

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

|  | <b>Three Months Ended<br/>December 31,</b> |             | <b>Change</b> |
|--|--|-------------|---------------|
|  | <b>2022</b>                                | <b>2021</b> |               |
| <b>NET SALES</b>   | \$ 3,887                                   | \$ 3,514    | 11 %          |
| <b>COST OF SALES</b>   | 2,424                                      | 2,108       | 15 %          |
| <b>GROSS MARGIN</b>  | 1,463                                      | 1,406       | 4 %           |
| <i>% of Net Sales</i>  | 37.6 %                                     | 40.0 %      | (2.4 pts)     |
| <b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>  | 912  | 885         | 3 %           |
| <i>% of Net Sales</i>  | 23.5 %                                     | 25.2 %      | (1.7 pts)     |
| <b>RESEARCH AND DEVELOPMENT EXPENSES</b>   | 155  | 138         | 12 %          |
| <i>% of Net Sales</i>  | 4.0 %                                      | 3.9 %       | 0.1 pts       |
| <b>GOODWILL IMPAIRMENTS</b>  | 27   | —           | NM            |
| <b>OTHER OPERATING EXPENSE (INCOME), NET</b>   | 16   | —           | NM            |
| <b>OPERATING INCOME (LOSS)</b>   | 353  | 383         | (8)%          |
| <i>% of Net Sales</i>  | 9.1 %                                      | 10.9 %      | (1.8 pts)     |
| <b>INTEREST EXPENSE, NET</b>   | 117  | 74          | 58 %          |
| <b>OTHER (INCOME) EXPENSE, NET</b>   | 12   | 26          | (54)%         |
| <b>INCOME (LOSS) BEFORE INCOME TAXES</b>   | 224  | 283         | (21)%         |
| <b>INCOME TAX EXPENSE (BENEFIT)</b>  | 39   | 41          | (5)%          |
| <i>% of Income Before Income Taxes</i>   | 17.4 %                                     | 14.5 %      | 2.9 pts       |
| <b>NET INCOME (LOSS)</b>   | 185  | 242         | (24)%         |
| <b>NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>   | 4  | 4           | 0 %           |
| <b>NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS</b>   | \$ 181                                     | \$ 238      | (24)%         |
| <b>EARNINGS (LOSS) PER SHARE</b>   |  |             |               |
| <b>Basic</b>   | \$ 0.36                                    | \$ 0.48     | (25)%         |
| <b>Diluted</b>   | \$ 0.36                                    | \$ 0.47     | (23)%         |
| <b>WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING</b>   |  |             |               |
| <b>Basic</b>   | 504  | 501         |               |
| <b>Diluted</b>   | 507  | 507         |               |
| <b>ADJUSTED OPERATING INCOME (excluding special items)<sup>1</sup></b>                               | \$ 663                                     | \$ 710      | (7)%          |
| <b>ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)<sup>1</sup></b>                     | \$ 534                                     | \$ 645      | (17)%         |
| <b>ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)<sup>1</sup></b> | \$ 444                                     | \$ 521      | (15)%         |
| <b>ADJUSTED DILUTED EPS (excluding special items)<sup>1</sup></b>                                    | \$ 0.88                                    | \$ 1.03     | (15)%         |

<sup>1</sup> Refer to page 12 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 December 31, 2022 included special items which impacted the U.S. GAAP measures as follows:

|  | Gross Margin    | Selling, General and Administrative Expenses | Research and Development Expenses | Goodwill Impairments | Other Operating Expense (Income), Net | Operating Income (Loss) | Income (Loss) Before Income Taxes | Income Tax Expense (Benefit) | Net Income (Loss) | Net Income (Loss) Attributable to Baxter Stockholders | Diluted Earnings Per Share |
|--|-----------------|--|-----------------------------------|----------------------|---------------------------------------|-------------------------|-----------------------------------|------------------------------|-------------------|---|----------------------------|
| <b>Reported</b>  | <b>\$ 1,463</b> | <b>\$ 912</b>                                | <b>\$ 155</b>                     | <b>\$ 27</b>         | <b>\$ 16</b>                          | <b>\$ 353</b>           | <b>\$ 224</b>                     | <b>\$ 39</b>                 | <b>\$185</b>      | <b>\$ 181</b>   | <b>\$ 0.36</b>             |
| Reported percent of net sales (or percent of income (loss) before income taxes for income tax expense (benefit)) | 37.6 %          | 23.5 %                                       | 4.0 %                             | 0.7 %                | 0.4 %                                 | 9.1 %                   | 5.8 %                             | 17.4 %                       | 4.8 %             | 4.7 %   |                            |
| Intangible asset amortization <sup>1</sup>   | 122             | (53)   | —                                 | —                    | —                                     | 175                     | 175                               | 31                           | 144               | 144   | 0.28                       |
| Business optimization items <sup>2</sup>   | 7               | (23)   | 1                                 | —                    | —                                     | 29                      | 29                                | 8                            | 21                | 21  | 0.04                       |
| Acquisition and integration costs <sup>3</sup>   | (1)             | (27)   | 1                                 | —                    | 5                                     | 20                      | 20                                | 17                           | 3                 | 3   | 0.01                       |
| Divestiture-related costs <sup>4</sup>   | —               | (12)   | —                                 | —                    | —                                     | 12                      | 12                                | 3                            | 9                 | 9   | 0.02                       |
| European medical devices regulation <sup>5</sup>   | 13              | —  | —                                 | —                    | —                                     | 13                      | 13                                | 4                            | 9                 | 9   | 0.02                       |
| Product-related items <sup>6</sup>   | 1               | —  | —                                 | —                    | —                                     | 1                       | 1                                 | —                            | 1                 | 1   | 0.00                       |
| Goodwill and intangible asset impairments <sup>7</sup>   | 12              | —  | —                                 | (27)                 | —                                     | 39                      | 39                                | 5                            | 34                | 34  | 0.07                       |
| Loss on subsidiary liquidation <sup>8</sup>  | —               | —  | —                                 | —                    | (21)                                  | 21                      | 21                                | 4                            | 17                | 17  | 0.03                       |
| Tax matters <sup>11</sup>  | —               | —  | —                                 | —                    | —                                     | —                       | —                                 | (25)                         | 25                | 25  | 0.05                       |
| <b>Adjusted</b>  | <b>\$ 1,617</b> | <b>\$ 797</b>                                | <b>\$ 157</b>                     | <b>\$ —</b>          | <b>\$ —</b>                           | <b>\$ 663</b>           | <b>\$ 534</b>                     | <b>\$ 86</b>                 | <b>\$448</b>      | <b>\$ 444</b>   | <b>\$ 0.88</b>             |
| Adjusted percent of net sales (or percent of income (loss) before income taxes for income tax expense (benefit)) | 41.6 %          | 20.5 %                                       | 4.0 %                             | 0.0 %                | 0.0 %                                 | 17.1 %                  | 13.7 %                            | 16.1 %                       | 11.5 %            | 11.4 %  |                            |

The company's U.S. GAAP results for the three months ended December 31, 2021 included special items which impacted the U.S. GAAP measures as follows:

|  | Gross Margin   | Selling, General and Administrative Expenses | Research and Development Expenses | Operating Income (Loss) | Interest Expense, Net | Other (Income) 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 |
|--|----------------|--|-----------------------------------|-------------------------|-----------------------|-----------------------------|-----------------------------------|------------------------------|-------------------|---|----------------------------|
| <b>Reported</b>  | <b>\$1,406</b> | <b>\$ 885</b>                                | <b>\$ 138</b>                     | <b>\$ 383</b>           | <b>\$ 74</b>          | <b>\$ 26</b>                | <b>\$ 283</b>                     | <b>\$ 41</b>                 | <b>\$ 242</b>     | <b>\$ 238</b>   | <b>\$ 0.47</b>             |
| Reported percent of net sales (or percent of income (loss) before income taxes for income tax expense (benefit)) | 40.0 %         | 25.2 %                                       | 3.9 %                             | 10.9 %                  | 2.1 %                 | 0.7 %                       | 8.1 %                             | 14.5 %                       | 6.9 %             | 6.8 %   |                            |
| Intangible asset amortization <sup>1</sup>   | 88             | (11)   | —                                 | 99                      | —                     | —                           | 99                                | 23                           | 76                | 76  | 0.15                       |
| Business optimization items <sup>2</sup>   | 2              | (30)   | (1)                               | 33                      | —                     | —                           | 33                                | 5                            | 28                | 28  | 0.06                       |
| Acquisition and integration costs <sup>3</sup>   | 49             | (121)  | —                                 | 170                     | (30)                  | —                           | 200                               | 29                           | 171               | 171   | 0.34                       |
| European medical devices regulation <sup>5</sup>   | 12             | —  | —                                 | 12                      | —                     | —                           | 12                                | 3                            | 9                 | 9   | 0.02                       |
| Loss on debt extinguishment <sup>9</sup>   | —              | —  | —                                 | —                       | —                     | (5)                         | 5                                 | 1                            | 4                 | 4   | 0.01                       |
| Litigation matter <sup>10</sup>  | —              | (13)   | —                                 | 13                      | —                     | —                           | 13                                | —                            | 13                | 13  | 0.03                       |
| Tax matters <sup>11</sup>  | —              | —  | —                                 | —                       | —                     | —                           | —                                 | 18                           | (18)              | (18)  | (0.04)                     |
| <b>Adjusted</b>  | <b>\$1,557</b> | <b>\$ 710</b>                                | <b>\$ 137</b>                     | <b>\$ 710</b>           | <b>\$ 44</b>          | <b>\$ 21</b>                | <b>\$ 645</b>                     | <b>\$ 120</b>                | <b>\$ 525</b>     | <b>\$ 521</b>   | <b>\$ 1.03</b>             |
| Adjusted percent of net sales (or percent of income (loss) before income taxes for income tax expense (benefit)) | 44.3 %         | 20.2 %                                       | 3.9 %                             | 20.2 %                  | 1.3 %                 | 0.6 %                       | 18.4 %                            | 18.6 %                       | 14.9 %            | 14.8 %  |                            |

<sup>1</sup> The company's results in 2022 and 2021 included intangible asset amortization expense of \$175 million (\$144 million, or \$0.28 per diluted share, on an after-tax basis) and \$99 million (\$76 million, or \$0.15 per diluted share, on an after-tax basis), respectively.

<sup>2</sup> The company's results in 2022 and 2021 included charges of \$29 million (\$21 million, or \$0.04 per diluted share, on an after-tax basis) and \$33 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 its integration of Hill-Rom Holdings, Inc. (Hillrom), which was acquired in December 2021.

<sup>3</sup> The company's results in 2022 included \$20 million (\$3 million, or \$0.01 per diluted share, on an after-tax basis) of acquisition and integration-related costs. That amount includes \$25 million of costs related to our integration of Hillrom, partially offset by a \$5 million benefit from a change in the estimated fair value of contingent consideration liabilities. The company's results in 2021 included \$200 million (\$171 million, or \$0.34 per diluted share, on an after-tax basis) of acquisition, integration and related financing costs for its acquisition of Hillrom and the acquisition of the rights to **Caelyx** and **Doxil** for specified territories outside of the U.S. In prior years, the company previously included \$4 million of in-process research and development (IPR&D) charges within this acquisition and integration-related costs special item. The company updated its policy in the current year to no longer reflect IPR&D charges as a special item, therefore, the \$200 million prior year amount above has been updated from the \$204 million amount previously reported for comparability purposes.

- <sup>4</sup> The company's results in 2022 included costs of \$12 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) of divestiture-related costs of external advisors related to the proposed spinoff of its Renal Care and Acute Therapies product categories and the pursuit of strategic alternatives (including a potential sale) of its BioPharma Solutions (BPS) product category.
- <sup>5</sup> The company's results in 2022 and 2021 included costs of \$13 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) and \$12 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis), respectively, of incremental costs to comply with the European Union's medical device regulations for previously registered products, which primarily consist of contractor costs and other direct third-party costs. The company considers the adoption of these regulations to be a significant one-time regulatory change and believes that the costs of initial compliance for previously registered products over the implementation period are not indicative of its core operating results.
- <sup>6</sup> The company's results in 2022 included charges of \$1 million (\$1 million, or \$0.00 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.
- <sup>7</sup> The company's results in 2022 includes charges of \$39 million (\$34 million, or \$0.07 per diluted share, on an after-tax basis) related to goodwill and intangible asset impairments.
- <sup>8</sup> The company's results in 2022 included costs of \$21 million (\$17 million, or \$0.03 per diluted share, on an after-tax basis) related to its deconsolidation of a foreign subsidiary, including the derecognition of a related noncontrolling interest, upon its liquidation in December 2022 that was completed in connection with the company's legal entity rationalization activities.
- <sup>9</sup> The company's results in 2021 included a loss of \$5 million (\$4 million, or \$0.01 per diluted share, on an after-tax basis) on the early extinguishment of the \$2.4 billion debt assumed as part of its Hillrom acquisition.
- <sup>10</sup> The company's results in 2021 included a net charge of \$13 million (\$13 million, or \$0.03 per diluted share, on an after-tax basis) associated with claimants alleging injuries as a result of proximity to one of its plants.
- <sup>11</sup> The company's results in 2022 include a \$25 million, or \$0.05 per diluted share, valuation allowance recognized related to its estimated recoverability of a deferred tax asset for a net asset step-up related to Swiss tax reform legislation enacted during 2019 that is amortizable as a tax deduction ratably over tax years 2025 through 2029. The company's results in 2021 included an income tax benefit of \$18 million, or \$0.04 per diluted share related to a change in U.S. foreign tax credit regulations.

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)**

|  | Years Ended December 31, |           | Change     |
|--|--------------------------|-----------|------------|
|  | 2022                     | 2021      |            |
| <b>NET SALES</b>   | \$ 15,113                | \$ 12,784 | 18 %       |
| <b>COST OF SALES</b>   | 9,716                    | 7,679     | 27 %       |
| <b>GROSS MARGIN</b>  | 5,397                    | 5,105     | 6 %        |
| <i>% of Net Sales</i>  | 35.7 %                   | 39.9 %    | (4.2 pts)  |
| <b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>  | 3,887                    | 2,867     | 36 %       |
| <i>% of Net Sales</i>  | 25.7 %                   | 22.4 %    | 3.3 pts    |
| <b>RESEARCH AND DEVELOPMENT EXPENSES</b>   | 605                      | 534       | 13 %       |
| <i>% of Net Sales</i>  | 4.0 %                    | 4.2 %     | (0.2 pts)  |
| <b>GOODWILL IMPAIRMENTS</b>  | 2,812                    | —         | NM         |
| <b>OTHER OPERATING EXPENSE (INCOME), NET</b>   | 36                       | (6)       | NM         |
| <b>OPERATING INCOME (LOSS)</b>   | (1,943)                  | 1,710     | (214)%     |
| <i>% of Net Sales</i>  | (12.9)%                  | 13.4 %    | (26.3 pts) |
| <b>INTEREST EXPENSE, NET</b>   | 395                      | 192       | 106 %      |
| <b>OTHER (INCOME) EXPENSE, NET</b>   | 15                       | 41        | (63)%      |
| <b>INCOME (LOSS) BEFORE INCOME TAXES</b>   | (2,353)                  | 1,477     | (259)%     |
| <b>INCOME TAX EXPENSE (BENEFIT)</b>  | 68                       | 182       | (63)%      |
| <i>% of Income Before Income Taxes</i>   | (2.9)%                   | 12.3 %    | (15.2 pts) |
| <b>NET INCOME (LOSS)</b>   | (2,421)                  | 1,295     | (287)%     |
| <b>NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>   | 12                       | 11        | 9 %        |
| <b>NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS</b>   | \$ (2,433)               | \$ 1,284  | (289)%     |
| <b>EARNINGS (LOSS) PER SHARE</b>   |                          |           |            |
| <b>Basic</b>   | \$ (4.83)                | \$ 2.56   | (289)%     |
| <b>Diluted</b>   | \$ (4.83)                | \$ 2.53   | (291)%     |
| <b>WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING</b>   |                          |           |            |
| <b>Basic</b>   | 504                      | 502       |            |
| <b>Diluted</b>   | 504                      | 508       |            |
| <b>ADJUSTED OPERATING INCOME (excluding special items)<sup>1</sup></b>                               | \$ 2,583                 | \$ 2,396  | 8 %        |
| <b>ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)<sup>1</sup></b>                     | \$ 2,227                 | \$ 2,216  | 0 %        |
| <b>ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)<sup>1</sup></b> | \$ 1,772                 | \$ 1,832  | (3)%       |
| <b>ADJUSTED DILUTED EPS (excluding special items)<sup>1</sup></b>                                    | \$ 3.50                  | \$ 3.61   | (3)%       |

<sup>1</sup> Refer to page 14 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 year ended December 31, 2022 included special items which impacted the U.S. GAAP measures as follows:

|  | Gross Margin   | Selling, General and Administrative Expenses | Research and Development Expenses | Goodwill Impairments | Other Operating Expense (Income), Net | Operating Income (Loss) | Other (Income) Expense, Net | Income (Loss) Before Taxes | Income Tax Expense (Benefit) | Net Income (Loss) | Net Income (Loss) Attributable to Baxter Stockholders | Diluted Earnings Per Share |
|--|----------------|--|-----------------------------------|----------------------|---------------------------------------|-------------------------|-----------------------------|----------------------------|------------------------------|-------------------|---|----------------------------|
| <b>Reported</b>  | <b>\$5,397</b> | <b>\$ 3,887</b>                              | <b>\$ 605</b>                     | <b>\$ 2,812</b>      | <b>\$ 36</b>                          | <b>\$(1,943)</b>        | <b>\$ 15</b>                | <b>\$(2,353)</b>           | <b>\$ 68</b>                 | <b>\$(2,421)</b>  | <b>\$ (2,433)</b>                                     | <b>\$ (4.83)</b>           |
| Reported percent of net sales (or percent of income (loss) before income taxes for income tax expense (benefit)) | 35.7 %         | 25.7 %                                       | 4.0 %                             | 18.6 %               | 0.2 %                                 | (12.9)%                 | 0.1 %                       | (15.6)%                    | (2.9)%                       | (16.0)%           | (16.1)%   |                            |
| Intangible asset amortization <sup>1</sup>   | 466            | (287)  | —                                 | —                    | —                                     | 753                     | —                           | 753                        | 173                          | 580               | 580   | 1.14                       |
| Business optimization items <sup>2</sup>   | 28             | (194)  | (3)                               | —                    | —                                     | 225                     | —                           | 225                        | 55                           | 170               | 170   | 0.34                       |
| Acquisition and integration costs <sup>3</sup>   | 170            | (82)   | —                                 | —                    | 39                                    | 213                     | —                           | 213                        | 54                           | 159               | 159   | 0.31                       |
| Divestiture-related costs <sup>4</sup>   | —              | (12)   | —                                 | —                    | —                                     | 12                      | —                           | 12                         | 3                            | 9                 | 9   | 0.02                       |
| European medical devices regulation <sup>5</sup>   | 48             | —  | —                                 | —                    | —                                     | 48                      | —                           | 48                         | 12                           | 36                | 36  | 0.07                       |
| Product-related items <sup>6</sup>   | 44             | —  | —                                 | —                    | —                                     | 44                      | —                           | 44                         | 5                            | 39                | 39  | 0.08                       |
| Goodwill and intangible asset impairments <sup>7</sup>   | 344            | —  | —                                 | (2,812)              | —                                     | 3,156                   | —                           | 3,156                      | 83                           | 3,073             | 3,073   | 6.06                       |
| Loss on product divestiture arrangement <sup>8</sup>   | —              | —  | —                                 | —                    | (54)                                  | 54                      | —                           | 54                         | 13                           | 41                | 41  | 0.08                       |
| Loss on subsidiary liquidation <sup>9</sup>  | —              | —  | —                                 | —                    | (21)                                  | 21                      | —                           | 21                         | 4                            | 17                | 17  | 0.03                       |
| Reclassification of cumulative translation loss to earnings <sup>10</sup>  | —              | —  | —                                 | —                    | —                                     | —                       | (65)                        | 65                         | —                            | 65                | 65  | 0.13                       |
| Pension curtailment <sup>11</sup>  | —              | —  | —                                 | —                    | —                                     | —                       | 11                          | (11)                       | (2)                          | (9)               | (9)   | (0.02)                     |
| Tax matters <sup>15</sup>  | —              | —  | —                                 | —                    | —                                     | —                       | —                           | —                          | (25)                         | 25                | 25  | 0.05                       |
| <b>Adjusted</b>  | <b>\$6,497</b> | <b>\$ 3,312</b>                              | <b>\$ 602</b>                     | <b>\$ —</b>          | <b>\$ —</b>                           | <b>\$ 2,583</b>         | <b>\$ (39)</b>              | <b>\$2,227</b>             | <b>\$ 443</b>                | <b>\$1,784</b>    | <b>\$ 1,772</b>                                       | <b>\$ 3.50</b>             |
| Adjusted percent of net sales (or percent of income (loss) before income taxes for income tax expense (benefit)) | 43.0 %         | 21.9 %                                       | 4.0 %                             | 0.0 %                | 0.0 %                                 | 17.1 %                  | (0.3)%                      | 14.7 %                     | 19.9 %                       | 11.8 %            | 11.7 %  |                            |
| Weighted-average diluted shares as reported  |                |  |                                   |                      |                                       | 504                     |                             |                            |                              |                   |   |                            |
| Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported                                |                |  |                                   |                      |                                       | 3                       |                             |                            |                              |                   |   |                            |
| Weighted-average diluted shares as adjusted  |                |  |                                   |                      |                                       | <u>507</u>              |                             |                            |                              |                   |   |                            |

The company's U.S. GAAP results for the year ended December 31, 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 | Other (Income) 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 |
|--|----------------|--|-----------------------------------|---------------------------------------|-------------------------|-----------------------|-----------------------------|-----------------------------------|------------------------------|-------------------|---|----------------------------|
| <b>Reported</b>  | <b>\$5,105</b> | <b>\$ 2,867</b>                              | <b>\$ 534</b>                     | <b>\$ (6)</b>                         | <b>\$ 1,710</b>         | <b>\$ 192</b>         | <b>\$ 41</b>                | <b>\$1,477</b>                    | <b>\$ 182</b>                | <b>\$1,295</b>    | <b>\$ 1,284</b>                                       | <b>\$ 2.53</b>             |
| Reported percent of net sales (or percent of income (loss) before income taxes for income tax expense (benefit)) | 39.9 %         | 22.4 %                                       | 4.2 %                             | 0.0 %                                 | 13.4 %                  | 1.5 %                 | 0.3 %                       | 11.6 %                            | 12.3 %                       | 10.1 %            | 10.0 %  |                            |
| Intangible asset amortization <sup>1</sup>   | 287            | (11)   | —                                 | —                                     | 298                     | —                     | —                           | 298                               | 64                           | 234               | 234   | 0.46                       |
| Business optimization items <sup>2</sup>   | 53             | (60)   | (1)                               | —                                     | 114                     | —                     | —                           | 114                               | 23                           | 91                | 91  | 0.18                       |
| Acquisition and integration costs <sup>3</sup>   | 50             | (144)  | —                                 | 6                                     | 188                     | (48)                  | —                           | 236                               | 36                           | 200               | 200   | 0.39                       |
| European medical devices regulation <sup>5</sup>   | 42             | —  | —                                 | —                                     | 42                      | —                     | —                           | 42                                | 10                           | 32                | 32  | 0.06                       |
| Investigation and related costs <sup>12</sup>  | —              | (31)   | —                                 | —                                     | 31                      | —                     | —                           | 31                                | 3                            | 28                | 28  | 0.06                       |
| Loss on debt extinguishment <sup>13</sup>  | —              | —  | —                                 | —                                     | —                       | —                     | (5)                         | 5                                 | 1                            | 4                 | 4   | 0.01                       |
| Litigation matter <sup>14</sup>  | —              | (13)   | —                                 | —                                     | 13                      | —                     | —                           | 13                                | —                            | 13                | 13  | 0.03                       |
| Tax matters <sup>15</sup>  | —              | —  | —                                 | —                                     | —                       | —                     | —                           | —                                 | 54                           | (54)              | (54)  | (0.11)                     |
| <b>Adjusted</b>  | <b>\$5,537</b> | <b>\$ 2,608</b>                              | <b>\$ 533</b>                     | <b>\$ —</b>                           | <b>\$ 2,396</b>         | <b>\$ 144</b>         | <b>\$ 36</b>                | <b>\$2,216</b>                    | <b>\$ 373</b>                | <b>\$1,843</b>    | <b>\$ 1,832</b>                                       | <b>\$ 3.61</b>             |
| Adjusted percent of net sales (or percent of income (loss) before income taxes for income tax expense (benefit)) | 43.3 %         | 20.4 %                                       | 4.2 %                             | 0.0 %                                 | 18.7 %                  | 1.1 %                 | 0.3 %                       | 17.3 %                            | 16.8 %                       | 14.4 %            | 14.3 %  |                            |

<sup>1</sup> The company's results in 2022 and 2021 included intangible asset amortization expense of \$753 million (\$580 million, or \$1.14 per diluted share, on an after-tax basis) and \$298 million (\$234 million, or \$0.46 per diluted share, on an after-tax basis), respectively.

<sup>2</sup> The company's results in 2022 and 2021 included charges of \$225 million (\$170 million, or \$0.34 per diluted share, on an after-tax basis) and \$114 million (\$91 million, or \$0.18 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.

<sup>3</sup> The company's results in 2022 included \$213 million (\$159 million, or \$0.31 per diluted share, on an after-tax basis) of acquisition and integration-related expenses. That amount includes \$252 million of costs related to our acquisition and integration 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 \$39 million of benefits from changes in the estimated fair value of contingent consideration liabilities. The company's results in 2021 included \$236 million (\$200 million, or \$0.39 per diluted share, on an after-tax basis) of acquisition, integration and related financing expenses for its 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. In prior years, the company previously included \$4 million of IPR&D charges within this acquisition and integration-related costs special item. The company updated its policy in the current year to no longer reflect IPR&D charges as a special item, therefore, the \$236 million prior year amount above has been updated from the \$240 million amount previously reported for comparability purposes.

- <sup>4</sup> The company's results in 2022 included costs of \$12 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) of divestiture-related costs of external advisors related to the proposed spinoff of its Renal Care and Acute Therapies product categories and the pursuit of strategic alternatives (including a potential sale) of its BPS product category.
- <sup>5</sup> The company's results in 2022 and 2021 included costs of \$48 million (\$36 million, or \$0.07 per diluted share, on an after-tax basis) and \$42 million (\$32 million, or \$0.06 per diluted share, on an after-tax basis), respectively, of incremental costs to comply with the European Union's medical device regulations for previously registered products, which primarily consist of contractor costs and other direct third-party costs. The company considers the adoption of these regulations to be a significant one-time regulatory change and believes that the costs of initial compliance for previously registered products over the implementation period are not indicative of its core operating results.
- <sup>6</sup> The company's results in 2022 included charges of \$44 million (\$39 million, or \$0.08 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.
- <sup>7</sup> The company's results in 2022 included charges of \$3.2 billion (\$3.1 billion, or \$6.06 per diluted share, on an after-tax basis) related to goodwill and intangible asset impairments.
- <sup>8</sup> The company's results in 2022 included a loss of \$54 million (\$41 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.
- <sup>9</sup> The company's results in 2022 included a charge of \$21 million (\$17 million, or \$0.03 per diluted share, on an after-tax basis) related to its deconsolidation of a foreign subsidiary, including the derecognition of a related noncontrolling interest, upon its liquidation in December 2022 that was completed in connection with the company's legal entity rationalization activities.
- <sup>10</sup> 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.
- <sup>11</sup> 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 an announced change for active non-bargaining participants in its U.S. Hillrom pension plan.
- <sup>12</sup> 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 including charges related to matters associated with the company's investigation of foreign exchange gains and losses.
- <sup>13</sup> The company's results in 2021 include a loss of \$5 million (\$4 million, or \$0.01 per diluted share, on an after-tax basis) on the early extinguishment of the \$2.4 billion debt assumed as part of its Hillrom acquisition.
- <sup>14</sup> The company's results in 2021 included a charge of \$13 million (\$13 million, or \$0.03 per diluted share, on an after-tax basis) associated with claimants alleging injuries as a result of proximity to one of its plants.
- <sup>15</sup> The company's results in 2022 included a \$25 million or \$0.05 per diluted share, valuation allowance recognized related to its estimated recoverability of a deferred tax asset for a net asset step-up related to Swiss tax reform legislation enacted during 2019 that is amortizable as a tax deduction ratably over tax years 2025 through 2029. The company's results in 2021 included a net income tax benefit of \$54 million or \$0.11 per diluted share, related to a tax-deductible foreign statutory loss on an investment in a foreign subsidiary and a change in U.S. foreign tax credit regulations 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)**

|                     | Three Months Ended<br>December 31, |                 |                            |                              | Years Ended<br>December 31, |                  |                            |                              |
|---------------------|------------------------------------|-----------------|----------------------------|------------------------------|-----------------------------|------------------|----------------------------|------------------------------|
|                     | 2022                               | 2021            | % Growth @<br>Actual Rates | % Growth @<br>Constant Rates | 2022                        | 2021             | % Growth @<br>Actual Rates | % Growth @<br>Constant Rates |
| Americas            | \$ 1,735                           | \$ 1,755        | (1)%                       | 0 %                          | \$ 6,710                    | \$ 6,666         | 1 %                        | 2 %                          |
| EMEA                | 750                                | 815             | (8)%                       | 5 %                          | 2,879                       | 3,115            | (8)%                       | 4 %                          |
| APAC                | 668                                | 732             | (9)%                       | 2 %                          | 2,585                       | 2,791            | (7)%                       | 0 %                          |
| Hillrom             | 734                                | 212             | NM                         | NM                           | 2,939                       | 212              | NM                         | NM                           |
| <b>Total Baxter</b> | <b>\$ 3,887</b>                    | <b>\$ 3,514</b> | <b>11 %</b>                | <b>17 %</b>                  | <b>\$ 15,113</b>            | <b>\$ 12,784</b> | <b>18 %</b>                | <b>23 %</b>                  |

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.

NM - Not Meaningful

**BAXTER INTERNATIONAL INC.**  
**Sales by Product Category**  
**(unaudited)**  
**(\$ in millions)**

In connection with the acquisition of Hillrom in December 2021, the company has added three new product categories: Patient Support Systems, Front Line Care and Surgical Solutions.

|   | Three Months Ended<br>December 31, |                 | % Growth @<br>Actual Rates | % Growth @<br>Constant Rates | Years Ended<br>December 31, |                  | % Growth @<br>Actual Rates | % Growth @<br>Constant Rates |
|---|------------------------------------|-----------------|----------------------------|------------------------------|-----------------------------|------------------|----------------------------|------------------------------|
|   | 2022                               | 2021            |                            |                              | 2022                        | 2021             |                            |                              |
| Renal Care <sup>1</sup>                 | \$ 981                             | \$ 1,033        | (5)%                       | 3 %                          | \$ 3,748                    | \$ 3,900         | (4)%                       | 2 %                          |
| Medication Delivery <sup>2</sup>        | 745                                | 784             | (5)%                       | (2)%                         | 2,886                       | 2,880            | 0 %                        | 3 %                          |
| Pharmaceuticals <sup>3</sup>            | 552                                | 604             | (9)%                       | (1)%                         | 2,126                       | 2,291            | (7)%                       | (1)%                         |
| Clinical Nutrition <sup>4</sup>         | 243                                | 249             | (2)%                       | 6 %                          | 931                         | 964              | (3)%                       | 4 %                          |
| Advanced Surgery <sup>5</sup>           | 260                                | 255             | 2 %                        | 8 %                          | 998                         | 977              | 2 %                        | 8 %                          |
| Acute Therapies <sup>6</sup>            | 182                                | 202             | (10)%                      | (3)%                         | 701                         | 782              | (10)%                      | (6)%                         |
| BioPharma Solutions <sup>7</sup>        | 153                                | 145             | 6 %                        | 12 %                         | 644                         | 669              | (4)%                       | 2 %                          |
| Patient Support<br>Systems <sup>8</sup> | 360                                | 115             | NM                         | NM                           | 1,487                       | 115              | NM                         | NM                           |
| Front Line Care <sup>9</sup>            | 293                                | 70              | NM                         | NM                           | 1,148                       | 70               | NM                         | NM                           |
| Surgical Solutions <sup>10</sup>        | 81                                 | 27              | NM                         | NM                           | 304                         | 27               | NM                         | NM                           |
| Other <sup>11</sup>                     | 37                                 | 30              | 23 %                       | 23 %                         | 140                         | 109              | 28 %                       | 30 %                         |
| <b>Total Baxter</b>                     | <b>\$ 3,887</b>                    | <b>\$ 3,514</b> | <b>11 %</b>                | <b>17 %</b>                  | <b>\$ 15,113</b>            | <b>\$ 12,784</b> | <b>18 %</b>                | <b>23 %</b>                  |

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

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

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

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

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

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

<sup>7</sup> Includes sales of contracted services the company provides to various pharmaceutical and biopharmaceutical companies.

<sup>8</sup> Includes sales of connected care solutions: devices, software, communications and integration technologies and smart beds.

<sup>9</sup> Includes sales of 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.

<sup>10</sup> Includes sales of surgical video technologies, tables, lights, pendants, precision positioning devices and other accessories.

<sup>11</sup> 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.

NM - Not Meaningful

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

Three Months Ended December 31,

|                         | 2022            |                 |                 | 2021            |                 |                 | % Growth    |               |             |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|---------------|-------------|
|                         | U.S.            | International   | Total           | U.S.            | International   | Total           | U.S.        | International | Total       |
| Renal Care              | \$ 255          | \$ 726          | \$ 981          | \$ 235          | \$ 798          | \$ 1,033        | 9 %         | (9)%          | (5)%        |
| Medication Delivery     | 483             | 262             | 745             | 514             | 270             | 784             | (6)%        | (3)%          | (5)%        |
| Pharmaceuticals         | 188             | 364             | 552             | 203             | 401             | 604             | (7)%        | (9)%          | (9)%        |
| Clinical Nutrition      | 86              | 157             | 243             | 88              | 161             | 249             | (2)%        | (2)%          | (2)%        |
| Advanced Surgery        | 146             | 114             | 260             | 140             | 115             | 255             | 4 %         | (1)%          | 2 %         |
| Acute Therapies         | 62              | 120             | 182             | 76              | 126             | 202             | (18)%       | (5)%          | (10)%       |
| BioPharma Solutions     | 79              | 74              | 153             | 55              | 90              | 145             | 44 %        | (18)%         | 6 %         |
| Patient Support Systems | 270             | 90              | 360             | 86              | 29              | 115             | NM          | NM            | NM          |
| Front Line Care         | 222             | 71              | 293             | 51              | 19              | 70              | NM          | NM            | NM          |
| Surgical Solutions      | 34              | 47              | 81              | 12              | 15              | 27              | NM          | NM            | NM          |
| Other                   | 28              | 9               | 37              | 23              | 7               | 30              | 22 %        | 29 %          | 23 %        |
| <b>Total Baxter</b>     | <b>\$ 1,853</b> | <b>\$ 2,034</b> | <b>\$ 3,887</b> | <b>\$ 1,483</b> | <b>\$ 2,031</b> | <b>\$ 3,514</b> | <b>25 %</b> | <b>0 %</b>    | <b>11 %</b> |

NM - Not Meaningful

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

|                         | Years Ended December 31, |                 |                  |                 |                 |                  |             |               |             |
|-------------------------|--------------------------|-----------------|------------------|-----------------|-----------------|------------------|-------------|---------------|-------------|
|                         | 2022                     |                 |                  | 2021            |                 |                  | % Growth    |               |             |
|                         | U.S.                     | International   | Total            | U.S.            | International   | Total            | U.S.        | International | Total       |
| Renal Care              | \$ 945                   | \$ 2,803        | \$ 3,748         | \$ 890          | \$ 3,010        | \$ 3,900         | 6 %         | (7)%          | (4)%        |
| Medication Delivery     | 1,889                    | 997             | 2,886            | 1,859           | 1,021           | 2,880            | 2 %         | (2)%          | 0 %         |
| Pharmaceuticals         | 682                      | 1,444           | 2,126            | 753             | 1,538           | 2,291            | (9)%        | (6)%          | (7)%        |
| Clinical Nutrition      | 352                      | 579             | 931              | 343             | 621             | 964              | 3 %         | (7)%          | (3)%        |
| Advanced Surgery        | 574                      | 424             | 998              | 545             | 432             | 977              | 5 %         | (2)%          | 2 %         |
| Acute Therapies         | 241                      | 460             | 701              | 287             | 495             | 782              | (16)%       | (7)%          | (10)%       |
| BioPharma Solutions     | 305                      | 339             | 644              | 273             | 396             | 669              | 12 %        | (14)%         | (4)%        |
| Patient Support Systems | 1,150                    | 337             | 1,487            | 86              | 29              | 115              | NM          | NM            | NM          |
| Front Line Care         | 840                      | 308             | 1,148            | 51              | 19              | 70               | NM          | NM            | NM          |
| Surgical Solutions      | 145                      | 159             | 304              | 12              | 15              | 27               | NM          | NM            | NM          |
| Other                   | 100                      | 40              | 140              | 81              | 28              | 109              | 23 %        | 43 %          | 28 %        |
| <b>Total Baxter</b>     | <b>\$ 7,223</b>          | <b>\$ 7,890</b> | <b>\$ 15,113</b> | <b>\$ 5,180</b> | <b>\$ 7,604</b> | <b>\$ 12,784</b> | <b>39 %</b> | <b>4 %</b>    | <b>18 %</b> |

NM - Not Meaningful

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

|  | Years Ended<br>December 31, |                 |
|--|-----------------------------|-----------------|
|  | 2022                        | 2021            |
| Cash flows from operations - continuing operations | \$ 1,211                    | \$ 2,222        |
| Cash flows from investing activities               | (931)                       | (11,200)        |
| Cash flows from financing activities               | (1,438)                     | 8,245           |
| <br>   |                             |                 |
| Cash flows from operations - continuing operations | \$ 1,211                    | \$ 2,222        |
| Capital expenditures                               | (679)                       | (743)           |
| <b>Free cash flow - continuing operations</b>      | <b>\$ 532</b>               | <b>\$ 1,479</b> |

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 December 31, 2021 to The Three Months Ended December 31, 2022**  
**(unaudited)**

|                         | Net Sales<br>Growth<br>As Reported | Hillrom       | FX         | Operational<br>Sales Growth* |
|-------------------------|------------------------------------|---------------|------------|------------------------------|
| Renal Care              | (5) %                              | 0 %           | 8 %        | 3 %                          |
| Medication Delivery     | (5) %                              | 0 %           | 3 %        | (2) %                        |
| Pharmaceuticals         | (9) %                              | 0 %           | 8 %        | (1) %                        |
| Clinical Nutrition      | (2) %                              | 0 %           | 8 %        | 6 %                          |
| Advanced Surgery        | 2 %                                | 0 %           | 6 %        | 8 %                          |
| Acute Therapies         | (10) %                             | 0 %           | 7 %        | (3) %                        |
| BioPharma Solutions     | 6 %                                | 0 %           | 6 %        | 12 %                         |
| Patient Support Systems | NM                                 | NM            | NM         | NM                           |
| Front Line Care         | NM                                 | NM            | NM         | NM                           |
| Surgical Solutions      | NM                                 | NM            | NM         | NM                           |
| Other                   | 23 %                               | 0 %           | 0 %        | 23 %                         |
| <b>Total Baxter</b>     | <b>11 %</b>                        | <b>(15) %</b> | <b>6 %</b> | <b>2 %</b>                   |
| U.S.                    | 25 %                               | (25) %        | 0 %        | (1) %                        |
| International           | 0 %                                | (7) %         | 10 %       | 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.

NM - Not Meaningful

**BAXTER INTERNATIONAL INC.**  
**Reconciliation of Non-GAAP Financial Measure**  
**Change in Net Sales Growth As Reported to Operational Sales Growth**  
**From The Year Ended December 31, 2021 to The Year Ended December 31, 2022**  
**(unaudited)**

|                         | <b>Net Sales<br/>Growth<br/>As Reported</b> | <b>Hillrom</b> | <b>FX</b>  | <b>Operational<br/>Sales Growth*</b> |
|-------------------------|---|----------------|------------|--------------------------------------|
| Renal Care              | (4)%  | 0 %            | 6 %        | 2 %                                  |
| Medication Delivery     | 0 %   | 0 %            | 3 %        | 3 %                                  |
| Pharmaceuticals         | (7)%  | 0 %            | 6 %        | (1)%                                 |
| Clinical Nutrition      | (3)%  | 0 %            | 7 %        | 4 %                                  |
| Advanced Surgery        | 2 %   | 0 %            | 6 %        | 8 %                                  |
| Acute Therapies         | (10)%                                       | 0 %            | 4 %        | (6)%                                 |
| BioPharma Solutions     | (4)%  | 0 %            | 6 %        | 2 %                                  |
| Patient Support Systems | NM  | NM             | NM         | NM                                   |
| Front Line Care         | NM  | NM             | NM         | NM                                   |
| Surgical Solutions      | NM  | NM             | NM         | NM                                   |
| Other                   | 28 %  | 0 %            | 2 %        | 30 %                                 |
| <b>Total Baxter</b>     | <b>18 %</b>                                 | <b>(21)%</b>   | <b>5 %</b> | <b>2 %</b>                           |
| U.S.                    | 39 %  | (38)%          | 0 %        | 1 %                                  |
| International           | 4 %   | (10)%          | 8 %        | 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.

NM - Not Meaningful

**BAXTER INTERNATIONAL INC.**  
**Reconciliation of Non-GAAP Financial Measure**  
**Reported Sales Growth to Pro Forma Net Sales Growth at Constant Currency for Hillrom**  
**(unaudited)**  
**(\$ in millions)**

|  | <b>Three Months Ended<br/>December 31, 2022</b> | <b>Year Ended<br/>December 31, 2022</b> |
|--|---|---|
| <b>Hillrom net sales growth as reported</b>                    | <b>246 %</b>                                    | <b>1,286 %</b>                          |
| Impact of foreign currency                                     | 3 %   | 2 %                                     |
| Impact of Hillrom preacquisition net sales                     | (245) %   | (1,288) %                               |
| <b>Hillrom pro forma net sales growth at constant currency</b> | <b>4 %</b>                                      | <b>0 %</b>                              |

The above calculation of pro forma net sales growth at constant currency for the company's Hillrom segment adjusts fourth quarter and full year 2022 net sales as if currency rates had remained constant from the prior year periods and adjusts fourth quarter and full year 2021 net sales to include \$513 million and \$2.8 billion, respectively, of Hillrom's preacquisition net sales.

Pro forma net sales growth at constant currency for the company's Hillrom segment 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 First Quarter and Full Year 2023 U.S. GAAP Sales Growth to Projected Constant Currency Growth and  
Projected First Quarter and Full Year 2023 U.S. GAAP Earnings Per Share to Projected Adjusted Earnings Per Share  
(unaudited)**

| <b>Sales Growth Guidance</b>                  | <b>Q1 2023*</b>        | <b>FY 2023*</b>        |
|---|------------------------|------------------------|
| <b>Sales Growth - U.S. GAAP</b>               | ~(3)%                  | 1% - 2%                |
| Foreign exchange                              | 2%                     | (1)%                   |
| <b>Sales Growth - Constant Currency</b>       | ~(1)%                  | 0% - 1%                |
| <br>  |                        |                        |
| <b>Earnings Per Share Guidance</b>            | <b>Q1 2023*</b>        | <b>FY 2023*</b>        |
| <b>Earnings per Diluted Share - U.S. GAAP</b> | <b>\$0.14 - \$0.18</b> | <b>\$1.43 - \$1.63</b> |
| Estimated intangible asset amortization       | \$0.24                 | \$0.96                 |
| Estimated business optimization charges       | \$0.02                 | \$0.07                 |
| Estimated acquisition and integration costs   | \$0.02                 | \$0.08                 |
| Estimated divestiture-related costs           | \$0.02                 | \$0.12                 |
| Estimated European medical devices regulation | \$0.02                 | \$0.09                 |
| <b>Earnings per Diluted Share - Adjusted</b>  | <b>\$0.46 - \$0.50</b> | <b>\$2.75 - \$2.95</b> |

\*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 first quarter and full year of 2023 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 and intangible asset impairments, restructuring actions, developments related to gain or loss contingencies, or unusual or infrequently occurring items that may occur during 2023.