

BECTON DICKINSON & CO

Form 8-K

February 05, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO

SECTION 13 OR 15(D) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) February 5, 2019

BECTON,

DICKINSON

AND

COMPANY

(Exact Name

of Registrant

as Specified in

Its Charter)

New Jersey

(State or Other

Jurisdiction of

Incorporation)

001-4802

(Commission File Number)

22-0760120

(IRS Employer

Identification No.)

1 Becton Drive, Franklin Lakes, New Jersey

(Address of Principal Executive Offices)

(201) 847-6800

(Registrant's

Telephone

Number,

Including Area

Code)

07417-1880

(Zip Code)

N/A

(Former Name

or Former

Address, if

Changed Since

Last Report)

Check the appropriate box below if the Form 8-K Filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On February 5, 2019, Becton, Dickinson and Company (“BD”) issued a press release announcing its financial results for its first fiscal quarter ending December 31, 2018. A copy of the press release is furnished as Exhibit 99.1 to this report. The press release furnished as Exhibit 99.1 contains certain financial measures that differ from those presented in accordance with U.S. generally accepted accounting principles (“non-GAAP measures”), as follows:

**Currency-Neutral Revenue Growth.** We present revenue growth rates for the quarter, and our estimated revenue growth for fiscal year 2019, after eliminating the effect of foreign currency translation, which can fluctuate from period to period. Management believes these adjustments help investors to better understand the underlying performance (and anticipated performance) of BD compared to the prior periods.

**Comparable Revenue Growth.** We present revenues and revenue growth for the quarter, and our estimated revenue growth for fiscal year 2019, on a “comparable”, currency-neutral basis, which includes the results of C.R. Bard, Inc. (“Bard”) in the prior year period, with adjustments to (1) account for the movement of certain product lines between our Medical segment and Interventional segment, (2) eliminate the revenues relating to divestitures, (3) account for the reclassification of certain royalties previously reported by Bard as revenues; and (4) eliminate intercompany revenues. We believe these measures help investors better understand and evaluate the performance of the combined company following the Bard acquisition, as well as our revenue guidance for fiscal year 2019 in relation to fiscal year 2018, as they allow for year-to-year comparability.

Adjusted comparable revenues are presented for illustrative purposes only, and are not necessarily indicative of the operating results or financial position that would have occurred if the Bard acquisition had been consummated at the beginning of our 2018 fiscal year, nor is the information necessarily indicative of the results of operations that may be expected for any future period or date. BD and Bard may have performed differently had they actually been combined during the periods presented and such differences may be material.

**Adjusted Earnings Per Share.** We present diluted earnings per share (“EPS”) for the quarter and the corresponding prior period after eliminating items that we believe are not part of our ordinary operations and affect the comparability of the periods presented (“adjusted EPS”). We also present adjusted EPS for the full 2018 fiscal year. Adjusted EPS includes adjustments for purchase accounting adjustments, acquisition-related transaction, integration and restructuring costs, financing costs, hurricane recovery costs, losses resulting from the extinguishment of certain long-term debt, a gain from the sale of a business, certain regulatory costs and the dilutive impact of shares issued to fund the Bard acquisition. We believe adjustments for these items allow investors to better understand the underlying operating results of BD and facilitate comparisons between the periods shown. We also show the growth in adjusted EPS compared to the prior year period after eliminating the impact of foreign currency translation to further enable investors to evaluate BD’s underlying earnings performance compared to the prior year.

We also present our estimated adjusted EPS for fiscal year 2019, and our estimated growth in adjusted EPS for fiscal year 2019 after further adjusting for the anticipated impact of foreign currency translation. Management believes that these adjustments allow investors to better evaluate BD’s anticipated underlying earnings performance for fiscal year 2019 in relation to our underlying fiscal year 2018 performance.

BD’s management uses each of these non-GAAP measures in its own evaluation of BD’s performance, particularly when comparing performance to past periods and to the performance of peer companies. Management also uses the non-GAAP results for budget planning purposes on a quarterly and annual basis.

BD provides non-GAAP measures to investors on a supplemental basis in addition to our GAAP results, as they provide additional insight into BD’s financial results. Management believes the non-GAAP results provide a reasonable measure of BD’s underlying performance before the effects of items that are considered by management to be outside of BD’s underlying operational results or that affect period to period comparability. However, non-GAAP results should not be considered in isolation and are not in accordance with, or a substitute for, GAAP results. Also, our non-GAAP results may differ from similar measures used by other companies, even if similar terms are used to identify such measures. 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

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results to address these limitations. Investors should also consider these limitations when evaluating BD's results.

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ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit 99.1 Press release dated February 5, 2019, which is furnished pursuant to Item 2.02

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BECTON, DICKINSON AND COMPANY  
(Registrant)

By: /s/ Gary DeFazio  
Gary DeFazio  
Senior Vice President and Corporate Secretary  
Date: February 5, 2019

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Exhibit Index

99.1 Press release dated February 5, 2019, which is furnished pursuant to Item 2.02