Earnings Conference Call

Fiscal Q4 and Full Year 2023

November 21, 2023

Forward-Looking Statements

Safe Harbor Statement Regarding Forward-Looking Statements

This presentation contains express or implied "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995 and other securities laws. These forward-looking statements concern our current expectations regarding our future results from operations, performance, financial condition, goals, strategies, plans and achievements. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors, and you should not rely upon them except as statements of our present intentions and of our present expectations, which may or may not occur. When we use words such as "believes," "expects," "anticipates," "estimates," "plans," "intends", “position”, “pursue”, “will” or similar expressions, we are making forward-looking statements. For example, embecta is using forward-looking statements when it discusses its fiscal 2024 financial guidance, market opportunities, its expected recurring revenue, insulin prescription trends, and its expectations with respect to strengthening its base business, separating and standing up embecta as an independent company, investing in growth, and its ability to obtain sustainable success, including executing its separation plans, and continuing to invest in the development of its type 2 closed loop insulin delivery system. Although we believe that our forward-looking statements are based on reasonable assumptions, our expected results may not be achieved, and actual results may differ materially from our expectations. In addition, important factors that could cause actual results to differ from expectations include, among others: (i) competitive factors that could adversely affect embecta’s operations; (ii) any inability to extend or replace the services provided by Becton, Dickinson and Company (“BD”) under the Transition Services Agreement, the Logistics Services Agreement and other transaction documents; (iii) any failure by BD to perform its obligations under the various separation agreements entered into in connection with the separation and distribution; (iv) any events that adversely affect the sale or profitability of embecta’s products or the revenues delivered from sales to its customers; (v) increases in operating costs, including fluctuations in the cost and availability of raw materials or components used in its products, the ability to maintain favorable supplier arrangements and relationships, and the potential adverse effects of any disruption in the availability of such items; (vi) changes in reimbursement practices of governments or private payers or other cost containment measures; (vii) the adverse financial impact resulting from unfavorable changes in foreign currency exchange rates, as well as regional, national and foreign economic factors, including inflation, deflation, and fluctuations in interest rates; (viii) the impact of changes in U.S. federal laws and policy that could affect fiscal and tax policies, healthcare and international trade, including import and export regulation and international trade agreements; (ix) any new pandemic, such as the COVID-19 pandemic, or any geopolitical instability, including disruptions in its operations and supply chains; (x) new or changing laws and regulations, or changes in enforcement practices, including laws relating to healthcare, environmental protection, trade, monetary and fiscal policies, taxation and licensing and regulatory requirements for products; (xi) the expected benefits of the separation from BD; (xii) risks associated with embecta’s indebtedness; (xiii) the risk that ongoing dis-synergy costs, costs of restructuring and other costs incurred in connection with the separation from BD will exceed our estimates of these costs; (xiv) the risk that it will be more difficult than expected to effect embecta’s full separation from BD; (xv) risks associated with not completing strategic collaborative partnerships and acquisitions for innovative technologies, complementary product lines, and new markets; and (xvi) the other risks described in our periodic reports filed with the Securities and Exchange Commission, including under the caption “Risk Factors” in our most recent Annual Report on Form 10-K, as further updated by our Quarterly Reports on Form 10-Q we have filed or will file hereafter. Except as required by law, we undertake no obligation to update any forward-looking statements appearing in this presentation.

Agenda and Presenters

Today's topics:

- ✓ embecta Overview
- ✓ FY23 Highlights
- ✓ Revenue Review
- ✓ FY24 Strategic Priorities
- ✓ FY23 Financial Highlights and FY24 Guidance
- ✓ GLP1 – Market Considerations and Opportunity
- ✓ Q&A

Dev Kurdikar
Chief Executive Officer

Jake Elguicze
Chief Financial Officer

Pravesh Khandelwal
Vice President, Investor Relations

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Advance every day together

Mission

To develop and provide solutions that make life better for people living with diabetes

Vision

A life unlimited by diabetes

Fiscal Year 2023 Highlights

On October 31, we kicked off **Diabetes Awareness Month** by inviting advocacy groups, healthcare professionals and people with diabetes to join us on stage to ring the **Nasdaq Opening Bell.**

- ✓ Strong execution notwithstanding challenging external environment
- ✓ Won readers choice for MD+DI* 2022 med tech company of the year
- ✓ Established a world-class leadership team with the focus and experience needed to position the business for value creation
- ✓ Implemented global HR information system, customer relationship management system, and global IT network; continued to exit transition service agreements with BD
- ✓ ERP implementation completed in Suzhou, China; in process in U.S. and Canada
- ✓ Effective January 2024, three of the top Medicare Part D plans to advantage embecta as an exclusive or dual-preferred brand on their formulary list
- ✓ Advanced the development of our type 2 closed loop insulin delivery system utilizing our proprietary patch pump technology

*Medical Device + Diagnostic Industry (MD+DI) is a resource exclusively for original equipment manufacturers of medical devices and in vitro diagnostic products.

Q4 and Fiscal Year 2023 vs. Fiscal Year 2022 Revenue

Dollars in Millions	Three Months Ended		% Increase / Decrease		
	September 30, 2023	September 30, 2022	As-Reported Revenue Growth	Foreign Currency Impact	Constant Currency Revenue Growth
U.S.	$151.8	$149.9	1.3%	—	1.3%
International	$130.1	$124.7	4.3%	1.3%	3.0%
Total	**$281.9**	**$274.6**	**2.7%**	**0.6%**	**2.1%**

Dollars in Millions	Twelve Months Ended		% Increase / Decrease		
	September 30, 2023	September 30, 2022	As-Reported Revenue Growth	Foreign Currency Impact	Constant Currency Revenue Growth
U.S.	$601.4	$600.3	0.2%	—	0.2%
International	$519.4	$529.2	(1.9%)	(5.1%)	3.2%
Total	**$1,120.8**	**$1,129.5**	**(0.8%)**	**(2.4%)**	**1.6%**

Note: Constant currency is a non-GAAP measure. Please see Appendix for the definitions of Constant Currency.

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Strategic Priorities for Fiscal Year 2024

1 Strengthen and optimize core business

- Maintain core injection business revenue
- Navigate through operating environment; manage costs

2 Separate and stand-up

- Complete ERP implementation
- Operationalize embecta systems and resources, and exit transition service agreements with BD

3 Invest in growth

- Continued progress on insulin patch pump development
- Seek M&A and partnership opportunities

Q4 FY23 Financial Highlights

Revenue	Q4 FY23 revenue of $281.9 million, up 2.7% on an as-reported basis; up 2.1% on a constant currency basis, as compared to the prior year period
Gross Profit	Q4 FY23 GAAP gross profit and margin of $181.8 million and 64.5%, compared to $176.9 million and 64.4% in the prior year period Q4 FY23 adjusted gross profit and margin of $182.6 million and 64.8%
Operating Income	Q4 FY23 GAAP operating income (loss) and margin of $25.8 million and 9.2%, compared to $(3.0) million and (1.1%) in the prior year period Q4 FY23 adjusted operating income and margin of $65.2 million and 23.1%
Net Income & Earnings per diluted share	Q4 FY23 GAAP net income (loss) and earnings per diluted share of $6.0 million and $0.10, compared to $(17.2) million and $(0.30) in the prior year period Q4 FY23 adjusted net income and adjusted earnings per diluted share of $34.1 million and $0.59
Adjusted EBITDA	Q4 FY23 adjusted EBITDA and margin of $79.6 million and 28.2%, compared to $87.2 million and 31.8% in the prior year period

FY23 Financial Highlights – Guidance Progression

Dollars in Millions, except per share and percentages	December 20, 2022		February 14, 2023		May 12, 2023		August 8, 2023		Final Results
	Low	High	Low	High	Low	High	Low	High	
Revenue	**$1,050**	**$1,073**	**$1,084**	**$1,107**	**$1,101**	**$1,113**	**$1,107**	**$1,113**	**$1,121**
As-Reported %	*(7.0%)*	*(5.0%)*	*(4.0%)*	*(2.0%)*	*(2.5%)*	*(1.5%)*	*(2.0%)*	*(1.5%)*	*(0.8%)*
Constant Currency %	*(2.0%)*	*0.0%*	*(1.5%)*	*0.5%*	*0.0%*	*1.0%*	*0.5%*	*1.0%*	*1.6%*
F/X %	*(5.0%)*		*(2.5%)*		*(2.5%)*		*(2.5%)*		*(2.4%)*
Contract Manufacturing	*$5*	*$10*	*$5*	*$10*	*$7.5*	*$10*	*~ $11*		*$13.0*
Adjusted Gross Margin	**~ 62%**		**~ 63.5%**		**~ 64.5%**		**~ 66.0%**		**67.0%**
Adjusted Operating Margin	**~ 25%**		**~ 26.5%**		**~ 28.0%**		**~ 29.5%**		**29.6%**
Adjusted Earnings per Diluted Share	**$1.75**	**$2.00**	**$2.20**	**$2.35**	**$2.50**	**$2.60**	**$2.75**	**$2.80**	**$2.99**
Adjusted EBITDA Margin	**~ 30%**		**~ 31.5%**		**~ 32.5%**		**~ 33.5%**		**33.8%**

Note: We are unable to present a quantitative reconciliation of our expected adjusted gross margin, expected adjusted operating margin, expected adjusted earnings per diluted share or expected adjusted EBITDA margin as we are unable to predict with reasonable certainty and without unreasonable effort the impact and timing of certain one-time items. The financial impact of these one-time items is uncertain and is dependent on various factors, including timing, and could be material to our Consolidated Statements of Income.

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Cash Flow & Net Leverage

Dollars in Millions, except ratios	FY’23 Actual
Beginning cash balance	**$330.9**
Net cash provided by operating activities	67.7
Capital expenditures	26.5
Free cash flow	**$41.2**
Dividend payments	34.4
Ending cash balance	**$326.5**
Debt outstanding	**$1,636**
Net leverage ratio	**3.5x**

Note: Free cash flow is a non-GAAP measure. Free cash flow equals cash flow from operations less capital expenditures. Please see Appendix for the reconciliations accompanying the presentation.

Net leverage ratio measures the ratio of (i) consolidated total net debt to (ii) consolidated earnings before interest, taxes, depreciation and amortization

Fiscal Year 2024 Financial Guidance

Fiscal Year 2024 Financial Guidance

Dollars in Millions, except per share and percentages	Low	High
Revenue	**$1,085**	**$1,105**
As-Reported %	*(3.0%)*	*(1.0%)*
Constant Currency %	*(2.0%)*	*0.0%*
F/X %	*~ (1.0%)*	
Contract Manufacturing	*$0 - $5*	
Adjusted Gross Margin	**63.0% - 64.0%**	
Adjusted Operating Margin	**23.75% - 24.75%**	
Adjusted Earnings per Diluted Share	**$1.90**	**$2.10**
Adjusted EBITDA Margin	**29.5% - 30.5%**	

Note: We are unable to present a quantitative reconciliation of our expected adjusted gross margin, expected adjusted operating margin, expected adjusted earnings per diluted share or expected adjusted EBITDA margin as we are unable to predict with reasonable certainty and without unreasonable effort the impact and timing of certain one-time items. The financial impact of these one-time items is uncertain and is dependent on various factors, including timing, and could be material to our Consolidated Statements of Income.

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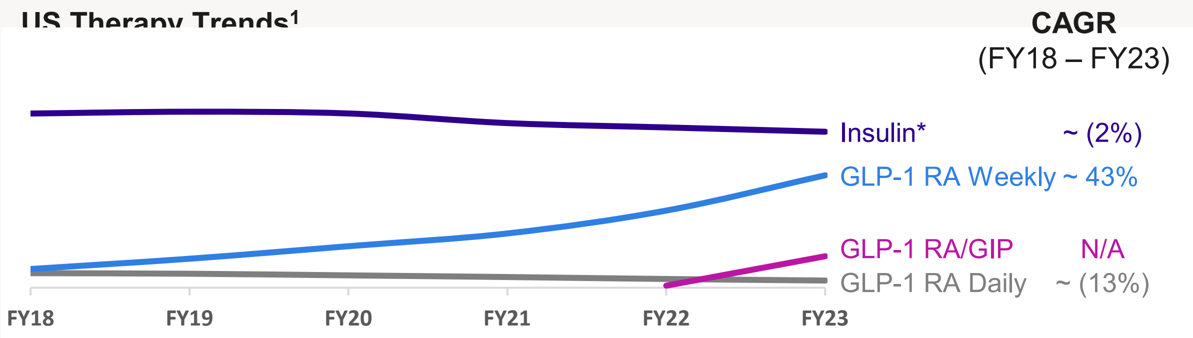
Market Considerations & Opportunity

Insulin prescription trends in the United States have remained relatively consistent, despite the growth of GLP-1 RA and GLP-1 RA/GIP therapy

Insulin prescription trends remain stable

- Weekly GLP-1 RA drugs have been marketed for several years
- Over that time, insulin prescription trends in the United States have remained relatively consistent demonstrating that insulin remains an important treatment option for type 2 diabetes even with the availability of GLP-1 RA therapies
- While total insulin requirements on a per day basis may decrease, the number of injections may not decrease (less IUs/injection)

US Therapy Trends[1]



The number of patients that switch from insulin to weekly GLP-1 RA or GLP-1 RA/GIP therapy is relatively low[2]

~1% of patients switched from long-acting insulin to weekly GLP-1 RA

<1% of patients switched from fast-acting insulin to weekly GLP-1 RA

References

1 Iqvia TRx FY18 to FY23 fiscal year data equates to data from October of 2017 to September of 2023, TRx data is counts of total (new + refill) prescriptions dispensed by pharmacists

2 Switch Data: Net switch therapy analysis derived from Iqvia switch data

* Insulin data includes long acting, fast acting and premix

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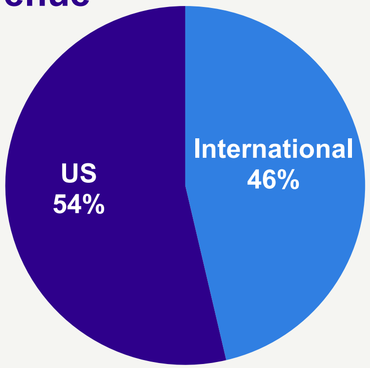
embecta's insulin injection revenue remained stable even while multiple new treatments for type 2 diabetes entered the market

Our global footprint is expected to continue to provide us with a strong, stable, and recurring revenue base

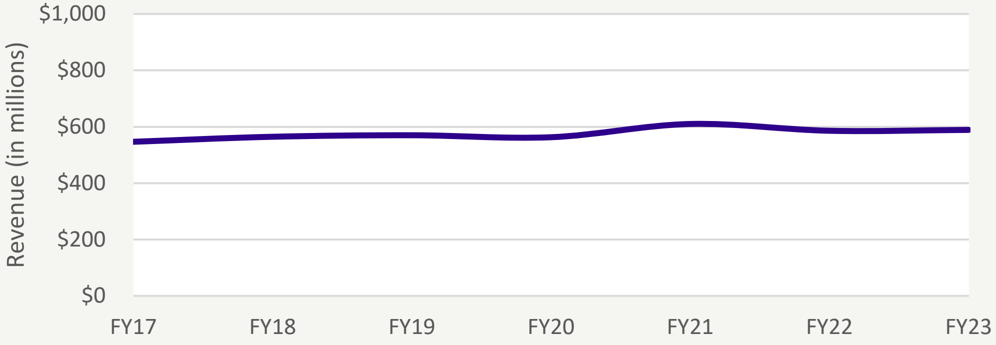
- Insulin therapy is a common approach to diabetes management and >90% of PWD globally who are undergoing insulin therapy administer insulin through injection[1]
- Our broad portfolio of marketed products, including a variety of pen needles, insulin syringes, and safety devices, are used by 30M+ people in over 100 countries for insulin administration and to aid with the daily management of diabetes

FY23 Global Revenue[2]



FY17-FY23 US Revenue CAGR[3]: 1.2%

US Revenue excluding contract manufacturing



embecta financials in constant currency

References
1 Internal embecta analysis

Notes
2 U.S. revenue including contract manufacturing revenue from BD.
3 U.S. revenue excluding contract manufacturing revenue from BD. Please see Appendix for CAGR reconciliations accompanying the presentation.

GLP-1 RA and GLP-1 RA/GIP therapies are delivered via pens/pen needles, vials/syringes and autoinjectors

Our pen needles are compatible with widely used pen injector devices including those marketed by a variety of companies including[1*]

Lilly

novo nordisk®

sanofi

embecta has segment leadership in diabetes injection devices[2]

Pen Needles: #1 Globally

Conventional and BD Nano™

BD Nano 2nd Gen.™

Insulin Syringes: #1 Globally

Conventional Insulin Syringes

References
1 Internal embecta pen injector compatibility report
2 Internal embecta estimates

*All third-party trademarks (including logos) remain the property of their respective owners. embecta's use of third-party trademarks does not indicate any relationship, sponsorship, or endorsement between embecta and the owners of these trademarks.

Significant opportunity exists to help people living with diabetes

Injection Devices

- Some GLP-1 RA and combo therapies will need pen needles or syringes
- embecta is the world leader in pen needle manufacturing[1]
- Our pen needles are compatible with widely used pen injector devices[2]

GLP-1 RA Partnerships

- Since our pen needles are compatible with widely used pen injector devices, we continue to actively explore opportunities with companies developing generic GLP-1 RA therapies to co-package or co-promote with our pen needles
- embecta may pursue opportunities in the autoinjector space and other attractive growing drug delivery markets

Delivery Systems

- There is a significant type 2 diabetes population that is looking for a pump that addresses their unmet needs including, ease of use, discretion and daily insulin requirements
- This creates a large market opportunity for insulin pumps specially designed for people living with type 2 diabetes

Reference
1 Internal embecta estimates
2 Internal embecta pen injector compatibility report

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Thank you

Appendix

Non-GAAP Financial Measures

In evaluating our operating performance, we supplement the reporting of our financial information determined under GAAP with certain non-GAAP financial measures including (i) earnings before interest, taxes, depreciation, and amortization (“EBITDA”), (ii) Adjusted EBITDA and Adjusted EBITDA Margin, (iii) Adjusted Gross Profit and Adjusted Gross Profit Margin, (iv) Constant Currency revenue growth, (v) Adjusted Operating Income and Adjusted Operating Income Margin, (vi) Non-GAAP Pre-tax Income, (vii) Free Cash Flow and, (viii) Adjusted Net Income and Adjusted Earnings per diluted share. These non-GAAP financial measures are indicators of our performance that are not required by, or presented in accordance with, GAAP. They are presented with the intent of providing greater transparency to financial information used by us in our financial analysis and operational decision-making. We believe that these non-GAAP measures provide meaningful information to assist investors, stockholders and other readers of our consolidated financial statements in making comparisons to our historical operating results and analyzing the underlying performance of our results of operations. However, the presentation of these measures has limitations as an analytical tool and should not be considered in isolation, or as a substitute for the Company’s results as reported under GAAP. Because not all companies use identical calculations, the presentations of these non-GAAP measures may not be comparable to other similarly titled measures of other companies. The company uses non-GAAP financial measures in its operational and financial decision making, and believes that it is useful to exclude certain items in order to focus on what it regards to be a meaningful alternative representation of the underlying operating performance of the business.

Each reporting period, we face currency exposure that arises from translating the results of our worldwide operations to the U.S. dollar at exchange rates that fluctuate from the beginning of such period. A stronger U.S. dollar, compared to the prior-year period, resulted in an unfavorable foreign currency translation impact to our revenues as compared to the prior-year period. We evaluate our results of operations on both a reported and a Constant Currency basis, which excludes the impact of fluctuations in foreign currency exchange rates by comparing results between periods as if exchange rates had remained constant period-over-period. As exchange rates are an important factor in understanding period-to-period comparisons, we believe the presentation of results on a Constant Currency basis in addition to reported results helps improve investors’ ability to understand our operating results and evaluate our performance in comparison to prior periods. We calculate Constant Currency percentages by converting our current-period local currency financial results using the prior-period foreign currency exchange rates and comparing these adjusted amounts to our current-period results. These results should be considered in addition to, not as a substitute for, results reported in accordance with GAAP. Results on a Constant Currency basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with GAAP.

Adjusted Gross Profit Margin Reconciliation

Dollars in Millions, except percentages	Three Months Ended September 30, 2023 (1)	Twelve Months Ended September 30, 2023 (1)
Gross Profit	**$181.8**	**$749.9**
Gross Profit Margin	***64.5%***	***66.9%***
Stock-based compensation expense	—	0.1
Amortization of intangible assets (2)	0.8	1.2
Adjusted Gross Profit	**$182.6**	**$751.2**
Adjusted Gross Profit Margin	***64.8%***	***67.0%***

(1) Prior to the Separation from BD on April 1, 2022 (the "Separation"), embecta's (the "Company") historical combined financial statements were prepared on a standalone basis. These results did not purport to reflect what the Company's results of operations, comprehensive income, financial position, equity or cash flows would have been had the Company operated as a standalone public company. As such, the Company is not presenting comparable prior period results for the Non-GAAP metrics in the table above.

(2) Amortization of intangible assets is recorded in Cost of products sold.

Adjusted Operating Income Margin Reconciliation

Dollars in Millions, except percentages	Three Months Ended	Twelve Months Ended
	September 30, 2023 [1]	September 30, 2023 [1]
GAAP Operating Income	**$25.8**	**$221.5**
GAAP Operating Income Margin	***9.2%***	***19.8%***
Amortization of intangible assets [2]	0.8	1.2
One-time stand up costs [3]	31.8	93.7
European regulatory initiative-related costs [4]	0.6	1.3
Stock-based compensation expense [5]	1.1	5.7
Impairment losses [6]	2.5	2.5
Business optimization and severance related costs [7]	2.6	5.6
Adjusted Operating Income	**$65.2**	**$331.5**
Adjusted Operating Income Margin	***23.1%***	***29.6%***

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Adjusted Operating Income Margin Reconciliation – Continued

(1) Prior to the Separation on April 1, 2022, the Company's historical combined financial statements were prepared on a standalone basis. These results did not purport to reflect what the Company's results of operations, comprehensive income, financial position, equity or cash flows would have been had the Company operated as a standalone public company. As such, the Company is not presenting comparable prior period results for the Non-GAAP metrics in the table above.

(2) Amortization of intangible assets is recorded in Cost of products sold.

(3) One-time stand up costs incurred primarily include costs to stand up the Company. For the three months ended September 30, 2023, approximately $31.6 million and $0.2 million are recorded in Other operating expenses and Selling and administrative expense, respectively. For the twelve months ended September 30, 2023, approximately $92.7 million and $1.0 million are recorded in Other operating expenses and Selling and administrative expense, respectively.

(4) Represents costs required to develop processes and systems to comply with regulations such as the European regulatory initiative-related costs ("EU MDR") and General Data Protection Regulation ("GDPR") which represent a significant, unusual change to the existing regulatory framework. We consider these costs to be duplicative of previously incurred costs and/or one-off costs, which are limited to a specific period of time. These costs are recorded in Research and development expense.

(5) Represents stock-based compensation expense recognized during the period associated with the incremental value of converted legacy BD share-based awards and one-time sign-on equity awards granted to certain members of the embecta leadership team in connection with the Separation from BD. For the three months ended September 30, 2023, $1.0 million is recorded in Selling and administrative expense and $0.1 million is recorded in Research and development expense. For the twelve months ended, September 30, 2023, $5.4 million is recorded in Selling and administrative expense, $0.2 million is recorded in Research and development expense, and $0.1 million is recorded in Cost of products sold.

(6) Relates to impairment charges incurred. The impairment charges are recorded in Impairment Expense.

(7) Represents business optimization and severance related costs recorded in Other operating expenses.

Adjusted Net Income and Adjusted Net Income Per Diluted Share Reconciliation

Dollars in Millions, except per share amounts	Three Months Ended September 30, 2023 [1]	Twelve Months Ended September 30, 2023 [1]
Income Before Income Taxes	**$5.0**	**$105.7**
Adjustments:		
Amortization of intangible assets [2]	0.8	1.2
One-time stand up costs [3]	31.8	93.7
EU MDR [4]	0.6	1.3
Stock-based compensation expense [5]	1.1	5.7
Impairment losses [6]	2.5	2.5
Business optimization and severance related costs [7]	2.6	5.6
Deferred jurisdiction adjustments in Other income (expense), net for taxes [8]	(4.7)	8.4
Total Adjustments	**34.7**	**118.4**
Adjusted Pre-Tax Income	**39.7**	**224.1**
Adjusted Taxes on Income	(5.6)	(51.5)
Adjusted Net Income	**$34.1**	**$172.6**
Adjusted Net Income per Diluted share	**$0.59**	**$2.99**
GAAP Net Income	**$6.0**	**$70.4**
GAAP Net Income per Diluted share	**$0.10**	**$1.22**
GAAP and Adjusted Diluted weighted-average shares outstanding (in thousands)	57,473	57,758

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Adjusted Net Income Per Diluted Share Reconciliation – Continued

(1) Prior to the Separation on April 1, 2022, the Company's historical combined financial statements were prepared on a standalone basis. These results did not purport to reflect what the Company's results of operations, comprehensive income, financial position, equity or cash flows would have been had the Company operated as a standalone public company. As such, the Company is not presenting comparable prior period results for the Non-GAAP metrics in the table above.

(2) Amortization of intangible assets is recorded in Cost of products sold.

(3) One-time stand up costs incurred primarily include costs to stand up the Company. For the three months ended September 30, 2023, approximately $31.6 million and $0.2 are recorded in Other operating expenses and Selling and administrative expense, respectively. For the twelve months ended September 30, 2023, approximately $92.7 million and $1.0 million are recorded in Other operating expenses and Selling and administrative expense, respectively.

(4) Represents costs required to develop processes and systems to comply with regulations such as the EU MDR and GDPR which represent a significant, unusual change to the existing regulatory framework. We consider these costs to be duplicative of previously incurred costs and/or one-off costs, which are limited to a specific period of time. These costs are recorded in Research and development expense.

(5) Represents stock-based compensation expense recognized during the period associated with the incremental value of converted legacy BD share-based awards and one-time sign-on equity awards granted to certain members of the embecta leadership team in connection with the separation from BD. For the three months ended September 30, 2023, $1.0 million is recorded in Selling and administrative expense and $0.1 million is recorded in Research and development expense. For the twelve months ended, September 30, 2023, $5.4 million is recorded in Selling and administrative expense, $0.2 million is recorded in Research and development expense, and $0.1 million is recorded in Cost of products sold.

(6) Relates to impairment charges incurred. The impairment charges are recorded in Impairment Expense.

(7) Represents business optimization and severance related costs recorded in Other operating expenses.

(8) Represents amounts due to BD for tax liabilities incurred in deferred jurisdictions where BD is considered the primary obligor.

Adjusted EBITDA Reconciliation

Dollars in Millions, except percentages	Three Months Ended		Twelve Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
GAAP Net Income	**$6.0**	**$(17.2)**	**$70.4**	**$223.6**
Interest expense, net	27.6	21.8	107.0	46.2
Income taxes	(1.0)	(10.3)	35.3	33.0
Depreciation and amortization	9.3	7.5	32.6	31.7
EBITDA	**$41.9**	**$1.8**	**$245.3**	**$334.5**
Stock-based compensation expense (1)	4.9	4.4	21.9	18.7
One-time stand up costs (2)	31.8	15.0	93.7	38.2
Other costs associated with impairment (3)	—	5.5	—	5.5
EU MDR (4)	0.6	0.9	1.3	1.9
Business optimization and severance related costs (5)	2.6	0.7	5.6	2.2
Impairment losses (6)	2.5	58.9	2.5	58.9
Deferred jurisdiction adjustments in Other income (expense), net for taxes (7)	(4.7)	—	8.4	—
Adjusted EBITDA	**$79.6**	**$87.2**	**$378.7**	**$459.9**
Adjusted EBITDA Margin	***28.2%***	***31.8%***	***33.8%***	***40.7%***

Adjusted EBITDA Reconciliation – Continued

(1) Represents stock-based compensation expense incurred during the three and twelve months ended September 30, 2023 and 2022, respectively. For the three months ended September 30, 2023, $4.1 million is recorded in Selling and administrative expense, $0.4 million is recorded in Cost of products sold, and $0.4 million is recorded in Research and development expense. For the twelve months ended, September 30, 2023, $18.1 million is recorded in Selling and administrative expense, $2.2 million is recorded in Cost of products sold, and $1.6 million is recorded in Research and development expense. For the three months ended September 30, 2022, $3.9 million is recorded in Selling and administrative expense, $0.3 million is recorded in Cost of products sold, and $0.2 million is recorded in Research and development expense. For the twelve months ended September 30, 2022, $14.6 million is recorded in Selling and administrative expense, $2.3 million is recorded in Cost of products sold, and $1.8 million is recorded in Research and development expense.

(2) One-time stand up costs incurred primarily include costs to stand up the Company. For the three months ended September 30, 2023, approximately $31.6 million and $0.2 million are recorded in Other operating expenses and Selling and administrative expense, respectively. For the twelve months ended September 30, 2023, approximately $92.7 million and $1.0 million are recorded in Other operating expenses and Selling and administrative expense, respectively. For the three months ended September 30, 2022, approximately $15.0 million is recorded in Other operating expenses. For the twelve months ended September 30, 2022, approximately $37.3 million and $0.9 million are recorded in Other operating expenses and Selling and administrative expense, respectively.

(3) Represents the costs of purchase commitments associated with the abandonment and impairment of certain manufacturing lines incurred in fiscal year 2022. Please see footnote (6) below. These costs are recorded in Other operating expenses.

(4) Represents costs required to develop processes and systems to comply with regulations such as the EU MDR and GDPR which represent a significant, unusual change to the existing regulatory framework. We consider these costs to be duplicative of previously incurred costs and/or one-off costs, which are limited to a specific period of time. These costs are recorded in Research and development expense.

(5) Represents business optimization and severance related costs recorded in Other operating expenses.

(6) Relates to impairment charges incurred. The impairment charges are recorded in Impairment Expense.

(7) Represents amounts due to BD for tax liabilities incurred in deferred closing jurisdictions where BD is considered the primary obligor.

Free Cash Flow Reconciliation

Dollars in Millions, except percentages	Twelve Months Ended September 30, 2023
Net cash provided by operating activities	$67.7
Capital expenditures	$26.5
Free cash flow	**$41.2**

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CAGR reconciliation

Dollars in Millions	Twelve Months Ended							CAGR Growth Rate
	September 30, 2017	September 30, 2018	September 30, 2019	September 30, 2020	September 30, 2021	September 30, 2022	September 30, 2023	
U.S.	$546.4	$564.1	$569.5	$562.5	$609.4	$600.3	$601.4	1.6%
CMA						$15.0	$13.0	
U.S. ex CMA	**$546.4**	**$564.1**	**$569.5**	**$562.5**	**$609.4**	**$585.3**	**$588.4**	**1.2%**

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Fiscal Year 2024 Financial Guidance Assumptions

Dollars in Millions, except percentages	
Interest Expense, Net	~ $116
Adjusted Tax Rate	~ 22%
Weighted Average Shares (in millions)	~ 58.1
Foreign Exchange	
EUR/USD	~ 1.05
USD/YEN	~ 150
USD/CNY	~ 7.3

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