BD, Apax Partners to Form Joint Venture for Respiratory Solutions

Apax Funds will be majority owner of new company

FRANKLIN LAKES, N.J. AND LONDON, March 8, 2016 /PRNewswire/ -- BD (Becton, Dickinson and Company) (NYSE: BDX), a leading global medical technology company, today announced a definitive agreement to sell 50.1 percent of its Respiratory Solutions business to funds advised by Apax Partners, a leading global private equity firm, and form a joint venture that will operate as a new, independent company.

The new company will include all business lines within BD's Respiratory Solutions business including Ventilation, Respiratory Diagnostics, Vital Signs and Air*Life,* and have estimated annual revenue of approximately $900 million. BD's Respiratory Solutions facilities will transfer to the new company, including locations in Yorba Linda, Calif.; Palm Springs, Calif.; Plymouth, Minn.; Mexicali, Mexico; Cotia, Brazil; Hoechberg, Germany and Shenzen, China. The new company will employ more than 5,000 associates around the world. BD will retain 49.9 percent of the company as a significant but non-controlling minority owner.

"We have been proactively targeting the industry for respiratory devices and have been impressed with the continued progress the company has made over the past few years," said Steven Dyson, partner at Apax Partners. "We are pleased to have the opportunity to work with the entire team in further developing Respiratory Solutions' position as a focused and leading global player. In order to take advantage of this opportunity, we are highly supportive of an investment program to further strengthen the business's existing platform, both organically and through acquisitions."

The transaction values the entire business today at nearly $500 million. The structure of the transaction reflects the completion of a thorough strategic review process and BD's determination that the business is non-core to its long-term strategy. By maintaining a significant but non-controlling minority ownership position, BD intends to maximize value by participating in future earnings and the anticipated appreciation in valuation.

The transaction is expected to close in late fiscal year 2016 or early fiscal year 2017. Due to the proximity to the end of its fiscal year 2016, BD expects an immaterial impact to its fiscal year 2016 guidance. BD plans to use net proceeds for share repurchases, subject to market conditions. In fiscal year 2017, due to the limited profitability of the business today, BD anticipates earnings dilution of approximately $0.10 to $0.14. The company expects to record a material tax loss on the transaction at the time of closing.

"We have determined that the Respiratory Solutions business and its associates will be best served under a different ownership model that will provide more strategic focus and investment to grow the business into a pure-play, global respiratory care leader," said Tom Polen, president of BD's Medical Segment. "We believe in Apax Partners' track record of success creating value and improving margins, and as part of the joint venture, we will continue to have a strong interest in the growth and success of the business."

The completion of the transaction is subject to pending regulatory approval, consultations with employee representative bodies in Europe and customary closing conditions.

About BD
BD is a global medical technology company that is advancing the world of health by improving medical discovery, diagnostics and the delivery of care. BD leads in patient and health care worker safety and the technologies that enable medical research and clinical laboratories. The company provides innovative solutions that help advance medical research and genomics, enhance the diagnosis of infectious disease and cancer, improve medication management, promote infection prevention, equip surgical and interventional procedures, optimize respiratory care and support the management of diabetes. The company partners with organizations around the world to address some of the most challenging global health issues. BD has more than 45,000 associates across 50 countries who work in close collaboration with customers and partners to help enhance outcomes, lower health care delivery costs, increase efficiencies, improve health care safety and expand access to health. For more information on BD, please visit www.bd.com.

About Apax Partners LLP
Apax Partners LLP is a leading global private equity advisory firm. Over its more than 30 year history, Apax Partners has raised and advised funds with aggregate commitments of $38 billion*. Funds advised by Apax Partners invest in companies across four global sectors of Tech and Telco, Services, Health Care and Consumer. These funds provide long-term equity financing to build and strengthen world-class companies. In the health care sector, they have completed more than 80 investments. Apax funds currently invest in a number of health care companies, ranging from medical devices to health care services, such as

global private hospital operators or laboratory services providers as well as medical network services. For further information about Apax Partners, please visit www.apax.com.

* Funds raised since 1981, commitments converted from fund currency to USD at FX rates as at September 2015.

This press release contains certain estimates and other forward-looking statements (as defined under Federal securities laws) regarding the joint venture and its impact on BD's performance, including future earnings per share. Forward-looking statements can be identified by the use of words such as "plan", "expect", "estimate", "anticipate" and similar words. All such statements are based upon current expectations of BD and involve a number of business risks and uncertainties. Actual results could vary materially from anticipated results described, implied or projected in any forward-looking statement. With respect to forward-looking statements contained herein, a number of factors could cause actual results to vary materially from any forward-looking statement. These factors include, but are not limited to: the ability of the parties to successfully close the proposed transaction, including the risk that the required regulatory approvals are not obtained or delayed; the ability of the joint venture to operate the respiratory business as a stand-alone company; and economic and market conditions that impact the future revenue, earnings and value of the joint venture, including without limitation, adverse changes in regional, national or foreign economic conditions, competitive factors, pricing and market share pressures and difficulties inherent in product development and delays in product introductions. We do not intend to update any forward-looking statements to reflect events or circumstances after the date hereof except as required by applicable laws or regulations.

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To view the original version on PR Newswire, visit:http://www.prnewswire.com/news-releases/bd-apax-partners-to-form-joint-venture-for-respiratory-solutions-300232314.html

SOURCE BD (Becton, Dickinson and Company)

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