

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

	Three Months Ended September 30, 2022		
	2022	2021	Change
NET SALES	\$ 3,773	\$ 3,226	17 %
COST OF SALES	2,640	1,905	39 %
GROSS MARGIN	1,133	1,321	(14)%
<i>% of Net Sales</i>	<i>30.0 %</i>	<i>40.9 %</i>	<i>(10.9 pts)</i>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	947	680	39 %
<i>% of Net Sales</i>	<i>25.1 %</i>	<i>21.1 %</i>	<i>4.0 pts</i>
RESEARCH AND DEVELOPMENT EXPENSES	152	129	18 %
<i>% of Net Sales</i>	<i>4.0 %</i>	<i>4.0 %</i>	<i>0.0 pts</i>
GOODWILL IMPAIRMENTS	2,785	—	NM
OTHER OPERATING EXPENSE (INCOME), NET	48	(1)	NM
OPERATING INCOME (LOSS)	(2,799)	513	NM
<i>% of Net Sales</i>	<i>(74.2)%</i>	<i>15.9 %</i>	<i>(90.1 pts)</i>
INTEREST EXPENSE, NET	104	50	108 %
OTHER (INCOME) EXPENSE, NET	63	12	NM
INCOME (LOSS) BEFORE INCOME TAXES	(2,966)	451	NM
INCOME TAX EXPENSE (BENEFIT)	(32)	(1)	NM
<i>% of Income (Loss) Before Income Taxes</i>	<i>1.1 %</i>	<i>(0.2)%</i>	<i>1.3 pts</i>
NET INCOME (LOSS)	(2,934)	452	NM
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3	2	50 %
NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ (2,937)	\$ 450	NM
EARNINGS PER SHARE			
Basic	\$ (5.83)	\$ 0.90	NM
Diluted	\$ (5.83)	\$ 0.89	NM
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	504	500	
Diluted	504	506	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 649	\$ 652	0 %
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 547	\$ 608	(10)%
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 414	\$ 516	(20)%
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 0.82	\$ 1.02	(20)%

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

NM - Not Meaningful

The company's U.S. GAAP results for the three months ended September 30, 2021 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 (Loss)	Interest Expense, Net	Income (Loss) Before Income Taxes	Income Tax Expense (Benefit)	Net Income (Loss)	Net Income (Loss) Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$ 1,321	\$ 680	\$ 129	\$ (1)	\$ 513	\$ 50	\$ 451	\$ (1)	\$ 452	\$ 450	\$ 0.89
Reported percent of net sales (or percent of income (loss) before income taxes for income tax expense (benefit))	40.9 %	21.1 %	4.0 %	0.0 %	15.9 %	1.5 %	14.0 %	(0.2)%	14.0 %	13.9 %	
Intangible asset amortization ¹	68	—	—	—	68	—	68	15	53	53	0.10
Business optimization items ²	20	(16)	—	—	36	—	36	8	28	28	0.06
Acquisition and integration expenses ³	1	(21)	—	1	21	(18)	39	8	31	31	0.06
European medical devices regulation ⁴	11	—	—	—	11	—	11	2	9	9	0.02
Investigation and related costs ⁹	—	(3)	—	—	3	—	3	—	3	3	0.01
Tax matter ¹⁰	—	—	—	—	—	—	—	58	(58)	(58)	(0.11)
Adjusted	\$ 1,421	\$ 640	\$ 129	\$ —	\$ 652	\$ 32	\$ 608	\$ 90	\$ 518	\$ 516	\$ 1.02
Adjusted percent of net sales (or adjusted percent of income (loss) before income taxes for income tax expense (benefit))	44.0 %	19.8 %	4.0 %	0.0 %	20.2 %	1.0 %	18.8 %	14.8 %	16.1 %	16.0 %	

¹ The company's results in 2022 and 2021 included intangible asset amortization expense of \$168 million (\$126 million, or \$0.25 per diluted share, on an after-tax basis) and \$68 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 \$73 million (\$52 million, or \$0.10 per diluted share, on an after-tax basis) and \$36 million (\$28 million, or \$0.06 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 \$4 million (\$2 million, or \$0.00 per diluted share, on an after-tax basis) of acquisition and integration-related expenses. That amount includes \$10 million of costs related to our acquisition of Hillrom, partially offset by a \$6 million benefit from a change in the estimated fair value of contingent consideration liabilities. The company's results in 2021 included \$39 million (\$31 million, or \$0.06 per diluted share, on an after-tax basis) of acquisition, integration and related financing expenses for the acquisition of Hillrom and the acquisition of the rights to **Caelyx** and **Doxil** for specified territories outside of the U.S. that was partially offset by the change in the estimated fair value of contingent consideration liabilities.

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 (\$9 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 charges of \$20 million (\$18 million, or \$0.04 per diluted share, on an after-tax basis) related to warranty and remediation activities from a field corrective action on certain of our infusion pumps.
- ⁶ The company's results in 2022 included charges of \$3.1 billion (\$3.0 billion, or \$5.99 per diluted share, on an after-tax basis) related to goodwill and indefinite-lived intangible asset impairments.
- ⁷ The company's results in 2022 included a loss of \$54 million (\$40 million, or \$0.08 per diluted share, on an after-tax basis) related to an arrangement to divest certain product rights for an amount that is less than the cost of those product rights which was triggered by U.S. and European Union regulatory approvals of the related products.
- ⁸ The company's results in 2022 included a charge of \$65 million (\$65 million, or \$0.13 per diluted share, on an after-tax basis) related to cumulative translation adjustments reclassified from accumulated other comprehensive income (loss) as a result of the substantial liquidation of its operations in Argentina.
- ⁹ The company's results in 2021 included costs of \$3 million (\$3 million, or \$0.01 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.
- ¹⁰ The company's results in 2021 included an income tax benefit of \$58 million, or \$0.11 per diluted share, related to a tax-deductible foreign statutory loss on an investment in a foreign subsidiary.

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
	2022	2021	
NET SALES	\$ 11,226	\$ 9,270	21 %
COST OF SALES	7,292	5,571	31 %
GROSS MARGIN	3,934	3,699	6 %
<i>% of Net Sales</i>	35.0 %	39.9 %	(4.9 pts)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,975	1,982	50 %
<i>% of Net Sales</i>	26.5 %	21.4 %	5.1 pts
RESEARCH AND DEVELOPMENT EXPENSES	450	396	14 %
<i>% of Net Sales</i>	4.0 %	4.3 %	(0.3 pts)
GOODWILL IMPAIRMENTS	2,785	—	NM
OTHER OPERATING EXPENSE (INCOME), NET	20	(6)	NM
OPERATING INCOME (LOSS)	(2,296)	1,327	NM
<i>% of Net Sales</i>	(20.5)%	14.3 %	(34.8 pts)
INTEREST EXPENSE, NET	278	118	136 %
OTHER (INCOME) EXPENSE, NET	3	15	NM
INCOME (LOSS) BEFORE INCOME TAXES	(2,577)	1,194	NM
INCOME TAX EXPENSE	29	141	(79)%
<i>% of Income (Loss) Before Income Taxes</i>	(1.1)%	11.8 %	(12.9 pts)
NET INCOME (LOSS)	(2,606)	1,053	NM
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	8	7	14 %
NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ (2,614)	\$ 1,046	NM
EARNINGS PER SHARE			
Basic	\$ (5.20)	\$ 2.08	NM
Diluted	\$ (5.20)	\$ 2.06	NM
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	503	503	
Diluted	503	509	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 1,920	\$ 1,686	14 %
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 1,693	\$ 1,571	8 %
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 1,328	\$ 1,311	1 %
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 2.61	\$ 2.58	1 %

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

NM - Not Meaningful

The company's U.S. GAAP results for the nine months ended September 30, 2021 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 (Loss)	Interest Expense, net	Income (Loss) Before Income Taxes	Income Tax Expense	Net Income (Loss)	Net Income (Loss) Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$3,699	\$ 1,982	\$ 396	\$ (6)	\$ 1,327	\$ 118	\$ 1,194	\$ 141	\$ 1,053	\$ 1,046	\$ 2.06
Reported percent of net sales (or percent of income (loss) before income taxes for income tax expense)	39.9 %	21.4 %	4.3 %	(0.1)%	14.3 %	1.3 %	12.9 %	11.8 %	11.4 %	11.3 %	
Intangible asset amortization ¹	199	—	—	—	199	—	199	41	158	158	0.31
Business optimization items ²	51	(30)	—	—	81	—	81	18	63	63	0.12
Acquisition and integration expenses ³	1	(23)	—	6	18	(18)	36	7	29	29	0.06
European medical devices regulation ⁴	30	—	—	—	30	—	30	7	23	23	0.05
Investigation and related costs ¹⁰	—	(31)	—	—	31	—	31	3	28	28	0.06
Tax matter ¹¹	—	—	—	—	—	—	—	36	(36)	(36)	(0.07)
Adjusted	\$3,980	\$ 1,898	\$ 396	\$ —	\$ 1,686	\$ 100	\$ 1,571	\$ 253	\$ 1,318	\$ 1,311	\$ 2.58
Adjusted percent of net sales (or adjusted percent of income (loss) before income taxes for income tax expense)	42.9 %	20.5 %	4.3 %	0.0 %	18.2 %	1.1 %	16.9 %	16.1 %	14.2 %	14.1 %	

¹ The company's results in 2022 and 2021 included intangible asset amortization expense of \$578 million (\$441 million, or \$0.87 per diluted share, on an after-tax basis) and \$199 million (\$158 million, or \$0.31 per diluted share, on an after-tax basis), respectively.

² The company's results in 2022 and 2021 included charges of \$196 million (\$144 million, or \$0.28 per diluted share, on an after-tax basis) and \$81 million (\$63 million, or \$0.12 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 Hillrom, which we acquired in December 2021.

³ The company's results in 2022 included \$193 million (\$157 million, or \$0.31 per diluted share, on an after-tax basis) of acquisition and integration-related expenses. That amount includes \$227 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 \$34 million of benefits from changes in the estimated fair value of contingent consideration liabilities. The company's results in 2021 included \$36 million (\$29 million, or \$0.06 per diluted share, on an after-tax basis) of acquisition, integration and related financing expenses for the proposed acquisition of Hillrom and the acquisition of the rights to **Caelyx** and **Doxil** for specified territories outside of the U.S. that was partially offset by the change in the estimated fair value of contingent consideration liabilities.

⁴ The company's results in 2022 and 2021 included costs of \$35 million (\$27 million, or \$0.05 per diluted share, on an after-tax basis) and \$30 million (\$23 million, or \$0.05 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 \$43 million (\$38 million, or \$0.07 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 charges of \$3.1 billion (\$3.0 billion, or \$5.98 per diluted share, on an after-tax basis) related to goodwill and indefinite-lived intangible asset impairments.
- ⁷ The company's results in 2022 included a loss of \$54 million (\$40 million, or \$0.08 per diluted share, on an after-tax basis) related to an arrangement to divest certain product rights for an amount that is less than the cost of those product rights which was triggered by U.S. and European Union regulatory approvals of the related products.
- ⁸ The company's results in 2022 included a charge of \$65 million (\$65 million, or \$0.13 per diluted share, on an after-tax basis) related to cumulative translation adjustments reclassified from accumulated other comprehensive income (loss) as a result of the substantial liquidation of its operations in Argentina.
- ⁹ 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 its U.S. Hillrom pension plan.
- ¹⁰ The company's results in 2021 included costs of \$31 million (\$28 million, or \$0.06 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.
- ¹¹ The company's results in 2021 included a net income tax benefit of \$36 million, or \$0.07 per diluted share, related to a tax-deductible foreign statutory loss on an investment in a foreign subsidiary that was partially offset by 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 September 30,</u>				<u>Nine Months Ended September 30,</u>			
	2022	2021	% Growth @ Actual Rates	% Growth @ Constant Rates	2022	2021	% Growth @ Actual Rates	% Growth @ Constant Rates
Americas	\$ 1,703	\$ 1,727	(1)%	0 %	\$ 4,975	\$ 4,911	1 %	2 %
EMEA	692	779	(11)%	3 %	2,129	2,300	(7)%	4 %
APAC	643	720	(11)%	(2)%	1,917	2,059	(7)%	(0)%
Hillrom	735	—	N/A	N/A	2,205	—	N/A	N/A
Total Baxter	\$ 3,773	\$ 3,226	17 %	23 %	\$ 11,226	\$ 9,270	21 %	26 %

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 September 30,		% Growth @ Actual Rates	% Growth @ Constant Rates	Nine Months Ended September 30,		% Growth @ Actual Rates	% Growth @ Constant Rates
	2022	2021			2022	2021		
Renal Care ¹	\$ 942	\$ 981	(4) %	4 %	\$ 2,767	\$ 2,867	(3) %	2 %
Medication Delivery ²	725	747	(3) %	(0) %	2,141	2,096	2 %	4 %
Pharmaceuticals ³	525	589	(11) %	(3) %	1,574	1,687	(7) %	(1) %
Clinical Nutrition ⁴	231	244	(5) %	4 %	688	715	(4) %	3 %
Advanced Surgery ⁵	247	249	(1) %	6 %	738	722	2 %	7 %
Acute Therapies ⁶	158	185	(15) %	(9) %	519	580	(11) %	(7) %
BioPharma Solutions ⁷	172	206	(17) %	(10) %	491	524	(6) %	(0) %
Patient Support Systems ⁸	380	—	N/A	N/A	1,127	—	N/A	N/A
Front Line Care ⁹	279	—	N/A	N/A	855	—	N/A	N/A
Surgical Solutions ¹⁰	76	—	N/A	N/A	223	—	N/A	N/A
Other ¹¹	38	25	52 %	56 %	103	79	30 %	33 %
Total Baxter	\$ 3,773	\$ 3,226	17 %	23 %	\$ 11,226	\$ 9,270	21 %	26 %

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 and smart beds.

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 September 30,

	2022			2021			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 240	\$ 702	\$ 942	\$ 222	\$ 759	\$ 981	8 %	(8)%	(4)%
Medication Delivery	475	250	725	490	257	747	(3)%	(3)%	(3)%
Pharmaceuticals	173	352	525	188	401	589	(8)%	(12)%	(11)%
Clinical Nutrition	92	139	231	88	156	244	5 %	(11)%	(5)%
Advanced Surgery	141	106	247	135	114	249	4 %	(7)%	(1)%
Acute Therapies	53	105	158	69	116	185	(23)%	(9)%	(15)%
BioPharma Solutions	99	73	172	109	97	206	(9)%	(25)%	(17)%
Patient Support Systems	301	79	380	—	—	—	N/A	N/A	N/A
Front Line Care	209	70	279	—	—	—	N/A	N/A	N/A
Surgical Solutions	38	38	76	—	—	—	N/A	N/A	N/A
Other	28	10	38	18	7	25	56 %	43 %	52 %
Total Baxter	\$ 1,849	\$ 1,924	\$ 3,773	\$ 1,319	\$ 1,907	\$ 3,226	40 %	1 %	17 %

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

	Nine Months Ended September 30,								
	2022			2021			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 690	\$ 2,077	\$ 2,767	\$ 655	\$ 2,212	\$ 2,867	5 %	(6)%	(3)%
Medication Delivery	1,406	735	2,141	1,345	751	2,096	5 %	(2)%	2 %
Pharmaceuticals	494	1,080	1,574	550	1,137	1,687	(10)%	(5)%	(7)%
Clinical Nutrition	266	422	688	255	460	715	4 %	(8)%	(4)%
Advanced Surgery	428	310	738	405	317	722	6 %	(2)%	2 %
Acute Therapies	179	340	519	211	369	580	(15)%	(8)%	(11)%
BioPharma Solutions	226	265	491	218	306	524	4 %	(13)%	(6)%
Patient Support Systems	880	247	1,127	—	—	—	N/A	N/A	N/A
Front Line Care	618	237	855	—	—	—	N/A	N/A	N/A
Surgical Solutions	111	112	223	—	—	—	N/A	N/A	N/A
Other	72	31	103	58	21	79	24 %	48 %	30 %
Total Baxter	\$ 5,370	\$ 5,856	\$ 11,226	\$ 3,697	\$ 5,573	\$ 9,270	45 %	5 %	21 %

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

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operations – continuing operations	\$ 772	\$ 1,529
Cash flows from investing activities	(675)	(933)
Cash flows from financing activities	(1,319)	(1,031)
Cash flows from operations - continuing operations	\$ 772	\$ 1,529
Capital expenditures	(479)	(508)
Free cash flow - continuing operations	\$ 293	\$ 1,021

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

	Net Sales Growth As Reported	Hillrom	FX	Operational Sales Growth*
Renal Care	(4)%	0 %	8 %	4 %
Medication Delivery	(3)%	0 %	3 %	(0)%
Pharmaceuticals	(11)%	0 %	8 %	(3)%
Clinical Nutrition	(5)%	0 %	9 %	4 %
Advanced Surgery	(1)%	0 %	7 %	6 %
Acute Therapies	(15)%	0 %	6 %	(9)%
BioPharma Solutions	(17)%	0 %	7 %	(10)%
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	52 %	0 %	4 %	56 %
Total Baxter	17 %	(23)%	6 %	0 %
U.S.	40 %	(42)%	0 %	(1)%
International	1 %	(10)%	11 %	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 Nine Months Ended September 30, 2021 to The Nine Months Ended September 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	(7) %	0 %	6 %	(1) %
Clinical Nutrition	(4) %	0 %	7 %	3 %
Advanced Surgery	2 %	0 %	5 %	7 %
Acute Therapies	(11) %	0 %	4 %	(7) %
BioPharma Solutions	(6) %	0 %	6 %	(0) %
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	30 %	0 %	3 %	33 %
Total Baxter	21 %	(24) %	5 %	2 %
U.S.	45 %	(44) %	0 %	2 %
International	5 %	(11) %	8 %	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 Measures

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

Sales Growth Guidance	Q4 2022*	FY 2022*
Sales Growth - U.S. GAAP	Mid-to-High Single Digits	17% - 18%
Hillrom	(15)%	(21)%
Foreign exchange	8%	5.5%
Sales Growth - Operational	0%	Low Single Digits

*Totals may not foot due to rounding

Earnings Per Share Guidance	Q4 2022*	FY 2022*
Earnings per Diluted Share - U.S. GAAP	\$0.60 - \$0.67	\$(4.52) - \$(4.45)
Estimated intangible asset amortization	\$0.24	\$1.12
Estimated business optimization charges	\$0.02	\$0.31
Estimated acquisition and integration expenses	\$0.04	\$0.32
Estimated European medical devices regulation	\$0.02	\$0.07
Estimated product-related items	\$0.00	\$0.07
Estimated goodwill and intangible asset impairments	\$0.00	\$5.98
Estimated loss on product divestiture arrangement	\$0.00	\$0.08
Estimated reclassification of cumulative translation loss to earnings	\$0.00	\$0.13
Estimated pension curtailment	\$0.00	\$(0.02)
Earnings per Diluted Share - Adjusted	\$0.92 - \$0.99	\$3.53 - \$3.60
		FY 2022
Estimated weighted-average diluted shares as reported		504
Estimated effect of dilutive securities that were anti-dilutive to dilutive EPS as reported		4
Estimated weighted-average diluted shares as adjusted		508

*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 fourth 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, goodwill or 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.