

BD and Apax Partners Announce Closing of Joint Venture to Launch Global Respiratory Business

Apax Funds to be majority owner of new company, Vyaire Medical

PR Newswire

FRANKLIN LAKES, N.J., LONDON, and CHICAGO, Oct. 4, 2016 [/PRNewswire/](#) -- BD (Becton, Dickinson and Company) (NYSE: BDX), a leading global medical technology company, and Apax Partners, today announced the launch of a joint venture - Vyaire Medical - a standalone, global respiratory solutions company. The closing finalizes the sale of 50.1 percent interest in BD's Respiratory Solutions business to funds advised by Apax Partners, a leading global private equity firm. Vyaire Medical includes all business lines within BD's Respiratory Solutions business, including Ventilation, Respiratory Diagnostics, Vital Signs and *AirLife*, and will have estimated annual revenue of over \$800 million. BD will retain a 49.9 percent minority interest in the new company.

"We are very pleased with the progress the teams have made in the last six months in preparing Vyaire Medical for success as a standalone company, including the appointment of Dave Mowry as CEO. Dave has more than 25 years of leadership experience within the medical device industry with a strong track record of delivering growth and earnings results. He knows how to successfully lead the implementation of transformational organizational changes and will be backed by an excellent management team. We continue to be highly supportive of an investment program to further develop Vyaire Medical's position as a leading global player in the respiratory market, both organically and through acquisitions," said Steven Dyson, partner at Apax Partners.

"We are delighted to launch this new brand, Vyaire Medical, built on the foundation of excellent products, talented people, and the industry standard for service and support for our customers," said Dave Mowry, CEO, Vyaire Medical. "Our new company will be focused on providing improved patient outcomes and increased value to our customers through a collaborative partnership that brings innovation to these market segments."

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 Shenzhen, China. The new company will employ more than 5,000 associates around the world.

"We are excited and confident in the ability of Vyaire Medical to build the Respiratory Solutions business into a leading, global respiratory-focused organization," said Tom Polen, executive vice president and president of BD's Medical Segment. "We look forward to the continued partnership with Apax Partners through this joint venture, and to seeing the even greater impact that Vyaire Medical will have on customers and patients as a fully focused respiratory care company."

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, net of share repurchases. The company expects to record a material tax loss on the transaction at the time of closing.

J.P. Morgan Securities LLC acted as financial advisor to BD and Skadden, Arps, Slate, Meagher & Flom served as legal advisor.

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, 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 40,000 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 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 in excess of \$45 billion.* Funds advised by Apax Partners invest in companies across four global sectors of Healthcare, Tech and Telco, Services and Consumer. These funds provide long-term equity financing to build and strengthen world-class companies. In the healthcare sector they have completed more than 80 investments, including in medical devices, pharmaceuticals and healthcare services.

About Vyair Medical

Vyair Medical is the world's largest pure-play "breathing company," supporting and improving the lives of patients with a laser-focus on improving patient outcomes and increasing value for customers. The company was formed in October 2016 as an \$800 million "startup" with a 65-year track record of pioneering, innovating, and advancing respiratory diagnostics, ventilation, and anesthesia delivery & patient monitoring. From industry-pioneering brands like Bird, Bear, and Jaeger to respected industry leaders like AirLife,[®] Vital Signs,[®] Viasys, and many others -- Vyair Medical has nearly 20,000 distinct part numbers recognized, trusted and preferred by specialists in the respiratory therapy and anesthesiology healthcare markets worldwide. Vyair Medical has more than 5,000 employees around the world, all focused on a shared purpose of closely collaborating with healthcare providers and institutions to deliver world-class products, support, and services that contribute to the overall health and wellness of society. Learn more at www.Vyair.com.

**Funds raised since 1981, commitments converted from fund currency to USD at FX rates as at June 30, 2016.*

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", "intend", "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 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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SOURCE BD (Becton, Dickinson and Company)

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