

BAXTER INTERNATIONAL INC.
Consolidated Statements of Income
(unaudited)
(in millions, except per share and percentage data)

	Three Months Ended September 30,		Change
	2020	2019	
NET SALES	\$ 2,972	\$ 2,851	4 %
COST OF SALES	1,777	1,621	10 %
GROSS MARGIN	1,195	1,230	(3)%
<i>% of Net Sales</i>	40.2 %	43.1 %	(2.9 pts)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	601	627	(4)%
<i>% of Net Sales</i>	20.2 %	22.0 %	(1.8 pts)
RESEARCH AND DEVELOPMENT EXPENSES	123	144	(15)%
<i>% of Net Sales</i>	4.1 %	5.1 %	(1.0 pts)
OTHER OPERATING EXPENSE (INCOME), NET	1	(44)	NM
OPERATING INCOME	470	503	(7)%
<i>% of Net Sales</i>	15.8 %	17.6 %	(1.8 pts)
INTEREST EXPENSE, NET	39	13	200 %
OTHER EXPENSE, NET	16	9	78 %
INCOME BEFORE INCOME TAXES	415	481	(14)%
INCOME TAX EXPENSE	56	106	(47)%
<i>% of Income Before Income Taxes</i>	13.5 %	22.0 %	(8.5 pts)
NET INCOME	359	375	(4)%
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3	6	(50)%
NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ 356	\$ 369	(4)%
EARNINGS PER SHARE			
Basic	\$ 0.70	\$ 0.72	(3)%
Diluted	\$ 0.69	\$ 0.71	(3)%
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	511	511	
Diluted	518	520	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 570	\$ 555	3 %
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 515	\$ 533	(3)%
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 431	\$ 386	12 %
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 0.83	\$ 0.74	12 %

¹ Refer to page 9 for a description of the adjustments and a reconciliation to U.S. GAAP measures.

NM - Not Meaningful

BAXTER INTERNATIONAL INC.
Description of Adjustments and Reconciliation of U.S. GAAP to Non-GAAP Measures
(unaudited, in millions)

The company's U.S. GAAP results for the three months ended September 30, 2020 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Other Operating Expense (Income), Net	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$ 1,195	\$ 601	\$ 123	\$ 1	\$ 470	\$ 415	\$ 56	\$ 359	\$ 356	\$ 0.69
Reported percent of net sales (or percent of income before income taxes for income tax expense)	40.2 %	20.2 %	4.1 %	0.0 %	15.8 %	14.0 %	13.5 %	12.1 %	12.0 %	
Intangible asset amortization ¹	57	—	—	—	57	57	15	42	42	0.08
Business optimization items ²	6	(25)	(1)	—	32	32	8	24	24	0.05
Acquisition and integration expenses ³	—	—	—	(1)	1	1	—	1	1	0.00
European medical devices regulation ⁴	8	—	—	—	8	8	2	6	6	0.01
Investigation and related costs ⁵	—	(2)	—	—	2	2	—	2	2	0.00
Adjusted	\$ 1,266	\$ 574	\$ 122	\$ —	\$ 570	\$ 515	\$ 81	\$ 434	\$ 431	\$ 0.83
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.6 %	19.3 %	4.1 %	0.0 %	19.2 %	17.3 %	15.7 %	14.6 %	14.5 %	

The company's U.S. GAAP results for the three months ended September 30, 2019 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Other Operating Income, Net	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$1,230	\$ 627	\$ 144	\$ (44)	\$ 503	\$ 481	\$ 106	\$ 375	\$ 369	\$ 0.71
Reported percent of net sales (or percent of income before income taxes for income tax expense)	43.1 %	22.0 %	5.1 %	(1.5)%	17.6 %	16.9 %	22.0 %	13.2 %	12.9 %	
Intangible asset amortization ¹	48	—	—	—	48	48	15	33	33	0.06
Business optimization items ²	10	(10)	(8)	—	28	28	8	20	20	0.04
Acquisition and integration expenses ³	8	(3)	(2)	—	13	13	5	8	8	0.02
European medical devices regulation ⁴	7	—	—	—	7	7	2	5	5	0.01
Insurance recoveries from a legacy product-related matter ⁶	—	—	—	4	(4)	(4)	(1)	(3)	(3)	(0.01)
Hurricane Maria insurance recoveries ⁷	—	—	—	40	(40)	(40)	(10)	(30)	(30)	(0.06)
U.S. tax reform ⁸	—	—	—	—	—	—	16	(16)	(16)	(0.03)
Adjusted	\$1,303	\$ 614	\$ 134	\$ —	\$ 555	\$ 533	\$ 141	\$ 392	\$ 386	\$ 0.74
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	45.7 %	21.5 %	4.7 %	0.0 %	19.5 %	18.7 %	26.5 %	13.7 %	13.5 %	

¹ The company's results in 2020 and 2019 included intangible asset amortization expense of \$57 million (\$42 million, or \$0.08 per diluted share, on an after-tax basis) and \$48 million (\$33 million, or \$0.06 per diluted share, on an after-tax basis), respectively.

² The company's results in 2020 and 2019 included charges of \$32 million (\$24 million, or \$0.05 per diluted share, on an after-tax basis) and \$28 million (\$20 million, or \$0.04 per diluted share, on an after-tax basis), respectively, associated with its programs to optimize its organization and cost structure on a global basis.

³ The company's results in 2020 included \$1 million (\$1 million, or \$0.00 per diluted share, on an after-tax basis) of acquisition and integration expenses related to the change in the estimated fair value of contingent consideration liabilities. The company's results in 2019 included \$13 million (\$8 million, or \$0.02 per diluted share, on an after-tax basis) of acquisition and integration expenses. This included acquisition and integration expenses related to the company's acquisitions of Claris and the **Recothrom** and **Preveleak** products in prior periods and the purchase of in-process R&D assets.

⁴ The company's results in 2020 and 2019 included costs of \$8 million (\$6 million, or \$0.01 per diluted share, on an after-tax basis) and \$7 million (\$5 million, or \$0.01 per diluted share, on an after-tax basis) related to updating its quality systems and product labeling to comply with the new medical device reporting regulation and other requirements of the European Union's regulations for medical devices that are scheduled to become effective in 2021.

- ⁵ The company's results in 2020 included costs of \$2 million (\$2 million, or \$0.00 per diluted share, on an after-tax basis) for investigation and related costs. This included costs related to the company's investigation of foreign exchange gains and losses associated with certain intra-company transactions and related legal matters.
- ⁶ The company's results in 2019 included a benefit of \$4 million (\$3 million, or \$0.01 per diluted share, on an after-tax basis) related to its allocation of insurance proceeds received pursuant to a settlement and cost-sharing agreement for a legacy product-related matter.
- ⁷ The company's results in 2019 included a benefit of \$40 million (\$30 million, or \$0.06 per diluted share, on an after-tax basis) related to insurance recoveries as a result of losses incurred due to Hurricane Maria.
- ⁸ The company's results in 2019 included updates to the estimated impact of U.S. federal tax reform previously made by the company of \$16 million, or \$0.03 per diluted share.

For more information on the company's use of non-GAAP financial measures, please see the Non-GAAP Financial Measures section of this press release.

BAXTER INTERNATIONAL INC.
Consolidated Statements of Income
(unaudited)
(in millions, except per share and percentage data)

	Nine Months Ended September 30,		Change
	2020	2019	
NET SALES	\$ 8,492	\$ 8,323	2 %
COST OF SALES	5,096	4,860	5 %
GROSS MARGIN	3,396	3,463	(2)%
<i>% of Net Sales</i>	40.0 %	41.6 %	(1.6 pts)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,819	1,869	(3)%
<i>% of Net Sales</i>	21.4 %	22.5 %	(1.1 pts)
RESEARCH AND DEVELOPMENT EXPENSES	386	439	(12)%
<i>% of Net Sales</i>	4.5 %	5.3 %	(0.8 pts)
OTHER OPERATING INCOME, NET	(19)	(81)	(77)%
OPERATING INCOME	1,210	1,236	(2)%
<i>% of Net Sales</i>	14.2 %	14.9 %	(0.7 pts)
INTEREST EXPENSE, NET	96	51	88 %
OTHER (INCOME) EXPENSE, NET	32	(8)	NM
INCOME BEFORE INCOME TAXES	1,082	1,193	(9)%
INCOME TAX EXPENSE	143	163	(12)%
<i>% of Income Before Income Taxes</i>	13.2 %	13.7 %	(0.5 pts)
NET INCOME	939	1,030	(9)%
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	5	6	(17)%
NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ 934	\$ 1,024	(9)%
EARNINGS PER SHARE			
Basic	\$ 1.83	\$ 2.01	(9)%
Diluted	\$ 1.81	\$ 1.97	(8)%
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	509	510	
Diluted	517	520	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 1,534	\$ 1,511	2 %
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 1,406	\$ 1,468	(4)%
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 1,185	\$ 1,216	(3)%
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 2.29	\$ 2.34	(2)%

¹ Refer to page 11 for a description of the adjustments and a reconciliation to U.S. GAAP measures.

NM - Not Meaningful

BAXTER INTERNATIONAL INC.
Description of Adjustments and Reconciliation of U.S. GAAP to Non-GAAP Measures
(unaudited, in millions)

The company's U.S. GAAP results for the nine months ended September 30, 2020 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Other Operating Income, Net	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$ 3,396	\$ 1,819	\$ 386	\$ (19)	\$ 1,210	\$ 1,082	\$ 143	\$ 939	\$ 934	\$ 1.81
Reported percent of net sales (or percent of income before income taxes for income tax expense)	40.0 %	21.4 %	4.5 %	(0.2)%	14.2 %	12.7 %	13.2 %	11.1 %	11.0 %	
Intangible asset amortization ¹	165	—	—	—	165	165	38	127	127	0.25
Business optimization items ²	24	(53)	—	17	60	60	13	47	47	0.09
Acquisition and integration expenses ³	11	(7)	(22)	2	38	38	8	30	30	0.06
European medical devices regulation ⁴	22	—	—	—	22	22	6	16	16	0.03
Investigation and related costs ⁵	3	(18)	(1)	—	22	22	4	18	18	0.03
Intangible asset impairment ⁶	17	—	—	—	17	17	4	13	13	0.03
Adjusted	\$ 3,638	\$ 1,741	\$ 363	\$ —	\$ 1,534	\$ 1,406	\$ 216	\$ 1,190	\$ 1,185	\$ 2.29
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.8 %	20.5 %	4.3 %	0.0 %	18.1 %	16.6 %	15.4 %	14.0 %	14.0 %	

The company's U.S. GAAP results for the nine months ended September 30, 2019 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Other Operating Income, Net	Operating Income	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$ 3,463	\$ 1,869	\$ 439	\$ (81)	\$ 1,236	\$ 1,193	\$ 163	\$ 1,030	\$ 1,024	\$ 1.97
Reported percent of net sales (or percent of income before income taxes for income tax expense)	41.6 %	22.5 %	5.3 %	(1.0)%	14.9 %	14.3 %	13.7 %	12.4 %	12.3 %	
Intangible asset amortization ¹	136	—	—	—	136	136	34	102	102	0.20
Business optimization items ²	39	(50)	(42)	—	131	131	29	102	102	0.20
Acquisition and integration expenses ³	25	(8)	(8)	4	37	37	11	26	26	0.05
European medical devices regulation ⁴	17	—	—	—	17	17	4	13	13	0.03
Intangible asset impairment ⁶	31	—	—	—	31	31	7	24	24	0.05
Insurance recoveries from a legacy product-related matter ⁷	—	—	—	37	(37)	(37)	(8)	(29)	(29)	(0.06)
Hurricane Maria insurance recoveries ⁸	—	—	—	40	(40)	(40)	(10)	(30)	(30)	(0.06)
U.S. tax reform ⁹	—	—	—	—	—	—	16	(16)	(16)	(0.03)
Adjusted	\$ 3,711	\$ 1,811	\$ 389	\$ —	\$ 1,511	\$ 1,468	\$ 246	\$ 1,222	\$ 1,216	\$ 2.34
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	44.6 %	21.8 %	4.7 %	0.0 %	18.2 %	17.6 %	16.8 %	14.7 %	14.6 %	

- The company's results in 2020 and 2019 included intangible asset amortization expense of \$165 million (\$127 million, or \$0.25 per diluted share, on an after-tax basis) and \$136 million (\$102 million, or \$0.20 per diluted share, on an after-tax basis), respectively.
- The company's results in 2020 and 2019 included charges of \$77 million (\$64 million, or \$0.12 per diluted share, on an after-tax basis) and \$131 million (\$102 million, or \$0.20 per diluted share, on an after-tax basis), respectively, associated with its programs to optimize its organization and cost structure on a global basis. Additionally, we recorded a gain of \$17 million (\$17 million, or \$0.03 per diluted share, on an after-tax basis) in 2020 for property we sold in conjunction with our business optimization initiatives.
- The company's results in 2020 included \$38 million (\$30 million, or \$0.06 per diluted share, on an after-tax basis) of acquisition and integration expenses. This included acquisition and integration expenses related to the company's acquisitions of Cheetah Medical and **Seprafilm** and the purchase of in-process R&D assets, partially offset by the change in the estimated fair value of contingent consideration liabilities. The company's results in 2019 included \$37 million (\$26 million, or \$0.05 per diluted share, on an after-tax basis) of acquisition and integration expenses. This included acquisition and integration expenses related to the company's acquisitions of Claris and the **Recothrom** and **Preveleak** products in prior periods and the purchase of in-process R&D assets, partially offset by the change in the estimated fair value of contingent consideration liabilities.

4. The company's results in 2020 and 2019 included costs of \$22 million (\$16 million, or \$0.03 per diluted share, on an after-tax basis) and \$17 million (\$13 million, or \$0.03 per diluted share, on an after-tax basis) related to updating its quality systems and product labeling to comply with the new medical device reporting regulation and other requirements of the European Union's regulations for medical devices that are scheduled to become effective in 2021.
5. The company's results in 2020 included costs of \$22 million (\$18 million, or \$0.03 per diluted share, on an after-tax basis) for investigation and related costs. This included costs related to the company's investigation of foreign exchange gains and losses associated with certain intra-company transactions and related legal matters. Additionally, the company recorded incremental stock compensation expense as it extended the terms of certain stock options that were scheduled to expire in the first quarter of 2020.
6. The company's results in 2020 and 2019 included charges of \$17 million (\$13 million, or \$0.03 per diluted share, on an after-tax basis) and \$31 million (\$24 million, or \$0.05 per diluted share, on an after-tax basis) for asset impairments related to developed-technology intangible assets.
7. The company's results in 2019 included a benefit of \$37 million (\$29 million, or \$0.06 per diluted share, on an after-tax basis) related to its allocation of insurance proceeds received pursuant to a settlement and cost-sharing agreement for a legacy product-related matter.
8. The company's results in 2019 included a benefit of \$40 million (\$30 million, or \$0.06 per diluted share, on an after-tax basis) related to insurance recoveries as a result of losses incurred due to Hurricane Maria.
9. The company's results in 2019 included updates to the estimated impact of U.S. federal tax reform previously made by the company of \$16 million, or \$0.03 per diluted share.

For more information on the company's use of non-GAAP financial measures, please see the Non-GAAP Financial Measures section of this press release.

BAXTER INTERNATIONAL INC.
Sales by Operating Segment
(unaudited)
(\$ in millions)

	Three Months Ended September 30,		% Growth @ Actual Rates	% Growth @ Constant Rates	Nine Months Ended September 30,		% Growth @ Actual Rates	% Growth @ Constant Rates
	2020	2019			2020	2019		
Americas	\$ 1,549	\$ 1,534	1 %	2 %	\$ 4,455	\$ 4,462	(0)%	2 %
EMEA	777	730	6 %	3 %	2,262	2,179	4 %	4 %
APAC	646	587	10 %	7 %	1,775	1,682	6 %	7 %
Total Baxter	\$ 2,972	\$ 2,851	4 %	4 %	\$ 8,492	\$ 8,323	2 %	3 %

Constant currency growth is a non-GAAP measure. For more information on the company's use of non-GAAP financial measures, please see the Non-GAAP Financial Measures section of this press release.

BAXTER INTERNATIONAL INC.
Sales by GBU
(unaudited)
(\$ in millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020	2019	% Growth @ Actual Rates	% Growth @ Constant Rates	2020	2019	% Growth @ Actual Rates	% Growth @ Constant Rates
Renal Care ¹	\$ 955	\$ 918	4 %	4 %	\$ 2,744	\$ 2,679	2 %	5 %
Medication Delivery ²	680	701	(3)%	(3)%	1,982	2,024	(2)%	(1)%
Pharmaceuticals ³	540	527	2 %	1 %	1,552	1,575	(1)%	(1)%
Clinical Nutrition ⁴	237	219	8 %	5 %	676	639	6 %	7 %
Advanced Surgery ⁵	236	216	9 %	9 %	628	646	(3)%	(2)%
Acute Therapies ⁶	177	130	36 %	35 %	519	391	33 %	35 %
Other ⁷	147	140	5 %	4 %	391	369	6 %	7 %
Total Baxter	\$ 2,972	\$ 2,851	4 %	4 %	\$ 8,492	\$ 8,323	2 %	3 %

¹ Includes sales of the company's peritoneal dialysis (PD), hemodialysis (HD) and additional dialysis therapies and services.

² Includes sales of the company's intravenous (IV) therapies, infusion pumps, administration sets and drug reconstitution devices.

³ Includes sales of the company's premixed and oncology drug platforms, inhaled anesthesia and critical care products and pharmacy compounding services.

⁴ Includes sales of the company's parenteral nutrition (PN) therapies and related products.

⁵ Includes sales of the company's biological products and medical devices used in surgical procedures for hemostasis, tissue sealing and adhesion prevention.

⁶ Includes sales of the company's continuous renal replacement therapies (CRRT) and other organ support therapies focused in the intensive care unit (ICU).

⁷ Includes primarily sales of contract manufacturing services from the company's pharmaceutical partnering business.

Constant currency growth is a non-GAAP measure. For more information on the company's use of non-GAAP financial measures, please see the Non-GAAP Financial Measures section of this press release.

BAXTER INTERNATIONAL INC.
GBU Sales by U.S. and International
(unaudited)
(\$ in millions)

	Three Months Ended September 30,								
	2020			2019			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 216	\$ 739	\$ 955	\$ 199	\$ 719	\$ 918	9 %	3 %	4 %
Medication Delivery	434	246	680	461	240	701	(6)%	3 %	(3)%
Pharmaceuticals	210	330	540	223	304	527	(6)%	9 %	2 %
Clinical Nutrition	90	147	237	80	139	219	13 %	6 %	8 %
Advanced Surgery	139	97	236	134	82	216	4 %	18 %	9 %
Acute Therapies	72	105	177	44	86	130	64 %	22 %	36 %
Other	83	64	147	83	57	140	0 %	12 %	5 %
Total Baxter	\$ 1,244	\$ 1,728	\$ 2,972	\$ 1,224	\$ 1,627	\$ 2,851	2 %	6 %	4 %

BAXTER INTERNATIONAL INC.
GBU Sales by U.S. and International
(unaudited)
(\$ in millions)

	Nine Months Ended September 30,								
	2020			2019			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 629	\$ 2,115	\$ 2,744	\$ 587	\$ 2,092	\$ 2,679	7 %	1 %	2 %
Medication Delivery	1,296	686	1,982	1,308	716	2,024	(1)%	(4)%	(2)%
Pharmaceuticals	653	899	1,552	690	885	1,575	(5)%	2 %	(1)%
Clinical Nutrition	250	426	676	236	403	639	6 %	6 %	6 %
Advanced Surgery	370	258	628	397	249	646	(7)%	4 %	(3)%
Acute Therapies	204	315	519	136	255	391	50 %	24 %	33 %
Other	186	205	391	183	186	369	2 %	10 %	6 %
Total Baxter	\$ 3,588	\$ 4,904	\$ 8,492	\$ 3,537	\$ 4,786	\$ 8,323	1 %	2 %	2 %

BAXTER INTERNATIONAL INC.
Reconciliation of Non-GAAP Financial Measure
Operating Cash Flow to Free Cash Flow
(unaudited)
(\$ in millions)

	Nine Months Ended September 30,	
	2020	2019
Cash flows from operations - continuing operations	\$ 1,158	\$ 1,281
Capital expenditures	(472)	(505)
Free cash flow - continuing operations	\$ 686	\$ 776

Free cash flow is a non-GAAP measure. For more information on the company's use of non-GAAP financial measures, please see the Non-GAAP Financial Measures section of this press release.

BAXTER INTERNATIONAL INC.
Reconciliation of Non-GAAP Financial Measure
Change in Net Sales Growth As Reported to Operational Sales Growth
From The Three Months Ended September 30, 2019 to The Three Months Ended September 30, 2020
(unaudited)

	Net Sales Growth As Reported	Septrafilm	FX	Operational Sales Growth*
Renal Care	4 %	0 %	0 %	4 %
Medication Delivery	(3)%	0 %	0 %	(3)%
Pharmaceuticals	2 %	0 %	(1)%	1 %
Clinical Nutrition	8 %	0 %	(3)%	5 %
Advanced Surgery	9 %	(14)%	0 %	(5)%
Acute Therapies	36 %	0 %	(1)%	35 %
Other	5 %	0 %	(1)%	4 %
Total Baxter	4 %	(1)%	0 %	3 %
U.S.	2 %	(1)%	0 %	0 %
International	6 %	(1)%	(1)%	4 %

*Totals may not add across due to rounding

Operational sales growth is a non-GAAP measure. For more information on the company's use of non-GAAP financial measures, please see the Non-GAAP Financial Measures section of this press release.

BAXTER INTERNATIONAL INC.
Reconciliation of Non-GAAP Financial Measure
Change in Net Sales Growth As Reported to Operational Sales Growth
From The Nine Months Ended September 30, 2019 to The Nine Months Ended September 30, 2020
(unaudited)

	Net Sales Growth As Reported	Seprafilm	FX	Operational Sales Growth*
Renal Care	2 %	0 %	3 %	5 %
Medication Delivery	(2)%	0 %	1 %	(1)%
Pharmaceuticals	(1)%	0 %	0 %	(1)%
Clinical Nutrition	6 %	0 %	1 %	7 %
Advanced Surgery	(3)%	(10)%	1 %	(13)%
Acute Therapies	33 %	0 %	2 %	35 %
Other	6 %	0 %	1 %	7 %
Total Baxter	2 %	(1)%	1 %	3 %
U.S.	1 %	(1)%	0 %	0 %
International	2 %	(1)%	3 %	4 %

*Totals may not add across due to rounding

Operational sales growth is a non-GAAP measure. For more information on the company's use of non-GAAP financial measures, please see the Non-GAAP Financial Measures section of this press release.

BAXTER INTERNATIONAL INC.
Reconciliation of Non-GAAP Financial Measure
Projected Full Year 2020 U.S. GAAP Earnings Per Share to Projected Adjusted Earnings Per Share
(unaudited)

Earnings Per Share Guidance	FY 2020*
Earnings per Diluted Share - U.S. GAAP	\$2.41 - \$2.44
Estimated intangible asset amortization	\$0.33
Estimated business optimization charges	\$0.10
Estimated acquisition and integration expenses	\$0.06
Estimated investigation and related costs	\$0.04
Estimated European medical devices regulation	\$0.05
Intangible asset impairment	\$0.03
Earnings per Diluted Share - Adjusted	\$3.02 - \$3.05

*Totals may not foot due to rounding

The company's outlook for U.S. GAAP earnings per share only includes the impact of special items that are known or expected as of the date of this release. Accordingly, actual U.S. GAAP earnings per share for the full year of 2020 may differ significantly from those amounts. For example, the company's outlook does not reflect the potential impact of future business or asset acquisitions or dispositions, intangible asset impairments, restructuring actions, developments related to gain or loss contingencies, debt extinguishment gains or losses, or unusual or infrequently occurring items that may occur during the remainder of 2020.