

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

	Three Months Ended June 30,		
	2022		
	2022	2021	Change
NET SALES	\$ 3,746	\$ 3,098	21 %
COST OF SALES	2,293	1,865	23 %
GROSS MARGIN	1,453	1,233	18 %
<i>% of Net Sales</i>	<i>38.8 %</i>	<i>39.8 %</i>	<i>(1.0 pts)</i>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	976	675	45 %
<i>% of Net Sales</i>	<i>26.1 %</i>	<i>21.8 %</i>	<i>4.3 pts</i>
RESEARCH AND DEVELOPMENT EXPENSES	148	139	6 %
<i>% of Net Sales</i>	<i>4.0 %</i>	<i>4.5 %</i>	<i>(0.5 pts)</i>
OTHER OPERATING INCOME, NET	(11)	(5)	120 %
OPERATING INCOME	340	424	(20)%
<i>% of Net Sales</i>	<i>9.1 %</i>	<i>13.7 %</i>	<i>(4.6 pts)</i>
INTEREST EXPENSE, NET	89	34	162 %
OTHER (INCOME) EXPENSE, NET	(44)	(2)	NM
INCOME BEFORE INCOME TAXES	295	392	(25)%
INCOME TAX EXPENSE	40	91	(56)%
<i>% of Income Before Income Taxes</i>	<i>13.6 %</i>	<i>23.2 %</i>	<i>(9.6 pts)</i>
NET INCOME	255	301	(15)%
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3	3	0 %
NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ 252	\$ 298	(15)%
EARNINGS PER SHARE			
Basic	\$ 0.50	\$ 0.59	(15)%
Diluted	\$ 0.50	\$ 0.59	(15)%
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	504	503	
Diluted	508	509	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 605	\$ 533	14 %
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 549	\$ 501	10 %
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 443	\$ 409	8 %
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 0.87	\$ 0.80	9 %

¹ Refer to page 8 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 June 30, 2022 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Other Operating Income, Net	Operating Income	Other (Income) Expense, Net	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$ 1,453	\$ 976	\$ (11)	\$ 340	\$ (44)	\$ 295	\$ 40	\$ 255	\$ 252	\$ 0.50
Reported percent of net sales (or percent of income before income taxes for income tax expense)	38.8 %	26.1 %	(0.3)%	9.1 %	(1.2)%	7.9 %	13.6 %	6.8 %	6.7 %	
Intangible asset amortization ¹	112	(81)	—	193	—	193	47	146	146	0.29
Business optimization items ²	6	(36)	—	42	—	42	11	31	31	0.06
Acquisition and integration expenses ³	9	(20)	11	18	—	18	4	14	14	0.03
European medical devices regulation ⁴	12	—	—	12	—	12	3	9	9	0.02
Pension curtailment ⁵	—	—	—	—	11	(11)	(2)	(9)	(9)	(0.02)
Adjusted	\$ 1,592	\$ 839	\$ —	\$ 605	\$ (33)	\$ 549	\$ 103	\$ 446	\$ 443	\$ 0.87
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.5 %	22.4 %	0.0 %	16.2 %	(0.9)%	14.7 %	18.8 %	11.9 %	11.8 %	

The company's U.S. GAAP results for the three months ended June 30, 2021 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative 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	\$ 1,233	\$ 675	\$ (5)	\$ 424	\$ 392	\$ 91	\$ 301	\$ 298	\$ 0.59
Reported percent of net sales (or percent of income before income taxes for income tax expense)	39.8 %	21.8 %	(0.2)%	13.7 %	12.7 %	23.2 %	9.7 %	9.6 %	
Intangible asset amortization ¹	67	—	—	67	67	14	53	53	0.10
Business optimization items ²	10	(8)	—	18	18	3	15	15	0.03
Acquisition and integration expenses ³	—	(1)	5	(4)	(4)	(1)	(3)	(3)	(0.01)
European medical devices regulation ⁴	11	—	—	11	11	3	8	8	0.02
Investigation and related costs ⁶	—	(17)	—	17	17	1	16	16	0.03
Tax matter ⁷	—	—	—	—	—	(22)	22	22	0.04
Adjusted	\$ 1,321	\$ 649	\$ —	\$ 533	\$ 501	\$ 89	\$ 412	\$ 409	\$ 0.80
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.6 %	20.9 %	0.0 %	17.2 %	16.2 %	17.8 %	13.3 %	13.2 %	

¹ The company's results in 2022 and 2021 included intangible asset amortization expense of \$193 million (\$146 million, or \$0.29 per diluted share, on an after-tax basis) and \$67 million (\$53 million, or \$0.10 per diluted share, on an after-tax basis), respectively.

² The company's results in 2022 and 2021 included charges of \$42 million (\$31 million, or \$0.06 per diluted share, on an after-tax basis) and \$18 million (\$15 million, or \$0.03 per diluted share, on an after-tax basis), respectively, associated with its programs to optimize its organization and cost structure on a global basis. In 2022, restructuring charges include actions taken in connection with our integration of Hill-Rom Holdings, Inc. (Hillrom), which we acquired in December 2021.

³ The company's results in 2022 included \$18 million (\$14 million, or \$0.03 per diluted share, on an after-tax basis) of acquisition and integration-related expenses. That amount includes \$29 million of costs related to our acquisition of Hillrom, partially offset by an \$11 million benefit from a change in the estimated fair value of contingent consideration liabilities. The company's results in 2021 included \$4 million (\$3 million, or \$0.01 per diluted share, on an after-tax basis) of benefits from the change in fair value of contingent consideration liabilities that was partially offset by integration expenses related to the acquisition of the rights to **Caelyx** and **Doxil** for specified territories outside of the U.S.

⁴ The company's results in 2022 and 2021 included costs of \$12 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) and \$11 million (\$8 million, or \$0.02 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 became effective in stages beginning in 2021.

⁵ The company's results in 2022 included a curtailment gain of \$11 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) related to a curtailment gain on an announced change for active non-bargaining participants in our U.S. Hillrom pension plan.

⁶ The company's results in 2021 included costs of \$17 million (\$16 million, or \$0.03 per diluted share, on an after-tax basis) for investigation and related costs from matters associated with the company's investigation of foreign exchange gains and losses.

⁷ The company's results in 2021 included a charge of \$22 million, or \$0.04 per diluted share, related to an unfavorable court ruling for an uncertain tax position. 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)

	<u>Six Months Ended June 30,</u>		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
NET SALES	\$ 7,453	\$ 6,044	23 %
COST OF SALES	4,652	3,666	27 %
GROSS MARGIN	2,801	2,378	18 %
<i>% of Net Sales</i>	37.6 %	39.3 %	(1.7 pts)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,028	1,302	56 %
<i>% of Net Sales</i>	27.2 %	21.5 %	5.7 pts
RESEARCH AND DEVELOPMENT EXPENSES	298	267	12 %
<i>% of Net Sales</i>	4.0 %	4.4 %	(0.4 pts)
OTHER OPERATING INCOME, NET	(28)	(5)	NM
OPERATING INCOME	503	814	(38)%
<i>% of Net Sales</i>	6.7 %	13.5 %	(6.8 pts)
INTEREST EXPENSE, NET	174	68	156 %
OTHER (INCOME) EXPENSE, NET	(60)	3	NM
INCOME BEFORE INCOME TAXES	389	743	(48)%
INCOME TAX EXPENSE	61	142	(57)%
<i>% of Income Before Income Taxes</i>	15.7 %	19.1 %	(3.4 pts)
NET INCOME	328	601	(45)%
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	5	5	0 %
NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ 323	\$ 596	(46)%
EARNINGS PER SHARE			
Basic	\$ 0.64	\$ 1.18	(46)%
Diluted	\$ 0.64	\$ 1.17	(45)%
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	503	504	
Diluted	508	510	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 1,271	\$ 1,034	23 %
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 1,146	\$ 963	19 %
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 914	\$ 795	15 %
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 1.80	\$ 1.56	15 %

¹ Refer to page 10 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 six months ended June 30, 2022 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	Other (Income) Expense, Net	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$2,801	\$ 2,028	\$ 298	\$ (28)	\$ 503	\$ (60)	\$ 389	\$ 61	\$ 328	\$ 323	\$ 0.64
Reported percent of net sales (or percent of income before income taxes for income tax expense)	37.6 %	27.2 %	4.0 %	(0.4)%	6.7 %	(0.8)%	5.2 %	15.7 %	4.4 %	4.3 %	
Intangible asset amortization ¹	234	(176)	—	—	410	—	410	95	315	315	0.62
Business optimization items ²	8	(114)	(1)	—	123	—	123	31	92	92	0.18
Acquisition and integration expenses ³	173	(44)	—	28	189	—	189	34	155	155	0.31
European medical devices regulation ⁴	23	—	—	—	23	—	23	5	18	18	0.04
Product-related items ⁵	23	—	—	—	23	—	23	3	20	20	0.04
Pension curtailment ⁶	—	—	—	—	—	11	(11)	(2)	(9)	(9)	(0.02)
Adjusted	\$3,262	\$ 1,694	\$ 297	\$ —	\$ 1,271	\$ (49)	\$ 1,146	\$ 227	\$ 919	\$ 914	\$ 1.80
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	43.8 %	22.7 %	4.0 %	0.0 %	17.1 %	(0.7)%	15.4 %	19.8 %	12.3 %	12.3 %	

The company's U.S. GAAP results for the six months ended June 30, 2021 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative 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	\$ 2,378	\$ 1,302	\$ (5)	\$ 814	\$ 743	\$ 142	\$ 601	\$ 596	\$ 1.17
Reported percent of net sales (or percent of income before income taxes for income tax expense)	39.3 %	21.5 %	(0.1)%	13.5 %	12.3 %	19.1 %	9.9 %	9.9 %	
Intangible asset amortization ¹	131	—	—	131	131	26	105	105	0.21
Business optimization items ²	31	(14)	—	45	45	10	35	35	0.07
Acquisition and integration expenses ³	—	(2)	5	(3)	(3)	(1)	(2)	(2)	0.00
European medical devices regulation ⁴	19	—	—	19	19	5	14	14	0.03
Investigation and related costs ⁷	—	(28)	—	28	28	3	25	25	0.05
Tax matter ⁸	—	—	—	—	—	(22)	22	22	0.04
Adjusted	\$ 2,559	\$ 1,258	\$ —	\$ 1,034	\$ 963	\$ 163	\$ 800	\$ 795	\$ 1.56
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.3 %	20.8 %	0.0 %	17.1 %	15.9 %	16.9 %	13.2 %	13.2 %	

¹ The company's results in 2022 and 2021 included intangible asset amortization expense of \$410 million (\$315 million, or \$0.62 per diluted share, on an after-tax basis) and \$131 million (\$105 million, or \$0.21 per diluted share, on an after-tax basis), respectively.

² The company's results in 2022 and 2021 included charges of \$123 million (\$92 million, or \$0.18 per diluted share, on an after-tax basis) and \$45 million (\$35 million, or \$0.07 per diluted share, on an after-tax basis), respectively, associated with its programs to optimize its organization and cost structure on a global basis. In 2022, restructuring charges include actions taken in connection with our integration of Hill-Rom Holdings, Inc. (Hillrom), which we acquired in December 2021.

³ The company's results in 2022 included \$189 million (\$155 million, or \$0.31 per diluted share, on an after-tax basis) of acquisition and integration-related expenses. That amount includes \$217 million of costs related to our acquisition of Hillrom, including \$159 million of incremental costs of sales from the fair value step-ups on acquired Hillrom inventory that was sold in the first quarter. The acquisition and integration-related expenses related to Hillrom were partially offset by \$28 million of benefits from changes in the estimated fair value of contingent consideration liabilities. The company's results in 2021 included \$3 million (\$2 million, or \$0.00 per diluted share, on an after-tax basis) of benefits from a change in fair value of contingent consideration liabilities that was partially offset by integration expenses related to the company's acquisitions of **Caelyx** and **Doxil** for specified territories outside of the U.S.

⁴ The company's results in 2022 and 2021 included costs of \$23 million (\$18 million, or \$0.04 per diluted share, on an after-tax basis) and \$19 million (\$14 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 become effective in stages beginning in 2021.

⁵ The company's results in 2022 included charges of \$23 million (\$20 million, or \$0.04 per diluted share, on an after-tax basis) related to warranty and remediation activities from two field corrective actions on certain of our infusion pumps.

⁶ The company's results in 2022 included a curtailment gain of \$11 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) related to a curtailment gain on an announced change for active non-bargaining participants in our U.S. Hillrom pension plan.

- ⁷ The company's results in 2021 included costs of \$28 million (\$25 million, or \$0.05 per diluted share, on an after-tax basis) for investigation and related costs from matters associated with the company's investigation of foreign exchange gains and losses.
- ⁸ The company's results in 2021 included a charge of \$22 million, or \$0.04 per diluted share, related to an unfavorable court ruling for an uncertain tax position.

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)

	<u>Three Months Ended June 30,</u>				<u>Six Months Ended June 30,</u>			
	2022	2021	% Growth @ Actual Rates	% Growth @ Constant Rates	2022	2021	% Growth @ Actual Rates	% Growth @ Constant Rates
Americas	\$ 1,646	\$ 1,624	1 %	2 %	\$ 3,272	\$ 3,184	3 %	4 %
EMEA	738	783	(6)%	6 %	1,437	1,521	(6)%	4 %
APAC	647	691	(6)%	1 %	1,274	1,339	(5)%	1 %
Hillrom	715	—	N/A	N/A	1,470	—	N/A	N/A
Total Baxter	\$ 3,746	\$ 3,098	21 %	26 %	\$ 7,453	\$ 6,044	23 %	27 %

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 Product Category
(unaudited)
(\$ in millions)

	Three Months Ended June 30,		% Growth @ Actual Rates	% Growth @ Constant Rates	Six Months Ended June 30,		% Growth @ Actual Rates	% Growth @ Constant Rates
	2022	2021			2022	2021		
Renal Care ¹	\$ 931	\$ 964	(3) %	2 %	\$ 1,825	\$ 1,886	(3) %	1 %
Medication Delivery ²	710	697	2 %	4 %	1,416	1,349	5 %	7 %
Pharmaceuticals ³	528	546	(3) %	3 %	1,049	1,098	(4) %	1 %
Clinical Nutrition ⁴	230	237	(3) %	4 %	457	471	(3) %	3 %
Advanced Surgery ⁵	263	256	3 %	8 %	491	473	4 %	8 %
Acute Therapies ⁶	173	188	(8) %	(4) %	361	395	(9) %	(6) %
BioPharma Solutions ⁷	163	183	(11) %	(5) %	319	318	0 %	6 %
Patient Support Systems ⁸	364	—	N/A	N/A	747	—	N/A	N/A
Front Line Care ⁹	282	—	N/A	N/A	576	—	N/A	N/A
Surgical Solutions ¹⁰	69	—	N/A	N/A	147	—	N/A	N/A
Other ¹¹	33	27	22 %	26 %	65	54	20 %	22 %
Total Baxter	\$ 3,746	\$ 3,098	21 %	26 %	\$ 7,453	\$ 6,044	23 %	27 %

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 sales of contracted services the company provides to various pharmaceutical and biopharmaceutical companies.

⁸ Includes sales of the company's connected care solutions: devices, software, communications and integration technologies.

⁹ Includes sales of the company's integrated patient monitoring and diagnostic technologies to help diagnose, treat and manage a wide variety of illness and diseases, including respiratory therapy, cardiology, vision screening and physical assessment.

¹⁰ Includes sales of the company's surgical video technologies, tables, lights, pendants, precision positioning devices and other accessories.

¹¹ Includes sales of other miscellaneous product and service offerings.

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.
Product Category Sales by U.S. and International
(unaudited)
(\$ in millions)

Three Months Ended June 30,

	2022			2021			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 225	\$ 706	\$ 931	\$ 217	\$ 747	\$ 964	4 %	(5)%	(3)%
Medication Delivery	459	251	710	444	253	697	3 %	(1)%	2 %
Pharmaceuticals	164	364	528	162	384	546	1 %	(5)%	(3)%
Clinical Nutrition	90	140	230	84	153	237	7 %	(8)%	(3)%
Advanced Surgery	151	112	263	144	112	256	5 %	0 %	3 %
Acute Therapies	58	115	173	61	127	188	(5)%	(9)%	(8)%
BioPharma Solutions	75	88	163	65	118	183	15 %	(25)%	(11)%
Patient Support Systems	284	80	364	—	—	—	N/A	N/A	N/A
Front Line Care	202	80	282	—	—	—	N/A	N/A	N/A
Surgical Solutions	36	33	69	—	—	—	N/A	N/A	N/A
Other	20	13	33	21	6	27	(5)%	117 %	22 %
Total Baxter	\$ 1,764	\$ 1,982	\$ 3,746	\$ 1,198	\$ 1,900	\$ 3,098	47 %	4 %	21 %

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

	Six Months Ended June 30,								
	2022			2021			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 450	\$ 1,375	\$ 1,825	\$ 433	\$ 1,453	\$ 1,886	4 %	(5)%	(3)%
Medication Delivery	931	485	1,416	855	494	1,349	9 %	(2)%	5 %
Pharmaceuticals	321	728	1,049	362	736	1,098	(11)%	(1)%	(4)%
Clinical Nutrition	174	283	457	167	304	471	4 %	(7)%	(3)%
Advanced Surgery	287	204	491	270	203	473	6 %	0 %	4 %
Acute Therapies	126	235	361	142	253	395	(11)%	(7)%	(9)%
BioPharma Solutions	127	192	319	109	209	318	17 %	(8)%	0 %
Patient Support Systems	579	168	747	—	—	—	N/A	N/A	N/A
Front Line Care	409	167	576	—	—	—	N/A	N/A	N/A
Surgical Solutions	73	74	147	—	—	—	N/A	N/A	N/A
Other	44	21	65	40	14	54	10 %	50 %	20 %
Total Baxter	\$ 3,521	\$ 3,932	\$ 7,453	\$ 2,378	\$ 3,666	\$ 6,044	48 %	7 %	23 %

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

	Six Months Ended June 30,	
	2022	2021
Cash flows from operations – continuing operations	\$ 482	\$ 854
Cash flows from investing activities	(491)	(726)
Cash flows from financing activities	(1,017)	(707)
Cash flows from operations - continuing operations	\$ 482	\$ 854
Capital expenditures	(311)	(329)
Free cash flow - continuing operations	\$ 171	\$ 525

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 June 30, 2021 to The Three Months Ended June 30, 2022
(unaudited)

	Net Sales Growth As Reported	Hillrom	FX	Operational Sales Growth*
Renal Care	(3) %	0 %	5 %	2 %
Medication Delivery	2 %	0 %	2 %	4 %
Pharmaceuticals	(3) %	0 %	6 %	3 %
Clinical Nutrition	(3) %	0 %	7 %	4 %
Advanced Surgery	3 %	0 %	5 %	8 %
Acute Therapies	(8) %	0 %	4 %	(4) %
BioPharma Solutions	(11) %	0 %	6 %	(5) %
Patient Support Systems	N/A	N/A	N/A	N/A
Front Line Care	N/A	N/A	N/A	N/A
Surgical Solutions	N/A	N/A	N/A	N/A
Other	22 %	0 %	4 %	26 %
Total Baxter	21 %	(23) %	5 %	3 %
U.S.	47 %	(44) %	0 %	4 %
International	4 %	(10) %	9 %	2 %

*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 Six Months Ended June 30, 2021 to The Six Months Ended June 30, 2022
(unaudited)

	Net Sales Growth As Reported	Hillrom	FX	Operational Sales Growth*
Renal Care	(3) %	0 %	4 %	1 %
Medication Delivery	5 %	0 %	2 %	7 %
Pharmaceuticals	(4) %	0 %	5 %	1 %
Clinical Nutrition	(3) %	0 %	6 %	3 %
Advanced Surgery	4 %	0 %	4 %	8 %
Acute Therapies	(9) %	0 %	3 %	(6) %
BioPharma Solutions	0 %	0 %	6 %	6 %
Patient Support Systems	N/A	N/A	N/A	N/A
Front Line Care	N/A	N/A	N/A	N/A
Surgical Solutions	N/A	N/A	N/A	N/A
Other	20 %	0 %	2 %	22 %
Total Baxter	23 %	(24) %	4 %	3 %
U.S.	48 %	(45) %	0 %	3 %
International	7 %	(11) %	7 %	3 %

*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 Measures

**Projected Third Quarter and Full Year 2022 U.S. GAAP Sales Growth to Projected Operational Sales Growth, and
Projected Third Quarter and Full Year 2022 U.S. GAAP Earnings Per Share to Projected Adjusted Earnings Per Share
(unaudited)**

Sales Growth Guidance	Q3 2022*	FY 2022*
Sales Growth - U.S. GAAP	High Teens	High Teens
Hillrom	(23)%	(21)%
Foreign exchange	7.5%	5.5%
Sales Growth - Operational	Low Single Digit	2% - 3%

*Totals may not foot due to rounding

Earnings Per Share Guidance	Q3 2022*	FY 2022*
Earnings per Diluted Share - U.S. GAAP	\$0.46 - \$0.50	\$1.82 - \$1.92
Estimated intangible asset amortization	\$0.25	\$1.11
Estimated business optimization charges	\$0.02	\$0.22
Estimated acquisition and integration expenses	\$0.04	\$0.36
Estimated product-related items	\$0.00	\$0.04
Estimated European medical devices regulation	\$0.02	\$0.07
Estimated pension curtailment	\$0.00	\$(0.02)
Earnings per Diluted Share - Adjusted	\$0.79 - \$0.83	\$3.60 - \$3.70

*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 third quarter and full year of 2022 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, or unusual or infrequently occurring items that may occur during the remainder of 2022.