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BD announces intent to spin-off diabetes care business

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BD management expects the transaction to strengthen its mid-single-digit revenue growth and double-digit total return growth profile



BD (Becton, Dickinson and Company), a leading global medical technology company, has announced its board of directors has unanimously authorised management to proceed with a plan to spin off the company's Diabetes Care business as an independent, publicly traded company (NewCo).

"The decision to spin off our Diabetes Care business is part of our active portfolio management and consistent with our BD 2025 strategy to Grow, Simplify and Empower," said Tom Polen, chairman, CEO and president of BD. "The spinoff will allow BD to strengthen its growth profile, enables a greater investment focus on our other core businesses and high-growth opportunities, and makes a greater impact for our customers and patients."

While NewCo will be a new, publicly traded company, the Diabetes Care business has roots in BD's introduction of the world's first specialized insulin syringe in 1924. The Diabetes Care business has played a leading role in driving the adoption of insulin syringes and insulin pens combined with pen needles as the leading modality for insulin injection. Today, the Diabetes Care business is the leading producer of diabetes injection devices, producing approximately 8 billion injection devices annually and serving about 30 million patients — more than any other company in the world.

NewCo's revenue and manufacturing footprint are geographically diverse. In fiscal 2020, the Diabetes Care business generated revenues of nearly $1.1 billion, with 48% of revenues generated outside of the United States, including 17% of revenues from emerging markets. NewCo will have manufacturing sites in the United States, Ireland, and China, and is expected to have office locations in New Jersey and Massachusetts.

Devdatt (Dev) Kurdikar, 52, currently worldwide president of BD Diabetes Care, will be chief executive officer of NewCo. Kurdikar joined BD in February 2021.