

First Quarter Results Fiscal Year 2019

February 5th, 2019



Forward-Looking Statements

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

Non-GAAP Financial Measures

- These materials also include Non-GAAP financial measures. A reconciliation to the 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, all FY 2018 revenue amounts reflect BD standalone results in Q1'18 and BD + Bard results starting in Q2'18. 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 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

Q1 FY 2019

Business highlights

Strong BD + Bard performance one-year post close is evidence that we are successfully executing our growth-based strategy

- Revenue performance better than expectations with mid-single digit growth across all three segments
- Strong margin expansion driving operating leverage
- Bard cost and revenue synergy capture activities are on-track
- Reaffirm revenue and adjusted EPS guidance for FY 2019
- We expect continued momentum over the rest of the year

Financial performance

Christopher Reidy

Executive Vice President, CFO and Chief Administrative Officer

Q1 FY 2019

Financial highlights

Revenue growth:

Q1 revenues driven by mid-single digit performance across the segments

Margin Expansion:

Q1 gross margins of 56.3% and operating margin expansion of +170 bps FXN

Capital deployment:

- \$400M debt pay down in the first quarter
- 3.8x gross leverage at Dec 31st

	First Quarter
Revenues	\$4,160
% Growth	+37.1%
Comparable FXN % Growth ⁽¹⁾	+5.2%
Adjusted EPS⁽²⁾	\$2.70
% Growth	+8.9%
FXN % Growth	+14.9%

(1) Reflects comparable revenue growth on a currency neutral basis, adjusted to include Bard, excludes divestitures, and reflects BD / Bard portfolio alignment.

(2) 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, and restructuring and transaction costs.

Q1 FY 2019

Medical segment update

Revenues	First Quarter		
	\$	% Growth	Comparable FXN % Growth ⁽¹⁾
Medical segment	\$2,135	+15.3%	+5.2%
Medication Delivery Solutions	958	+29.1%	+2.9%
Medication Management Solutions	624	+6.2%	+6.7%
Diabetes Care	274	(1.3%)	+0.6%
Pharmaceutical Systems	280	+14.0%	+15.7%

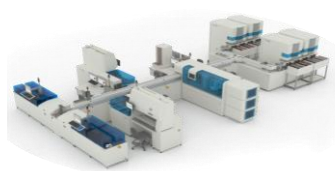
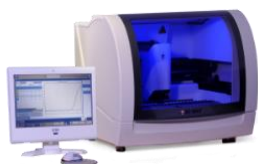


(1) Reflects comparable revenue growth on a currency neutral basis, adjusted to include Bard, excludes divestitures, and reflects BD / Bard portfolio alignment.

Q1 FY 2019

Life Sciences segment update

Revenues	First Quarter		
	\$	% Growth	Comparable FXN % Growth ⁽¹⁾
Life Sciences segment	\$1,056	+1.0%	+4.7%
Diagnostic Systems	382	+0.2%	+2.7%
Preanalytical Systems	393	+4.7%	+7.6%
Biosciences	281	(2.8%)	+3.6%



(1) Reflects comparable revenue growth on a currency neutral basis, adjusted to include Bard, excludes divestitures, and reflects BD / Bard portfolio alignment.

Q1 FY 2019

Interventional segment update

Revenues	First Quarter		
	\$	% Growth	Comparable FXN % Growth ⁽¹⁾
Interventional segment	\$970	NM	+5.7%
Peripheral Intervention	337	NM	+0.6%
Surgery	348	NM	+10.0%
Urology & Critical Care	285	NM	+7.3%



(1) Reflects comparable revenue growth on a currency neutral basis, adjusted to include Bard, excludes divestitures, and reflects BD / Bard portfolio alignment.

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Q1 FY 2019

Geographic revenue highlights

Revenues	First Quarter		
	\$	% Growth	Comparable FXN % Growth ⁽¹⁾
United States	\$2,387	+44.1%	+6.0%
International	\$1,773	+24.6%	+4.1%
Developed Markets	3,528	+37.1%	+4.7%
Emerging Markets	633	+24.7%	+7.8%
China	275	+52.2%	+13.3%

(1) Reflects comparable revenue growth on a currency neutral basis, adjusted to include Bard, excludes divestitures, and reflects BD / Bard portfolio alignment.

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Q1 FY 2019 adjusted income statement

As adjusted ⁽¹⁾	Q1 FY 2019	% Growth	% FXN Growth	Q1 FY 2018
Revenues <i>Comparable % FXN Growth⁽²⁾</i>	\$4,160	35.1%	37.1% 5.2%	\$3,080
Gross profit % of revenues	2,344 56.3%	38.5%	42.8%	1,692 54.9%
SSG&A % of revenues	1,071 25.7%	(39.0%)	(41.1%)	771 25.0%
R&D % of revenues	255 6.1%	(33.3%)	(33.7%)	191 6.2%
Operating income % of revenues	1,018 24.5%	39.4%	46.9%	730 23.7%
Interest / Other, Net	141			80
Tax rate	11.2%			16.4%
Net Income	779	43.3%	50.8%	544
Preferred Dividend	37.9			n/a
Net Income applicable to common shareholders	741	36.3%	43.8%	544
Share Count	274.3			219.0
Adjusted EPS⁽³⁾	\$2.70	8.9%	14.9%	\$2.48

(1) Figures other than Revenue and Preferred Dividend are "as adjusted."

(2) Reflects comparable revenue growth on a currency neutral basis, adjusted to include Bard, excludes divestitures, and reflects BD / Bard portfolio alignment.

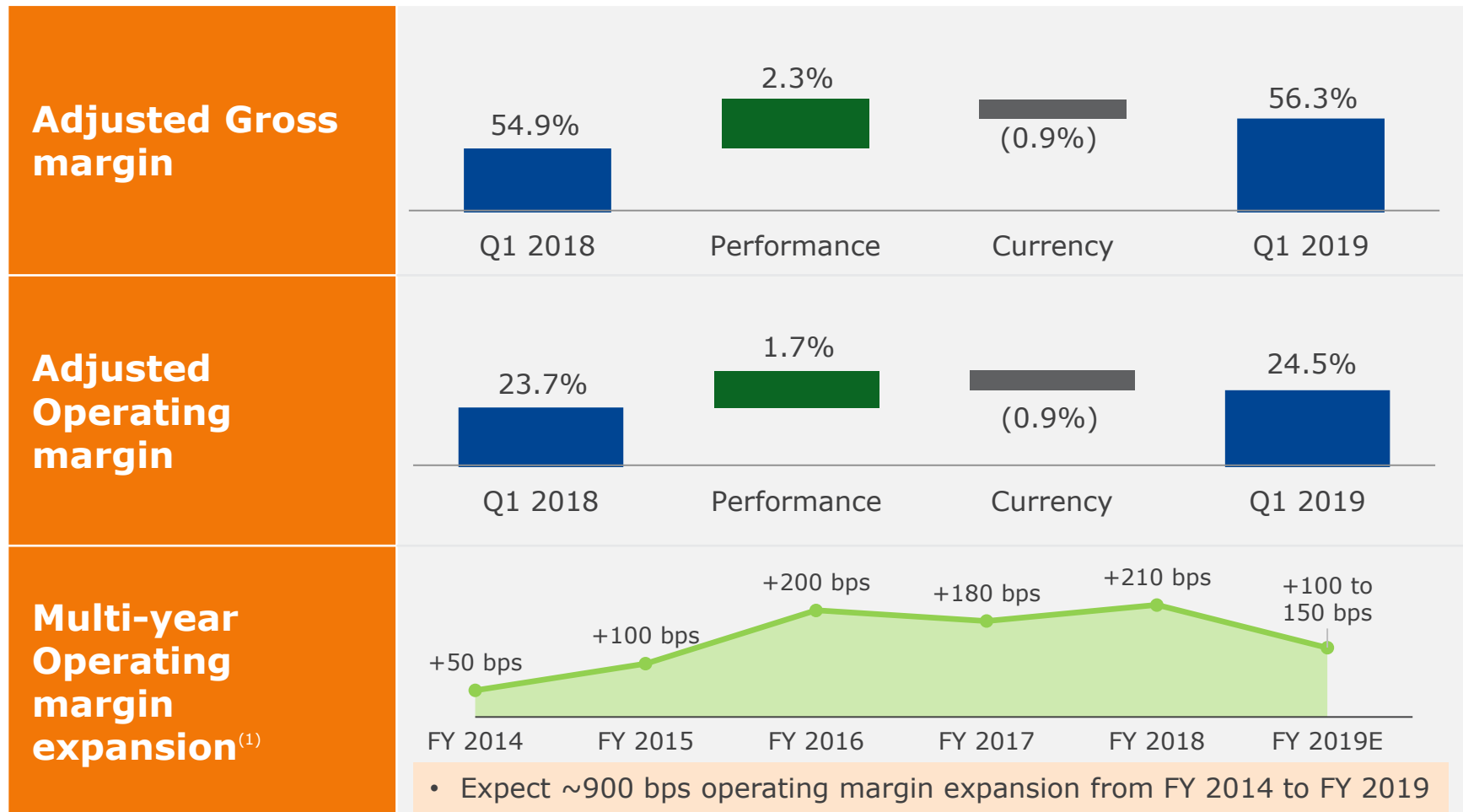
(3) Current and prior-year adjusted diluted earnings per share results exclude, among other things, the impact of purchase accounting adjustments (including the non-cash amortization of acquisition-related intangible assets); integration, and restructuring and transaction costs.

Note: Above figures reflects favorable / (unfavorable) performance versus last year.

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Q1 FY 2019 adjusted gross and operating margins



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

Christopher Reidy

Executive Vice President, CFO and Chief Administrative Officer

FY 2019 revenue guidance

Comparable Revenues FXN % Growth Guidance ⁽¹⁾	FY 2019 Guidance
BDX	5.0% to 6.0%
Medical	5.0% to 6.0%
Life Sciences	4.0% to 5.0%
Interventional	6.0% to 7.0%

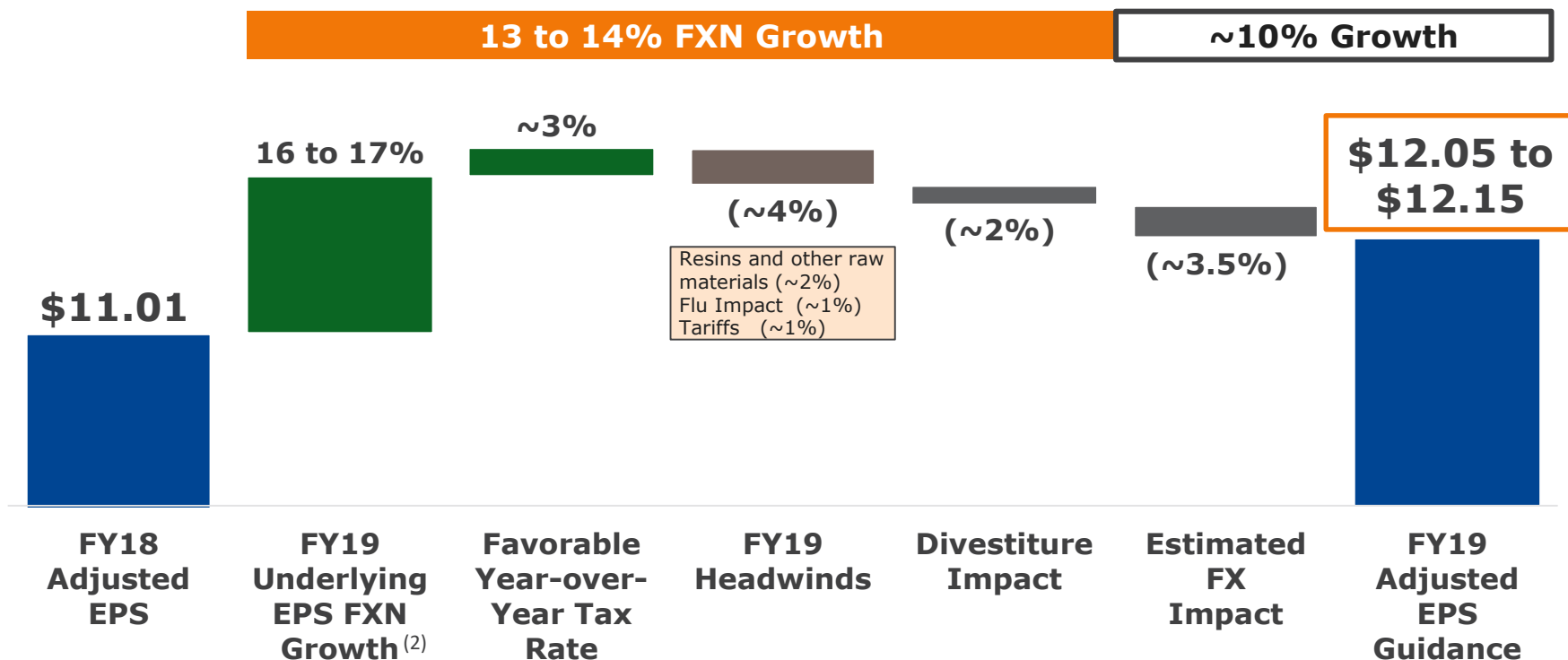
- No change to revenue guidance from November

(1) Reflects comparable revenue growth on a currency neutral basis, adjusted to include Bard, excludes divestitures, and reflects BD / Bard portfolio alignment.

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FY 2019 adjusted EPS guidance⁽¹⁾



- No change to adjusted EPS guidance from November

(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 EPS FXN growth excludes FY19 headwinds, favorable tax rate and estimated FX impact.

FY 2019 guidance

As adjusted	February Guidance	November Guidance
BD Comparable Revenues FXN % Growth⁽¹⁾	5.0% to 6.0%	5.0% to 6.0%
Revenue – FX Impact	(~2.0%)	(~2.0%)
BD Reported Revenues	8.5% to 9.5%	8.5% to 9.5%
Gross margin	56.5% to 57.5%	56.5% to 57.5%
SSG&A (% of sales)	24.5% to 25.5%	24.5% to 25.5%
R&D (% of sales)	~6.0%	~6.0%
Operating margin Operating margin expansion FXN	25.5% to 26.5% +100 to 150 bps	25.5% to 26.5% +100 to 150 bps
Interest/other, net	(\$475M to \$525M)	(\$475M to \$525M)
Effective tax rate	14% to 16%	14% to 16%
Preferred Dividend	(\$152M)	(\$152M)
Share count	~275M	~275M
Adjusted EPS⁽²⁾	\$12.05 to \$12.15	\$12.05 to \$12.15
Adjusted EPS FXN % Growth	13% to 14%	13% to 14%
Adjusted EPS % Growth	~10%	~10%
Operating cash flow	~\$4.2B	~\$4.2B
Capital expenditures	~\$900M	~\$900M

- No change to FY 2019 guidance from November

(1) Reflects comparable revenue growth on a currency neutral basis, adjusted to include Bard, excludes divestitures, and reflects BD / Bard portfolio alignment.

(2) 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, and restructuring and transaction costs.

Executive summary

Vincent A. Forlenza
Chairman and CEO

FY 2019 Planned Product Launches

Medical	Life Sciences	Interventional
<ul style="list-style-type: none"> ✓ BD PhaSeal™ Optima (US) <ul style="list-style-type: none"> • IV Solutions – 0.45% sodium chloride and lactated ringers • PowerGlide® Cue • BD Provena™ PICC ✓ BD Neoflon™ Pro Global Markets <ul style="list-style-type: none"> • BD Pyxis™ ES 1.6 ✓ BD HealthSight™ Data Manager 1.1 ✓ BD HealthSight™ Diversion Analytics ✓ BD Pyxis SupplyStation™ RF ✓ BD Nano Pro™ pen needles <ul style="list-style-type: none"> • Type 2 Patch Pump early access launch (CY19) ✓ BD Hylok™ glass pre-fillable syringe platform 	<ul style="list-style-type: none"> ✓ BD MAX™ – Enteric Viral Panel (US) ✓ BD Phoenix™ CPO Detect (US) <ul style="list-style-type: none"> • BD Kiestra™ IdentifA • BD COR (EU) early access launch • BD Eclipse™ Ultrafill blood collection safety needle • BD FACSDuet™ automated sample processor • BD FACSLyric™ 12 color clinical instrument • BD Horizon™ brilliant UV dyes • BD FACSymphony™ S6 sorter • BD AbSeq protein expression: 400 additional assays 	<ul style="list-style-type: none"> • LUTONIX™ 014 Drug Coated Balloon for Below-the-knee arterial treatment • Covera™ stent graft (fistula indication) • Venovo™ (large diameter venous stent) • WavelinQ™ (Endovascular AV Fistula System) ✓ TRIDYNE™ aortic vascular sealant • OptiFix™ AT (articulating mesh fixation product) • SureStep™ Externals • SureStep™ Intermittent catheters • SureStep™ Male external catheters

Key takeaways

Continued strong momentum one-year post close

- Good revenue growth driven by breadth of portfolio
- Strong operational performance and cost synergy capture driving sustained margin expansion
- Starting to achieve measurable Bard revenue synergies
- New product pipeline for FY 2019 remains on-track
- Significant opportunity across the BD + Bard portfolio to implement our strategy and drive continued growth
- Confident in our outlook and we expect continued momentum over the rest of the year



BD

Advancing the
world of health

Our focus on sustainable performance



INNOVATION

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

Q1 Update

BD completed an enterprise level cybersecurity assessment from UL; BD FACSLyric™ Flow Cytometer is the first BD product to earn UL Cybersecurity Assurance Program Certification.



ACCESS

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

Q1 Update

BD trained the inaugural class of BD Global Health Fellows - Infusion Safety Specialists, for two new partnerships on safe infusion practices in India and Kenya.



EFFICIENCY

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

Q1 Update

BD completed a solar installation at our European headquarters in Eysins, Switzerland, helping to increase climate resilience throughout our operations.



EMPOWERMENT

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

Q1 Update

BD donated 20 million syringes valued at \$1 million to Rotary, in support of the Global Polio Eradication Initiative.

Q1 FY 2019 & Q1 FY 2018 Adjustment Reconciliations

Three Months Ended December 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 December 31, 2018	\$ 4,160	\$ 1,974	\$ 1,073	\$ 258	\$ 91	\$ (335)	\$ 888	\$ (183)	\$ 10	\$ 115	\$ 599	\$ 2.05
<i>Reported % of Revenues</i>		47.4%	25.8%	6.2%			21.3%				14.4%	
<i>Reported effective tax rate</i>										16.1%		
Specified items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	344	(2)	-	-	-	346	(1)	34	-	379	1.38
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(41)	-	41	-	-	-	41	0.15
Integration costs pre-tax ⁽²⁾	-	24	-	-	(49)	-	73	-	-	-	73	0.27
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(1)	-	1	-	-	-	1	-
European Regulatory Initiatives ⁽³⁾	-	2	-	(3)	-	-	5	-	-	-	5	0.02
Net impact of gain on sale of business ⁽⁴⁾	-	-	-	-	-	335	(335)	-	-	-	(335)	(1.22)
Impact of tax reform and income tax benefit of special items ⁽⁵⁾	-	-	-	-	-	-	-	-	-	(17)	17	0.06
Adjusted \$ for Three Months Ended December 31, 2018	\$ 4,160	\$ 2,344	\$ 1,071	\$ 255	\$ -	\$ -	\$ 1,018	\$ (184)	\$ 44	\$ 98	\$ 779	\$ 2.70
<i>Adjusted % of Adjusted Revenues</i>		56.3%	25.7%	6.1%			24.5%				18.7%	
<i>Adjusted effective tax rate</i>										11.2%		

Three Months Ended December 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 December 31, 2017	\$ 3,080	\$ 1,553	\$ 773	\$ 191	\$ 354	\$ -	\$ 235	\$ (114)	\$ (16)	\$ 241	\$ (136)	\$ (0.76)
<i>Reported % of Revenues</i>		50.4%	25.1%	6.2%			7.6%				-4.4%	
<i>Reported effective tax rate</i>										230.0%		
Specified items:												
Purchase accounting adjustments pre-tax ⁽¹⁾	-	133	(1)	-	-	-	135	(1)	1	-	135	0.59
Restructuring costs pre-tax ⁽²⁾	-	-	-	-	(236)	-	236	-	-	-	236	1.03
Integration costs pre-tax ⁽²⁾	-	-	-	-	(74)	-	74	-	-	-	74	0.32
Transaction costs pre-tax ⁽²⁾	-	-	-	-	(44)	-	44	-	-	-	44	0.19
Financing impacts pre-tax ⁽⁶⁾	-	-	-	-	-	-	-	50	-	-	50	0.22
Hurricane recovery costs	-	6	(1)	-	-	-	7	-	-	-	7	0.03
Dilutive impact ⁽⁷⁾	-	-	-	-	-	-	-	-	-	-	-	0.28
Impact of tax reform and income tax benefit of special items ⁽⁵⁾	-	-	-	-	-	-	-	-	-	(135)	135	0.59
Adjusted \$ for Three Months Ended December 31, 2017	\$ 3,080	\$ 1,692	\$ 771	\$ 191	\$ -	\$ -	\$ 730	\$ (65)	\$ (15)	\$ 107	\$ 544	\$ 2.48
<i>Adjusted % of Revenues</i>		54.9%	25.0%	6.2%			23.7%				17.7%	
<i>Adjusted effective tax rate</i>										16.4%		

Three Months Ended December 31, 2018 versus December 31, 2017

Adjusted \$ change	C=A-B	\$ 1,080	\$ 652	\$ (300)	\$ (64)	\$ -	\$ 288	\$ (120)	\$ 59	\$ 8	\$ 235	\$ 0.22
Adjusted % change	D=C/B	35.1%	38.5%	(39.0%)	(33.3%)	-	39.4%	(184.2%)	393.9%	7.9%	43.3%	8.9%
Foreign currency translation impact	E	\$ (62)	\$ (72)	\$ 17	\$ 1	\$ -	\$ (54)	\$ -	\$ 7	\$ 7	\$ (41)	\$ (0.15)
Adjusted foreign currency neutral \$ change	F=C-E	\$ 1,142	\$ 723	\$ (317)	\$ (64)	\$ -	\$ 342	\$ (120)	\$ 52	\$ 1	\$ 276	\$ 0.37
Adjusted foreign currency neutral % change	G=F/B	37.1%	42.8%	(41.1%)	(33.7%)	-	46.9%	(184.2%)	350.2%	1.3%	50.8%	14.9%

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

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

⁽³⁾ Represents initial costs required to develop processes and systems to comply with emerging regulations such as the European Union Medical Device Regulation ("EUMDR") and General Data Protection Regulation ("GDPR").

⁽⁴⁾ Represents the pre-tax gain recognized during the period related to BD's sale of its Advanced Bioprocessing business.

⁽⁵⁾ The amounts for the three months ended December 31, 2018 and 2017 reflect additional tax expense, net, of \$51 million and \$270 million, respectively, relating to new U.S. tax legislation.

⁽⁶⁾ Represents financing impacts associated with the Bard acquisition.

⁽⁷⁾ Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition and BD shares issued as consideration transferred to acquire Bard. The adjusted diluted average shares outstanding (in thousands) was 218,997.

Q1 FY 2019 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

	Three Months Ended December 31,						
	2018	2017	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings (Loss) per Share	\$ 2.05	\$ (0.76)	\$ 2.81	\$ (0.14)	\$ 2.95	369.7%	388.2%
Purchase accounting adjustments (\$379 million and \$135 million pre-tax, respectively) ⁽¹⁾	1.38	0.59		—			
Restructuring costs (\$41 million and \$236 million pre-tax, respectively) ⁽²⁾	0.15	1.03		—			
Integration costs (\$73 million and \$74 million pre-tax, respectively) ⁽²⁾	0.27	0.32		—			
European regulatory initiative-related costs (\$5 million pre-tax) ⁽³⁾	0.02	—		—			
Transaction costs (\$1 million and \$44 million pre-tax, respectively) ⁽²⁾	—	0.19		—			
Net impact of gain on sale of business (\$335 million pre-tax) ⁽⁴⁾	(1.22)	—		—			
Financing impacts (\$50 million pre-tax) ⁽⁵⁾	—	0.22		—			
Hurricane recovery costs (\$7 million pre-tax)	—	0.03		—			
Dilutive impact ⁽⁶⁾	—	0.28		—			
Impact of tax reform and income tax benefit of special items (\$17 million and \$135 million, respectively) ⁽⁷⁾	0.06	0.59		—			
Adjusted Diluted Earnings per Share	\$ 2.70	\$ 2.48	\$ 0.22	\$ (0.15)	\$ 0.37	8.9%	14.9%

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

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

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

(4) Represents the pre-tax gain recognized during the period related to BD's sale of its Advanced Bioprocessing business.

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

(6) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition and BD shares issued as consideration transferred to acquire Bard. The adjusted diluted average shares outstanding (in thousands) was 218,997.

(7) The amounts for the three months ended December 31, 2018 and 2017 reflect additional tax expense, net, of \$51 million and \$270 million, respectively, relating to new U.S. tax legislation.

FY 2018 & FY2017 Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS

	Twelve Months Ended September 30,						
	2018	2017	Growth	Foreign Currency Translation	Foreign Currency Neutral Growth	Growth %	Foreign Currency Neutral Growth %
Reported Diluted Earnings per Share	\$ 0.60	\$ 4.60	\$(4.00)	\$ 0.32	\$ (4.32)	(87.0)%	(93.9)%
Purchase accounting adjustments (\$1.733 billion and \$491 million pre-tax, respectively) ⁽¹⁾	6.55	2.20		0.01			
Restructuring costs (\$344 million and \$85 million pre-tax, respectively) ⁽²⁾	1.30	0.38		0.01			
Integration costs (\$344 million and \$237 million pre-tax, respectively) ⁽²⁾	1.30	1.06		0.01			
Transaction costs (\$56 million and \$39 million pre-tax, respectively) ⁽³⁾	0.21	0.17		—			
Financing impacts (\$49 million and \$131 million pre-tax, respectively) ⁽⁴⁾	0.19	0.58		—			
Hurricane recovery costs (\$17 million pre-tax)	0.07	—		—			
Losses on debt extinguishment (\$16 million and \$73 million pre-tax, respectively) ⁽⁵⁾	0.06	0.33		—			
Net impact of gain on sale of investment and asset impairments (\$(151) million pre-tax) ⁽⁶⁾	(0.57)	—		0.01			
Lease contract modification-related charge (\$748 million pre-tax) ⁽⁷⁾	—	3.34		—			
Litigation-related item (\$(337) million pre-tax) ⁽⁸⁾	—	(1.51)		—			
Dilutive Impact ⁽⁹⁾	0.30	0.54		—			
Impact of tax reform and income tax benefit of special items (\$265 million and \$(495) million, respectively) ⁽¹⁰⁾	1.00	(2.21)		(0.01)			
Adjusted Diluted Earnings per Share	\$ 11.01	\$ 9.48	\$ 1.53	\$ 0.36	\$ 1.17	16.1 %	12.3 %

(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 \$478 million recorded relative to Bard's inventory on the acquisition date.

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

(3) Represents transaction costs primarily associated with the Bard acquisition.

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

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

(6) Represents the net amount recognized in the period related to BD's sale of its non-controlling interest in Vyair Medical, partially offset by \$81 million of charges recorded to write down the carrying value of certain intangible and other assets in the Biosciences unit as well as \$58 million of charges to write down the value of fixed assets primarily in the Diabetes Care unit.

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

(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.

(9) Represents the dilutive impact of BD shares issued in May 2017, in anticipation of the Bard acquisition and BD shares issued as consideration transferred to acquire Bard. The adjusted diluted average shares outstanding (in thousands) was 260,758.

(10) Includes additional tax expense, net, of \$640 million relating to new U.S. tax legislation.

FY 2019 Reconciliation – FX Impact Emerging, Developed Markets & China

	A	B	C=A+B	D	E	F	G	H=D+E+F+G	I=(A-D)/D	J	K=(C-H-J)/H
	BD	Divestiture		BD		Intercompany	Divestiture				
	Reported	Adjustments	Comparable	Reported (b)	Bard Q1 (c)	Adjustment	Adjustments	Comparable	% Rptd	FX Impact	FXN %
Three Months Ended December 31,	2018	(a)	2018	2017	2017	(d)	(a)	2017	Change	(e)	Change
DEVELOPED MARKETS	3,528	(8)	3,520	2,572	848	(3)	(30)	3,388	37.1	(28)	4.7
EMERGING MARKETS	633	(1)	632	508	119	-	(3)	624	24.7	(41)	7.8
CHINA	275	-	275	180	72	-	(1)	251	52.2	(10)	13.3

Footnote Explanations

- (a) The amounts for the quarters ended December 31, 2018 and 2017 include adjustments for BD's divestiture of its Advanced Bioprocessing business. The amounts for the quarter ended December 31, 2017 also include adjustments for BD's divestitures of its soft tissue core needle biopsy product line and Bard's divestiture of its Aspira® product line.
- (b) Reflects a reclassification of \$183 million associated with the movement, effective on January 1, 2018, of certain product offerings from the Medical segment to the Interventional
- (c) Amounts represent revenues for the quarter ended December 31, 2017.
- (d) Represents the elimination of revenues from the Medication Delivery Solutions unit which BD previously recognized from Bard as third-party revenues and that would be treated as intercompany revenues in the current-year period.
- (e) Under U.S. generally accepted accounting principles and as a result of Argentina's highly inflationary economy, the functional currency of the Company's operations in Argentina was the U.S. dollar for the quarter ended December 31, 2018. The total foreign currency translation impact above includes \$7 million that was calculated by comparing local currency revenues in Argentina for the quarter ended December 31, 2018, translated using the prior-period exchange rate, to the reported U.S. dollar revenues for this same period.

FY 2019 Revenue Outlook Reconciliation

						BD Including Bard		
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY2018</u>	<u>FY2019 Outlook</u>		
	<u>Revenues</u>	<u>Revenues</u>	<u>Revenues</u>	<u>Revenues</u>	<u>Revenues</u>	<u>% Change</u>	<u>FX Impact</u>	<u>% Change FXN</u>
BDX Revenue	\$ 3,080	\$ 4,222	\$ 4,278	\$ 4,402	\$ 15,983	8.5% to 9.5%	-2.0	10.5% to 11.5%
Comparable Revenue Growth								
					BD Including Bard			
					FY2018	FY2019 Outlook		
					<u>Revenues</u>	<u>% Change FXN</u>		
						<u>Comparable</u>		
BDX As Reported Revenue	\$ 3,080	\$ 4,222	\$ 4,278	\$ 4,402	\$ 15,983			
Bard Q1	968	0	0	0	968			
Intercompany Adjustment	(3)	0	0	0	(3)			
Divestiture Adjustment (1) (2)	(33)	(27)	(35)	(29)	(124)			
BDX NewCo Comparable Revenue	\$ 4,012	\$ 4,195	\$ 4,244	\$ 4,373	\$ 16,824	5.0% to 6.0%		
					FY2018	FY2019 Outlook		
					<u>Revenues</u>	<u>% Change FXN</u>		
						<u>Comparable</u>		
BD Medical As Reported Revenue	\$ 1,852	\$ 2,172	\$ 2,246	\$ 2,346	\$ 8,616			
Bard Q1	213	0	0	0	213			
Intercompany Adjustment	(3)	0	0	0	(3)			
BD Medical Comparable Revenue	\$ 2,062	\$ 2,172	\$ 2,246	\$ 2,346	\$ 8,826	5.0% to 6.0%		
BD Life Sciences As Reported Revenue	\$ 1,045	1,098	1,079	1,108	\$ 4,330			
Divestiture Adjustment (2)	(20)	(22)	(35)	(29)	(106)			
BD Life Sciences NewCo Comparable Revenue	\$ 1,025	\$ 1,076	\$ 1,045	\$ 1,079	\$ 4,224	4.0% to 5.0%		
BD Interventional as Reported	\$ 183	952	954	948	\$ 3,037			
Bard Q1	755	0	0	0	755			
Divestiture Adjustment (1)	(12)	(5)	0	0	(18)			
BD Interventional Comparable Revenue	\$ 925	\$ 947	\$ 954	\$ 948	\$ 3,774	6.0% to 7.0%		

FXN - Foreign Currency Neutral

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

(2) Excludes the impact from the divestiture of BD's Advanced Bioprocessing Business



FY 2019 EPS Outlook Reconciliation

	FY2019 Outlook		
	Full Year FY2019 Outlook	Full Year FY2018	% Increase
Adjusted Fully Diluted Earnings per Share	<u>\$ 12.05 to 12.15</u>	<u>\$ 11.01</u>	<u>~10%</u>
Estimated FX Impact			~3.5%
Adjusted FXN Growth			<u>13% - 14%</u>