Transaction costs (\$39 million and \$10 million pre-tax, respectively) ⁽²⁾	0.17	0.04					
Financing costs (\$131 million pre-tax) ⁽³⁾	0.58	—					
Losses on debt extinguishment (\$73 million pre-tax) ⁽⁴⁾	0.33	—					
Lease contract modification-related charge (\$748 million pre-tax) ⁽⁵⁾	3.34	—					
Litigation-related item (\$(337) million pre-tax) ⁽⁶⁾	(1.51)	—					
Dilutive Impact ⁽⁷⁾	0.54	—					
Pension settlement charges (\$6 million pre-tax) ⁽⁸⁾	—	0.03					
Income tax benefit of special items (\$(495) million and \$(369) million, respectively)	(2.21)	(1.70)					
Adjusted Diluted Earnings per Share	\$ 9.48	\$ 8.59	\$ 0.89	\$ (0.24)	\$ 1.13	10.4%	13.2%

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

(2) Represents integration, restructuring and transaction costs which are associated with the acquisition of CareFusion and other portfolio rationalization initiatives, as well as integration and transaction costs which relate to the pending agreement to acquire Bard.

(3) Represents financing costs, primarily fees paid to enter into a bridge facility, incurred in connection with the pending agreement to acquire Bard.

(4) Represents losses recognized upon the extinguishment of certain long-term senior notes.

(5) Represents a non-cash charge resulting from a modification to our dispensing equipment lease contracts with customers.

(6) Largely represents the reversal of certain reserves related to an appellate court decision which, among other things, reversed an unfavorable antitrust judgment in the RTI case.

(7) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the pending acquisition of Bard, and of preferred share dividends payable on mandatory convertible preferred stock outstanding. The year-to-date adjusted diluted average shares outstanding (in thousands) is 218,323.

(8) Represents pension settlement charges associated with lump sum benefit payments made from the Company's U.S. supplemental pension plan, as such payments exceeded the service and interest components of the plan's pension cost.

FY 2018 Reconciliation – FX Impact Emerging, Developed Markets & China

	A	B	C	D=A+B+C	E	F	G	H	I=E+F+G+H	J=(A-E)/E	K	L=(D-I-K)/I
	BD Reported 2018	Bard Q1 2018	Divestiture Adjustments	Comparable 2018	BD Reported 2017	Bard Reported 2017	Presentation Alignment Adjustments	Divestiture Adjustments	Comparable 2017	% Rptd Change	FX Impact	Comp FXN % Change
Three Months Ended March 31,												
DEVELOPED MARKETS	3,591		(5)	3,586	2,517	810	(4)	(12)	3,311	42.7	124	4.6
EMERGING MARKETS	631		(0)	631	452	87	-	(0)	539	39.6	25	12.4
CHINA	269		(0)	269	168	56	-	(0)	223	60.5	16	13.3
Six Months Ended March 31,												
DEVELOPED MARKETS	6,164	848	(20)	6,992	4,983	1,640	(8)	(24)	6,592	23.7	174	3.4
EMERGING MARKETS	1,139	119	(1)	1,257	908	183	-	(1)	1,090	25.4	35	12.1
CHINA	449	72	(1)	521	330	113	-	(1)	443	36.1	21	12.8

Footnote Explanations

- 1 Represents re-alignment of certain BD products previously reported in the Medication and Procedural Solutions unit within the BD Medical Segment to the new BD Interventional Segment.
- 2 Represents the as-reported presentation of Bard product revenues, previously defined by disease state, aligned to BD's fiscal year and quarterly reporting cycle.
- 3 Represents the re-alignment of certain Bard products to the Medication Delivery Solutions unit (previously Medication and Procedural Solutions) within the BD Medical Segment. In addition, the remaining legacy Bard products have been re-aligned to units within the new BD Interventional Segment.
- 4 Represents re-alignment of Bard country reporting to align to BD's existing presentation.
- 5 Represents divestitures of BD Respiratory, Simplest and Spine and the pending divestiture of BD's soft tissue core needle biopsy product line and Bard's Aspira® product line of tunneled home drainage catheters and accessories.
- 6 Amounts represent revenues recognized between BD and Bard previously recognized as 3rd party revenue, which will be considered as intercompany revenue.

FY 2018 Outlook Reconciliation

	BD Including Bard			
	FY2017		FY2018 Outlook	
	Revenues	% Change	FX Impact	% Change FXN
BDX Revenue	\$ 12,093	31.0% - 31.5%	~2.5%	28.5% - 29.0%

Comparable Revenue Growth

	FY2017	FY2018 Outlook
	Revenues	% Change FXN Comparable
BDX As Reported Revenue	\$ 12,093	
Divestitures Revenue ⁽¹⁾	(48)	
Bard As Reported	3,875	
Gore Royalty Classification	(173)	
Intercompany Adjustment	(14)	
BDX NewCo Comparable Revenue	\$ 15,732	5.0% - 5.5%
U.S. Dispensing Change & Bard Hurricane Impact		~0.5%
NewCo Revenue Underlying		5.5% - 6.0%
BD Medical As Reported Revenue	\$ 8,105	
BD BU Re-alignment	(685)	
Bard BU Re-alignment	800	
Intercompany Adjustment	(14)	
BD Medical Comparable Revenue	\$ 8,205	4.0% - 5.0%
BD Life Sciences As Reported Revenue	\$ 3,988	5.0% - 6.0%
Bard Interventional as Reported	\$ -	
BD BU Re-alignment	685	
Bard As Reported	3,875	
Bard BU Re-alignment	(800)	
Divestitures Revenue ⁽¹⁾	(48)	
Gore Royalty Classification	(173)	
Bard Interventional Comparable Revenue	\$ 3,539	4.5% - 5.5%
Hurricane Impact		~1%
NewCo Interventional Revenue Underlying		5.5% - 6.5%

	BD Including Bard	
	FY2018 Outlook	
	Full Year FY2018 Outlook	% Increase
Adjusted Fully Diluted Earnings per Share	\$ 10.90 - 11.05	15% - 16.5%
Estimated FX Impact		~4%
Adjusted FXN Growth		~12.0%

FXN - Foreign Currency Neutral

(1) Excludes the impact from the pending divestitures of BD's soft tissue core needle biopsy product line and Bard's Aspira product line of tunneled home drainage catheters and accessories.

Our focus on sustainable performance



INNOVATION

Developing new products and solutions that improve outcomes, reduce system costs and promote healthcare safety

Q2 Update

FDA approval of BD Onclarity™ HPV Assay for cervical cancer screening and management to identify high-risk HPV types



ACCESS

Providing access to affordable medical technologies to resource limited populations around the globe

Q2 Update

BD works with Project HOPE to launch three year capability-building program for healthcare professionals in western China



EFFICIENCY

Working across the value chain to minimize environmental impact and maintain resilient global operations

Q2 Update

BD's largest solar array, in Canaan, CT, is now online. The system will generate 3,463 Megawatts annually.



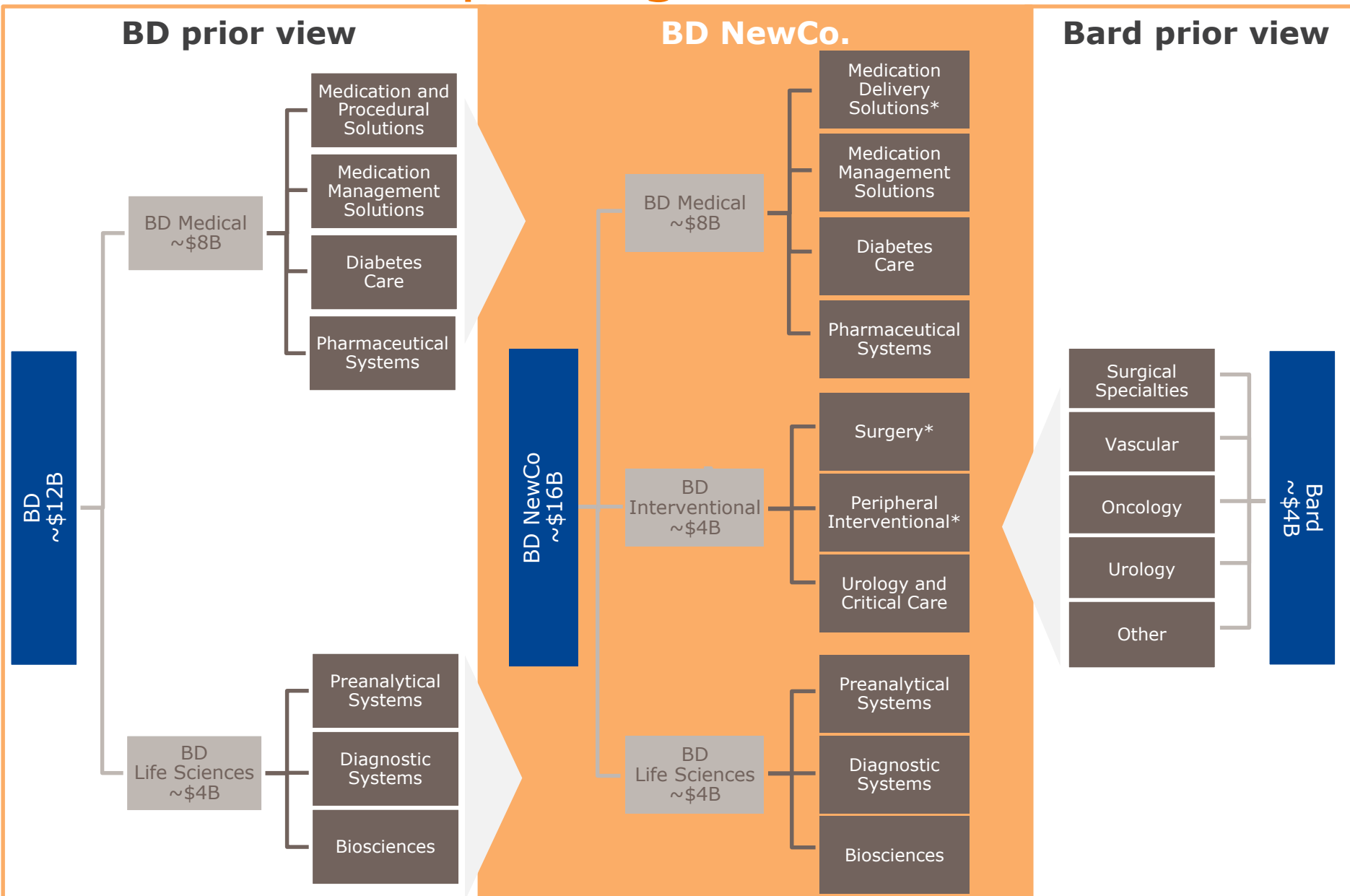
EMPOWERMENT

Fostering a purpose-driven culture that supports an inclusive and diverse workplace and community engagement

Q2 Update

Engaging leaders across the organization to serve as advocates for Inclusion & Diversity, as part of BD's Global Inclusion Council

BD + Bard 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.)

BD + Bard 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.)

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BD + Bard 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.)

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