FOR IMMEDIATE RELEASE

BAXTER REPORTS THIRD-QUARTER 2022 RESULTS

- *Third-quarter revenue of $3.8 billion increased 17% on a reported basis, 23% on a constant currency basis and rose slightly on an operational basis*[1]
- *Third-quarter U.S. GAAP earnings (loss) per share (EPS) were ($5.83); Adjusted EPS totaled $0.82*
- *Third-quarter results reflect impairment charges of $3.1 billion related to Baxter's December 2021 Hillrom acquisition, primarily reflecting rising interest rates and broad declines in equity valuations*

DEERFIELD, Ill., OCTOBER 27, 2022 – Baxter International Inc. (NYSE:BAX), a global medtech leader, today reported results for the third quarter of 2022.

"Baxter's wide-ranging product portfolio is fundamental to healthcare globally, and at the heart of our sustained success over more than nine decades," said José (Joe) E. Almeida, chairman, president and chief executive officer. "We continue to navigate today's challenging macroenvironment and have taken decisive action on multiple fronts to mitigate ongoing macroeconomic headwinds, while remaining focused on the needs of all our stakeholders – from patients, clinicians and customers to our employees and shareholders. Our vision for the company and fundamental strengths are intact. We remain confident in our ability to deliver innovation for patients, to realize the potential of the Hillrom acquisition and to continue strategically optimizing our portfolio."

Third-Quarter Financial Results

Worldwide sales in the third quarter totaled $3.8 billion, increasing 17% on a reported basis, 23% on a constant currency basis and rising slightly on an operational basis. Operational sales in the quarter exclude the impacts of foreign exchange and the December 2021 acquisition of Hillrom.

---

[1] See tables to the press release for reconciliations of non-GAAP measures used in this press release to the corresponding U.S. GAAP measures.

Sales in the U.S. totaled $1.8 billion, increasing 40% on a reported basis and declining 1% on an operational basis. International sales of $1.9 billion increased 1% on a reported basis, 12% at constant currency rates and 2% operationally.

Among Baxter's product categories, Renal Care, Clinical Nutrition and Advanced Surgery delivered mid-single-digit growth at constant currency rates. Medication Delivery performance was comparable to the same period in 2021 at constant currency rates. Growth in the quarter was partially offset by a low single-digit decline in Pharmaceuticals, primarily driven by increased generic competition. As expected, Acute Therapies and BioPharma Solutions both declined at constant currency rates, reflecting challenging year-over-year comparisons due to a return to normal sales patterns following increased COVID-19 related sales in the third quarter of 2021.

Legacy Hillrom's Front Line Care, Patient Support Systems and Surgical Solutions businesses contributed $735 million to third-quarter sales on a reported basis. After adjusting for foreign exchange, sales in the quarter declined mid-single digits as compared to the prior year period, reflecting a difficult year-over-year comparison as well as the ongoing impact to business performance from electromechanical supply constraints.

Please see the attached schedules accompanying this press release for additional details on sales performance in the quarter, including breakouts by Baxter's product categories and segments.

Baxter's third quarter 2022 financial statements recognize pre-tax goodwill and intangible asset impairment charges of $3.1 billion in connection with the December 2021 Hillrom acquisition. These charges primarily reflect changes in macroeconomic factors, such as rising interest rates and broad declines in equity valuations, as well as the impact of current supply chain challenges on earnings forecasts for the legacy Hillrom businesses.

For the third quarter, net income (loss) attributable to Baxter was ($2.9 billion), or ($5.83) per diluted share, on a U.S. GAAP (Generally Accepted Accounting Principles) basis. This includes special items totaling $3.4 billion after tax. On an adjusted basis, net income attributable to Baxter totaled $414 million, or $0.82 per diluted share, a 20% decline as compared to the prior year period.

Recent Highlights

Baxter continues to advance key healthcare technologies in pursuit of its Mission to Save and Sustain Lives. Among recent highlights, the company:

- Announced U.S. Food and Drug Administration (FDA) 510(k) clearance of its **Novum IQ** syringe infusion pump (SYR) with **Dose IQ** Safety Software. Syringe infusion pumps are typically used to precisely deliver small amounts of fluid at low rates, often in pediatric, neonatal or anesthesia care settings. The **Novum IQ** SYR utilizes intuitive technologies developed to help reduce infusion errors and was designed to meet rigorous FDA guidance for infusion devices, including cybersecurity. Additionally, the **Novum IQ** SYR has the capability to fully integrate with hospital electronic medical record (EMR) systems through Baxter's **IQ Enterprise** Connectivity Suite.
- Received European Union Medical Device Regulation (MDR) certification for the **Oxiris** blood purification set, used for performing continuous renal replacement therapy (CRRT) and hemoperfusion. Now with an updated indication, **Oxiris** is certified as the only blood purification set currently available to effectively remove inflammatory mediators, endotoxin, fluid and uremic toxins simultaneously.
- Launched Baxter's **SmartCare** Remote Management (SCRM) technology for **Centrella** and **Progressa** Smart+ bed models in the U.S. market. SCRM is a cloud-based software solution that offers proactive intelligent equipment management across an entire fleet of connected devices. For smart beds, SCRM allows the healthcare provider to remotely monitor the bed's location, occupancy, and service needs, including error codes and preventive maintenance schedules, and can also be used to remotely deliver the latest firmware updates.

In addition, FDA recently completed its review of Baxter's pharmaceutical manufacturing site in Ahmedabad, India, and classified the facility as "voluntary action indicated" (VAI), meaning the Ahmedabad site is now designated to be in a state of compliance. As a result, FDA is now able to approve new drug product applications and major prior approval supplements referencing the Ahmedabad site.

As an integral part of Baxter's commitment to corporate responsibility, the company continues to prioritize its expansive ACT (Activating Change Today) initiative, a multidisciplinary effort to advance racial justice by driving meaningful, sustainable change within Baxter and the communities and markets the company serves. Among recent ACT milestones, the company has initiated new grants to organizations working to advance racial justice, expanded its support of

students at Historically Black Colleges and Universities (HBCUs) to help further the pipeline of Black healthcare professionals, and announced the national expansion of its partnerships with not-for-profit organizations The Links, Incorporated, and the National Kidney Foundation to bring greater awareness and resources to help address the disproportionate challenges affecting Black Americans related to kidney health.

Baxter also continues to be recognized for workplace excellence, having most recently been named by Seramount to its 2022 lists of 100 Best Companies and Best Companies for Dads.

2022 Financial Outlook

For full-year 2022: Baxter now expects U.S. GAAP earnings (loss) of ($4.52) to ($4.45) per diluted share and adjusted earnings, before special items, of $3.53 to $3.60 per diluted share. The company expects sales growth of 17% to 18% on a reported basis, approximately 23% on a constant currency basis and low single digits on an operational basis. Baxter's updated full-year financial outlook reflects the continued impact from supply constraints for electromechanical components, foreign exchange pressures as well as increased interest expenses and a higher effective tax rate.

For fourth-quarter 2022: The company expects sales growth of mid-to-high single digits on a reported basis, mid-teens on a constant currency basis and approximately flat on an operational basis. The company expects U.S. GAAP earnings of $0.60 to $0.67 per diluted share and adjusted earnings, before special items, of $0.92 to $0.99 per diluted share.

Third-Quarter 2022 Earnings Conference Call

A webcast of Baxter's third-quarter 2022 conference call for investors can be accessed live from a link at the company's website at www.baxter.com beginning at 7:30 a.m. CDT on October 27, 2022. Please see www.baxter.com for more information regarding this and future investor events and webcasts.

About Baxter

Every day, millions of patients, caregivers and healthcare providers rely on Baxter's leading portfolio of diagnostic, critical care, kidney care, nutrition, hospital and surgical products used across patient homes, hospitals, physician offices and other sites of care. For more than 90 years, we've been operating at the critical intersection where innovations that save and sustain lives meet the healthcare providers who make it happen. With products, digital health solutions and therapies available in more than 100 countries, Baxter's employees worldwide are now building upon the company's rich heritage of medical breakthroughs to advance the next generation of transformative

healthcare innovations. To learn more, visit www.baxter.com and follow us on Twitter, LinkedIn and Facebook.

Non-GAAP Financial Measures

This press release and the accompanying tables contain financial measures that are not calculated in accordance with U.S. GAAP. The non-GAAP financial measures include adjusted gross margin, adjusted selling, general and administrative expense, adjusted research and development expense, adjusted other operating income, net, adjusted operating income, adjusted operating margin, adjusted other (income) expense, net, adjusted income before income taxes, adjusted income tax expense, adjusted net income, adjusted net income attributable to Baxter stockholders, and adjusted diluted earnings per share, all of which exclude special items, sales growth on a constant currency and operational basis, and free cash flow. Special items are excluded because they are highly variable or unusual, and of a size that may substantially affect the company's reported operations for a period. Certain of those items represent estimates based on information reasonably available at the time of the press release. Future events or new information may result in different actual results.

Net sales growth rates are presented on a constant currency basis. These measures provide information on the percentage change in net sales growth assuming that foreign currency exchange rates have not changed between the prior and current periods. Net sales growth rates are also presented on an operational basis. For the quarter and nine months ended September 30, 2022, operational sales growth excludes the impact of foreign exchange and the December 2021 acquisition of Hillrom. This measure provides information on the change in net sales growth rates assuming that foreign exchange rates remained constant and excluding the impact of the company's recent acquisition of Hillrom.

For the quarter and nine months ended September 30, 2022 and 2021, special items include intangible asset amortization, business optimization charges, integration expenses, expenses related to European medical devices regulation, a pension curtailment gain, investigation and related costs, product-related items, goodwill and intangible asset impairments, a loss on a product divestiture arrangement, a reclassification of a cumulative translation loss to earnings and a tax matter. These items are excluded because they are highly variable or unusual and of a size that may substantially impact the company's reported operations for a period. Additionally, intangible asset amortization is excluded as a special item to facilitate an evaluation of current and past operating performance and is consistent with how management and the company's Board of Directors assess performance.

Non-GAAP financial measures may enhance an understanding of the company's operations and may facilitate an analysis of those operations, particularly in evaluating performance from one period to another. Management believes that non-GAAP financial measures, when used in conjunction with the results presented in accordance with U.S. GAAP and the reconciliations to corresponding U.S. GAAP financial measures, may enhance an investor's overall understanding of the company's past financial performance and prospects for the future. Accordingly, management uses these non-GAAP measures internally in financial planning, to monitor business unit performance, and, in some cases, for purposes of determining incentive compensation. This information should be considered in addition to, and not as substitutes for, information prepared in accordance with U.S. GAAP.

Forward-Looking Statements

This release includes forward-looking statements concerning the company's financial results (including the outlook for fourth-quarter and full-year 2022) and business development and regulatory activities. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: demand for and market acceptance of risks for new and existing products (including challenges with the company's ability to accurately predict changing customer preferences, which has led to and may continue to lead to increased inventory levels); continuity, availability and pricing of acceptable raw materials and component parts (and the company's ability to pass some or all of these costs on to its customers); inability to create additional production capacity in a timely manner or the occurrence of other manufacturing or supply difficulties (including as a result of a natural disaster, public health crises and epidemics/pandemics, geopolitical crises, regulatory actions or otherwise); product development risks (including any delays in obtaining required regulatory approvals or failures to obtain such approvals or ones associated with evolving regulatory requirements); product quality or patient safety concerns (leading to product recalls, withdrawals, launch delays, warning letters, import bans, sanctions, seizures, litigation, or declining sales); the impact of global economic conditions (including the ongoing war in Ukraine, the related economic sanctions being imposed globally in response to the conflict, potential trade wars and global inflationary pressures) and public health crises and epidemics, such as the ongoing coronavirus (COVID-19) pandemic, on the company and its employees, customers and suppliers, including foreign governments in countries in which the company operates; fluctuations in foreign exchange and interest rates; the adequacy of the company's cash flows from operations and other sources of liquidity to meet its ongoing cash obligations and fund its investment program (including as a result of any ratings downgrade); accurate identification of and execution on business development, portfolio rationalization and R&D opportunities and realization of anticipated benefits (including the acquisitions of Cheetah Medical, ***Seprafilm*** *Adhesion Barrier, specified OUS rights to* ***Caelyx/Doxil****, full U.S. and specific OUS rights to Transderm Scop,* ***PerClot****, Hillrom and certain rights to* ***Zosyn*** *in the U.S. and Canada); breaches or failures of the company's information technology systems or products, including by cyberattack, unauthorized access or theft; loss of key employees or inability to identify and recruit new employees; future actions of regulatory bodies and other governmental authorities, including FDA, the Department of Justice, the SEC, the New York Attorney General and foreign regulatory agencies, including the continued delay in lifting the warning letter at the company's Ahmedabad facility; the outcome of pending or future litigation, including the opioid litigation and ethylene oxide litigation or other claims; proposed regulatory changes of the U.S. Department of Health and Human Services in kidney health policy and reimbursement, which may substantially change the U.S. end-stage renal disease market and demand for the company's peritoneal dialysis products, necessitating significant multiyear capital expenditures, which are difficult to estimate in advance; failures with respect to compliance programs; future actions of third parties, including payers; U.S. healthcare reform and other global austerity measures; pricing, reimbursement, taxation and rebate policies of government agencies and private payers; the impact of competitive products and pricing, including generic competition, drug reimportation and disruptive technologies; the ability to enforce owned or in-licensed patents or the prevention or restriction of the manufacture, sale or use of products or technology affected by patents of third parties; global, trade and tax policies; any change in laws concerning the taxation of income (including current or future tax reform), including income earned outside the U.S. and potential taxes associated with the Base Erosion and Anti-Abuse Tax or the*

Build Back Better framework; actions taken by tax authorities in connection with ongoing tax audits; and other risks identified in Baxter's most recent filings on Form 10-K and Form 10-Q and other SEC filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements unless otherwise required by the federal securities laws.

Media Contact
Eric Tatro, (224) 948-5353
media@baxter.com

Investor Contact
Clare Trachtman, (224) 948-3020

###