

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

|  | Three Months Ended<br>December 31, |          |            |
|--|------------------------------------|----------|------------|
|  | 2024                               | 2023     | Change     |
| <b>NET SALES</b>   | \$ 2,753                           | \$ 2,729 | 1 %        |
| <b>COST OF SALES</b>   | 1,794                              | 1,629    | 10 %       |
| <b>GROSS MARGIN</b>  | 959                                | 1,100    | (13)%      |
| <i>% of Net Sales</i>  | 34.8 %                             | 40.3 %   | (5.5 pts)  |
| <b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>  | 761                                | 683      | 11 %       |
| <i>% of Net Sales</i>  | 27.6 %                             | 25.0 %   | 2.6 pts    |
| <b>RESEARCH AND DEVELOPMENT EXPENSES</b>   | 211                                | 127      | 66 %       |
| <i>% of Net Sales</i>  | 7.7 %                              | 4.7 %    | 3.0 pts    |
| <b>GOODWILL IMPAIRMENTS</b>  | 425                                | —        | NM         |
| <b>OTHER OPERATING INCOME, NET</b>   | (3)                                | (14)     | (79)%      |
| <b>OPERATING INCOME (LOSS)</b>   | (435)                              | 304      | NM         |
| <i>% of Net Sales</i>  | (15.8)%                            | 11.1 %   | (26.9 pts) |
| <b>INTEREST EXPENSE, NET</b>   | 90                                 | 72       | 25 %       |
| <b>OTHER (INCOME) EXPENSE, NET</b>   | (4)                                | 11       | NM         |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>                                  | (521)                              | 221      | NM         |
| <b>INCOME TAX EXPENSE (BENEFIT)</b>  | (33)                               | 2        | NM         |
| <i>% of Income (Loss) from Continuing Operations Before Income Taxes</i>                             | 6.3 %                              | 0.9 %    | 5.4 pts    |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>  | (488)                              | 219      | NM         |
| <b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX</b>  | (22)                               | 27       | NM         |
| <b>NET INCOME (LOSS)</b>   | (510)                              | 246      | NM         |
| <b>NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS INCLUDED IN CONTINUING OPERATIONS</b>         | —                                  | —        | NM         |
| <b>NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS INCLUDED IN DISCONTINUED OPERATIONS</b>       | 2                                  | 1        | 100 %      |
| <b>NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>   | 2                                  | 1        | 100 %      |
| <b>NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS</b>   | \$ (512)                           | \$ 245   | NM         |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS PER COMMON SHARE</b>                                     |                                    |          |            |
| <b>Basic</b>   | \$ (0.95)                          | \$ 0.43  | NM         |
| <b>Diluted</b>   | \$ (0.95)                          | \$ 0.43  | NM         |
| <b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS PER COMMON SHARE</b>                                   |                                    |          |            |
| <b>Basic</b>   | \$ (0.05)                          | \$ 0.05  | NM         |
| <b>Diluted</b>   | \$ (0.05)                          | \$ 0.05  | NM         |
| <b>NET INCOME (LOSS) PER COMMON SHARE</b>  |                                    |          |            |
| <b>Basic</b>   | \$ (1.00)                          | \$ 0.48  | NM         |
| <b>Diluted</b>   | \$ (1.00)                          | \$ 0.48  | NM         |
| <b>WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING</b>   |                                    |          |            |
| <b>Basic</b>   | 511                                | 507      |            |
| <b>Diluted</b>   | 511                                | 509      |            |
| <b>ADJUSTED OPERATING INCOME (excluding special items)<sup>1</sup></b>                               | \$ 419                             | \$ 468   | (10)%      |
| <b>ADJUSTED INCOME FROM CONTINUING OPERATIONS (excluding special items)<sup>1</sup></b>              | \$ 297                             | \$ 330   | (10)%      |
| <b>ADJUSTED INCOME FROM DISCONTINUED OPERATIONS (excluding special items)<sup>1</sup></b>            | \$ 101                             | \$ 105   | (4)%       |
| <b>ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)<sup>1</sup></b> | \$ 396                             | \$ 434   | (9)%       |
| <b>ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)<sup>1</sup></b>         | \$ 0.58                            | \$ 0.65  | (11)%      |
| <b>ADJUSTED DILUTED EPS FROM DISCONTINUED OPERATIONS (excluding special items)<sup>1</sup></b>       | \$ 0.19                            | \$ 0.20  | (5)%       |
| <b>ADJUSTED DILUTED EPS (excluding special items)<sup>1</sup></b>                                    | \$ 0.77                            | \$ 0.85  | (9)%       |

<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 three months ended December 31, 2024 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 | Operating Income (Loss) | Income (Loss) From Continuing Operations Before Income Taxes | Income Tax Expense (Benefit) | Income (Loss) From Continuing Operations | Income From Discontinued Operations, Net of Tax | Net Income (Loss) | Net Income (Loss) Attributable to Baxter Stockholders | Diluted Earnings Per Share from Continuing Operations | Diluted Earnings Per Share from Discontinued Operations | Diluted Earnings Per Share |
|--|-----------------|--|-----------------------------------|----------------------|-------------------------|--|------------------------------|--|---|-------------------|---|---|---|----------------------------|
| <b>Reported</b>  | <b>\$ 959</b>   | <b>\$ 761</b>                                | <b>\$ 211</b>                     | <b>\$ 425</b>        | <b>\$ (435)</b>         | <b>\$ (521)</b>  | <b>\$ (33)</b>               | <b>\$ (488)</b>                          | <b>\$ (22)</b>                                  | <b>\$ (510)</b>   | <b>\$ (512)</b>                                       | <b>\$ (0.95)</b>                                      | <b>\$ (0.05)</b>  | <b>\$ (1.00)</b>           |
| Reported percent of net sales (or effective tax rate for income tax expense (benefit)) | 34.8 %          | 27.6 %                                       | 7.7 %                             | 15.4 %               | (15.8)%                 | (18.9)%  | 6.3 %                        | (17.7)%                                  | (0.8)%  | (18.5)%           | (18.6)%   |   |   |                            |
| Intangible asset amortization  | 103             | (51)   | —                                 | —                    | 154                     | 154  | 37                           | 117                                      | 1   | 118               | 118   | 0.23  | 0.00  | 0.23                       |
| Business optimization items <sup>1</sup>   | 59              | (24)   | (30)                              | —                    | 113                     | 113  | 27                           | 86                                       | (4)   | 82                | 82  | 0.17  | (0.01)  | 0.16                       |
| Acquisition and integration items <sup>2</sup>   | —               | (7)  | —                                 | —                    | 7                       | 7  | 2                            | 5  | —   | 5                 | 5   | 0.01  | 0.00  | 0.01                       |
| European medical devices regulation <sup>3</sup>                                       | 8               | —  | —                                 | —                    | 8                       | 8  | 1                            | 7  | (1)   | 6                 | 6   | 0.01  | 0.00  | 0.01                       |
| Product-related items <sup>4</sup>   | 12              | —  | —                                 | —                    | 12                      | 12   | 3                            | 9  | —   | 9                 | 9   | 0.02  | 0.00  | 0.02                       |
| Hurricane Helene costs <sup>5</sup>  | 85              | —  | —                                 | —                    | 85                      | 85   | 21                           | 64                                       | 9   | 73                | 73  | 0.13  | 0.01  | 0.14                       |
| Long-lived asset impairments <sup>6</sup>  | —               | —  | (50)                              | —                    | 50                      | 50   | 13                           | 37                                       | —   | 37                | 37  | 0.07  | 0.00  | 0.07                       |
| Goodwill impairments <sup>7</sup>  | —               | —  | —                                 | (425)                | 425                     | 425  | —                            | 425                                      | —   | 425               | 425   | 0.83  | 0.00  | 0.83                       |
| Separation-related costs <sup>8</sup>  | —               | —  | —                                 | —                    | —                       | —  | —                            | —  | 68  | 68                | 68  | 0.00  | 0.13  | 0.13                       |
| Tax matters <sup>12</sup>  | —               | —  | —                                 | —                    | —                       | —  | (35)                         | 35                                       | 50  | 85                | 85  | 0.07  | 0.10  | 0.17                       |
| <b>Adjusted</b>  | <b>\$ 1,226</b> | <b>\$ 679</b>                                | <b>\$ 131</b>                     | <b>\$ —</b>          | <b>\$ 419</b>           | <b>\$ 333</b>  | <b>\$ 36</b>                 | <b>\$ 297</b>                            | <b>\$ 101</b>                                   | <b>\$ 398</b>     | <b>\$ 396</b>   | <b>\$ 0.58</b>  | <b>\$ 0.19</b>  | <b>\$ 0.77</b>             |
| Adjusted percent of net sales (or effective tax rate for income tax expense (benefit)) | 44.5 %          | 24.7 %                                       | 4.8 %                             | 0.0 %                | 15.2 %                  | 12.1 %   | 10.8 %                       | 10.8 %                                   | 3.7 %   | 14.5 %            | 14.4 %  |   |   |                            |

|   | Reported       | Adjusted     |   |
|---|----------------|--------------|---|
| Income (loss) from discontinued operations, net of tax  | \$ (22)        | \$ 101       | Weighted-average diluted shares as reported 511                                     |
| Less: Net income attributable to noncontrolling interests included in discontinued operations | 2              | 2            | Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported 1 |
| <b>Income (loss) from discontinued operations attributable to Baxter stockholders</b>         | <b>\$ (24)</b> | <b>\$ 99</b> | <b>Weighted-average diluted shares as adjusted 512</b>                              |

|  | Reported        | Adjusted      |
|--|-----------------|---------------|
| Net income (loss)  | \$ (510)        | \$ 398        |
| Less: Net income (loss) attributable to noncontrolling interests | 2               | 2             |
| <b>Net income (loss) attributable to Baxter stockholders</b>     | <b>\$ (512)</b> | <b>\$ 396</b> |

The company's U.S. GAAP results for the three months ended December 31, 2023 included special items which impacted the U.S. GAAP measures as follows:

|  | Gross Margin   | Selling, General and Administrative Expenses | Other Operating Expense, Net | Operating Income (Loss) | Other (Income) Expense, Net | Income (Loss) From Continuing Operations Before Income Taxes | Income Tax Expense (Benefit) | Income (Loss) From Continuing Operations | Income From Discontinued Operations | Net Income (Loss) | Net Income (Loss) Attributable to Baxter Stockholders | Diluted Earnings Per Share from Continuing Operations | Diluted Earnings Per Share from Discontinued Operations | Diluted Earnings Per Share |
|--|----------------|--|------------------------------|-------------------------|-----------------------------|--|------------------------------|--|-------------------------------------|-------------------|---|---|---|----------------------------|
| <b>Reported</b>  | <b>\$1,100</b> | <b>\$ 683</b>                                | <b>\$ (14)</b>               | <b>\$ 304</b>           | <b>\$ 11</b>                | <b>\$ 221</b>  | <b>\$ 2</b>                  | <b>\$ 219</b>                            | <b>\$ 27</b>                        | <b>\$ 246</b>     | <b>\$ 245</b>   | <b>\$ 0.43</b>  | <b>\$ 0.05</b>  | <b>\$ 0.48</b>             |
| Reported percent of net sales (or effective tax rate for income tax expense (benefit)) | 40.3 %         | 25.0 %                                       | (0.5)%                       | 11.1 %                  | 0.4 %                       | 8.1 %  | 0.9 %                        | 8.0 %                                    | 1.0 %                               | 9.0 %             | 9.0 %   |   |   |                            |
| Intangible asset amortization  | 104            | (52)   | —                            | 156                     | —                           | 156  | 44                           | 112                                      | 12                                  | 124               | 124   | 0.22  | 0.02  | 0.24                       |
| Business optimization items <sup>1</sup>   | 4              | (3)  | —                            | 7                       | —                           | 7  | 31                           | (24)                                     | 14                                  | (10)              | (10)  | (0.05)  | 0.03  | (0.02)                     |
| Acquisition and integration items <sup>2</sup>   | —              | (3)  | 5                            | (2)                     | —                           | (2)  | —                            | (2)                                      | —                                   | (2)               | (2)   | 0.00  | 0.00  | 0.00                       |
| European medical devices regulation <sup>3</sup>                                       | 9              | —  | —                            | 9                       | —                           | 9  | 1                            | 8  | 1                                   | 9                 | 9   | 0.02  | 0.00  | 0.02                       |
| Legal matters <sup>9</sup>   | —              | (2)  | 8                            | (6)                     | —                           | (6)  | (1)                          | (5)                                      | —                                   | (5)               | (5)   | (0.01)  | 0.00  | (0.01)                     |
| Long-lived asset impairments <sup>6</sup>  | —              | —  | —                            | —                       | —                           | —  | 4                            | (4)                                      | —                                   | (4)               | (4)   | (0.01)  | 0.00  | (0.01)                     |
| Investment impairments <sup>10</sup>   | —              | —  | —                            | —                       | (21)                        | 21   | (7)                          | 28                                       | 6                                   | 34                | 34  | 0.06  | 0.01  | 0.07                       |
| Gain on BPS Sale <sup>11</sup>   | —              | —  | —                            | —                       | —                           | —  | —                            | —  | 15                                  | 15                | 15  | 0.00  | 0.03  | 0.03                       |
| Separation-related costs <sup>8</sup>  | —              | —  | —                            | —                       | —                           | —  | —                            | —  | 71                                  | 71                | 71  | 0.00  | 0.14  | 0.14                       |
| Tax matters <sup>12</sup>  | —              | —  | —                            | —                       | —                           | —  | 2                            | (2)                                      | (41)                                | (43)              | (43)  | 0.00  | (0.08)  | (0.08)                     |
| <b>Adjusted</b>  | <b>\$1,217</b> | <b>\$ 623</b>                                | <b>\$ (1)</b>                | <b>\$ 468</b>           | <b>\$ (10)</b>              | <b>\$ 406</b>  | <b>\$ 76</b>                 | <b>\$ 330</b>                            | <b>\$ 105</b>                       | <b>\$ 435</b>     | <b>\$ 434</b>   | <b>\$ 0.65</b>  | <b>\$ 0.20</b>  | <b>\$ 0.85</b>             |
| Adjusted percent of net sales (or effective tax rate for income tax expense)           | 44.6 %         | 22.8 %                                       | 0.0 %                        | 17.1 %                  | (0.4)%                      | 14.9 %   | 18.7 %                       | 12.1 %                                   | 3.8 %                               | 15.9 %            | 15.9 %  |   |   |                            |

|   | Reported     | Adjusted      |
|---|--------------|---------------|
| Income (loss) from discontinued operations  | \$ 27        | \$ 105        |
| Less: Net income attributable to noncontrolling interests included in discontinued operations | 1            | 1             |
| <b>Income (loss) from discontinued operations attributable to Baxter stockholders</b>         | <b>\$ 26</b> | <b>\$ 104</b> |

|  | Reported      | Adjusted      |
|--|---------------|---------------|
| Net income (loss)  | \$ 246        | \$ 435        |
| Less: Net income (loss) attributable to noncontrolling interests | 1             | 1             |
| <b>Net income (loss) attributable to Baxter stockholders</b>     | <b>\$ 245</b> | <b>\$ 434</b> |

1 The company's results in 2024 and 2023 included charges associated with its execution of programs to optimize its organization and cost structure. The company's results of continuing operations in 2024 included costs primarily related initiatives to reduce its cost structure following the sale of its Kidney Care segment, initiatives within our Healthcare Systems & Technologies segment including the discontinuing of a product line and rationalization of certain other manufacturing and distribution facilities. The company's results of continuing operations in 2023 included actions related to its current implementation of a new operating model intended to simplify and streamline its operations and better align its manufacturing

- and supply chain to its commercial activities. The company's results of discontinued operations in 2023, included actions related to its decision to close one of its U.S.-based manufacturing facilities.
- 2 The company's results in 2024 and 2023 included acquisition and integration-related items comprised of Hillrom integration expenses and in 2023, net gains from changes in the fair value of contingent consideration liabilities.
  - 3 The company's results in 2024 and 2023 included incremental costs to comply with the European Union's medical device regulations for previously registered products, which primarily consisted 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.
  - 4 The company's results of continuing operations in 2024 included charges related to warranty and remediation activities arising from field corrective actions on Healthcare Systems & Technologies products.
  - 5 The company's results of continuing operations in 2024 included net charges related to Hurricane Helene, which consisted of charges related to remediation, idle facility, air freight and other costs, partially offset by insurance recoveries. The company's results of discontinued operations in 2024 included charges related to Hurricane Helene consisting of charges related to air freight and other costs.
  - 6 The company's results of continuing operations in 2024 included a long-lived asset impairment charge to reduce the carrying amount of an in-process research and development (IPR&D) asset to its fair value.
  - 7 The company's results of continuing operations in 2024 included a goodwill impairment charge related to the Front Line Care reporting unit within its Healthcare Systems & Technologies segment.
  - 8 The company's results of discontinued operations in 2024 and 2023 included separation-related costs primarily related to external advisors supporting its activities to prepare for the sale of its Kidney Care segment.
  - 9 The company's results of continuing operations in 2023 included proceeds received, net of legal fees, from a settlement related to an intellectual property dispute.
  - 10 The company's results of operations in 2023 included impairments of non-marketable investments in several early-stage companies consisting of noncash impairment write-downs.
  - 11 The company's results of discontinued operations in 2023 included adjustments to its third quarter 2023 gain from the sale of its BPS business related to final working capital and transaction cost amounts.
  - 12 The company's results of continuing operations in 2024 included income tax expense related to legislative changes under IRC Section 987 in the U.S. and net income tax expense related to a revaluation of the Swiss basis step-up deferred tax asset and related valuation allowance that arose from Swiss tax reform legislation in 2019 that was partially offset by a decrease in such valuation allowance to reflect the company's current estimate of recoverability of the basis step-up deferred tax asset. The company's results of discontinued operations in 2024 included income tax costs on internal reorganizations related to the sale of its Kidney Care segment. The company's results in 2023 included a valuation allowance decrease related to its estimated recoverability of a deferred tax asset for the 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 recorded to continuing operations, an income tax benefit from an internal reorganization transaction related to the separation of its Kidney Care segment recorded to discontinued operations, and a reallocation of income tax expense between discontinued operations and continuing operations resulting from the application of intraperiod tax allocation to its adjusted results in an interim period.

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 (Loss)**  
**(unaudited)**  
**(in millions, except per share and percentage data)**

|  | Twelve Months Ended<br>December 31, |           | Change     |
|--|-------------------------------------|-----------|------------|
|  | 2024                                | 2023      |            |
| <b>NET SALES</b>   | \$ 10,636                           | \$ 10,360 | 3 %        |
| <b>COST OF SALES</b>   | 6,652                               | 6,210     | 7 %        |
| <b>GROSS MARGIN</b>  | 3,984                               | 4,150     | (4)%       |
| <i>% of Net Sales</i>  | 37.5 %                              | 40.1 %    | (2.6 pts)  |
| <b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>  | 2,967                               | 2,953     | NM         |
| <i>% of Net Sales</i>  | 27.9 %                              | 28.5 %    | (0.6 pts)  |
| <b>RESEARCH AND DEVELOPMENT EXPENSES</b>   | 590                                 | 518       | 14 %       |
| <i>% of Net Sales</i>  | 5.5 %                               | 5.0 %     | 0.5 pts    |
| <b>GOODWILL IMPAIRMENTS</b>  | 425                                 | —         | NM         |
| <b>OTHER OPERATING INCOME, NET</b>   | (12)                                | (28)      | (57)%      |
| <b>OPERATING INCOME</b>  | 14                                  | 707       | (98)%      |
| <i>% of Net Sales</i>  | 0.1 %                               | 6.8 %     | (6.7 pts)  |
| <b>INTEREST EXPENSE, NET</b>   | 341                                 | 439       | (22)%      |
| <b>OTHER (INCOME) EXPENSE, NET</b>   | (38)                                | 26        | NM         |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>                                  | (289)                               | 242       | NM         |
| <b>INCOME TAX EXPENSE</b>  | 37                                  | 61        | (39)%      |
| <i>% of Income (Loss) from Continuing Operations Before Income Taxes</i>                             | (12.8)%                             | 25.2 %    | (38.0 pts) |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>  | (326)                               | 181       | NM         |
| <b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX</b>  | (312)                               | 2,482     | NM         |
| <b>NET INCOME (LOSS)</b>   | (638)                               | 2,663     | NM         |
| <b>NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS INCLUDED IN CONTINUING OPERATIONS</b>         | —                                   | —         | NM         |
| <b>NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS INCLUDED IN DISCONTINUED OPERATIONS</b>       | 11                                  | 7         | 57 %       |
| <b>NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>   | 11                                  | 7         | 57 %       |
| <b>NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS</b>   | \$ (649)                            | \$ 2,656  | NM         |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS PER COMMON SHARE</b>                                     |                                     |           |            |
| Basic  | \$ (0.64)                           | \$ 0.36   | NM         |
| Diluted  | \$ (0.64)                           | \$ 0.36   | NM         |
| <b>INCOME (LOSS) FROM DISCONTINUED OPERATIONS PER COMMON SHARE</b>                                   |                                     |           |            |
| Basic  | \$ (0.63)                           | \$ 4.89   | NM         |
| Diluted  | \$ (0.63)                           | \$ 4.87   | NM         |
| <b>NET INCOME (LOSS) PER COMMON SHARE</b>  |                                     |           |            |
| Basic  | \$ (1.27)                           | \$ 5.25   | NM         |
| Diluted  | \$ (1.27)                           | \$ 5.23   | NM         |
| <b>WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING</b>   |                                     |           |            |
| Basic  | 510                                 | 506       |            |
| Diluted  | 510                                 | 508       |            |
| <b>ADJUSTED OPERATING INCOME (excluding special items)<sup>1</sup></b>                               | \$ 1,474                            | \$ 1,519  | (3)%       |
| <b>ADJUSTED INCOME (LOSS) FROM CONTINUING OPERATIONS (excluding special items)<sup>1</sup></b>       | \$ 966                              | \$ 863    | 12 %       |
| <b>ADJUSTED INCOME FROM DISCONTINUED OPERATIONS (excluding special items)<sup>1</sup></b>            | \$ 528                              | \$ 625    | (16)%      |
| <b>ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)<sup>1</sup></b> | \$ 1,483                            | \$ 1,481  | NM         |
| <b>ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)<sup>1</sup></b>         | \$ 1.89                             | \$ 1.70   | 11 %       |
| <b>ADJUSTED DILUTED EPS FROM DISCONTINUED OPERATIONS (excluding special items)<sup>1</sup></b>       | \$ 1.01                             | \$ 1.22   | (17)%      |
| <b>ADJUSTED DILUTED EPS (excluding special items)<sup>1</sup></b>                                    | \$ 2.90                             | \$ 2.92   | (1)%       |

<sup>1</sup> Refer to page 16 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 twelve months ended December 31, 2024 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 | Operating Income (Loss) | Income (Loss) From Continuing Operations Before Income Taxes | Income Tax Expense | Income (Loss) From Continuing Operations | Income From Discontinued Operations, Net of Tax | Net Income (Loss) | Net Income (Loss) Attributable to Baxter Stockholders | Diluted Earnings Per Share From Continuing Operations | Diluted Earnings Per Share from Discontinued Operations | Diluted Earnings Per Share |
|--|----------------|--|-----------------------------------|----------------------|-------------------------|--|--------------------|--|---|-------------------|---|---|---|----------------------------|
| <b>Reported</b>  | <b>\$3,984</b> | <b>\$ 2,967</b>                              | <b>\$ 590</b>                     | <b>\$ 425</b>        | <b>\$ 14</b>            | <b>\$ (289)</b>  | <b>\$ 37</b>       | <b>\$ (326)</b>                          | <b>\$ (312)</b>                                 | <b>\$ (638)</b>   | <b>\$ (649)</b>                                       | <b>\$ (0.64)</b>                                      | <b>\$ (0.63)</b>  | <b>\$ (1.27)</b>           |
| Reported percent of net sales (or effective tax rate for income tax expense) | 37.5 %         | 27.9 %                                       | 5.5 %                             | 4.0 %                | 0.1 %                   | (2.7)%   | (12.8)%            | (3.1)%                                   | (2.9)%  | (6.0)%            | (6.1)%  |   |   |                            |
| Intangible asset amortization  | 419            | (206)  | —                                 | —                    | 625                     | 625  | 148                | 477                                      | 20  | 497               | 497   | 0.93  | 0.04  | 0.97                       |
| Business optimization items <sup>1</sup>                                     | 67             | (65)   | (30)                              | —                    | 162                     | 162  | 41                 | 121                                      | 49  | 170               | 170   | 0.24  | 0.09  | 0.33                       |
| Acquisition and integration items <sup>2</sup>                               | 1              | (22)   | —                                 | —                    | 23                      | 23   | 5                  | 18                                       | —   | 18                | 18  | 0.04  | 0.00  | 0.04                       |
| European medical devices regulation <sup>3</sup>                             | 33             | —  | —                                 | —                    | 33                      | 33   | 7                  | 26                                       | 2   | 28                | 28  | 0.05  | 0.00  | 0.05                       |
| Product-related items <sup>4</sup>   | 15             | —  | —                                 | —                    | 15                      | 15   | 3                  | 12                                       | —   | 12                | 12  | 0.02  | 0.00  | 0.02                       |
| Hurricane Helene costs <sup>5</sup>  | 110            | —  | —                                 | —                    | 110                     | 110  | 27                 | 83                                       | 9   | 92                | 92  | 0.16  | 0.02  | 0.18                       |
| Long-lived asset impairments <sup>6</sup>                                    | —              | —  | (50)                              | —                    | 50                      | 50   | 13                 | 37                                       | —   | 37                | 37  | 0.07  | 0.00  | 0.07                       |
| Legal matters <sup>9</sup>   | —              | (17)   | —                                 | —                    | 17                      | 17   | 4                  | 13                                       | —   | 13                | 13  | 0.03  | 0.00  | 0.03                       |
| Goodwill impairments <sup>7</sup>  | —              | —  | —                                 | (425)                | 425                     | 425  | —                  | 425                                      | 430   | 855               | 855   | 0.83  | 0.84  | 1.67                       |
| Separation-related costs <sup>8</sup>  | —              | —  | —                                 | —                    | —                       | —  | —                  | —  | 261   | 261               | 261   | 0.00  | 0.51  | 0.51                       |
| Tax matters <sup>15</sup>  | —              | —  | —                                 | —                    | —                       | —  | (80)               | 80                                       | 69  | 149               | 149   | 0.16  | 0.14  | 0.29                       |
| <b>Adjusted</b>  | <b>\$4,629</b> | <b>\$ 2,657</b>                              | <b>\$ 510</b>                     | <b>\$ —</b>          | <b>\$ 1,474</b>         | <b>\$ 1,171</b>  | <b>\$ 205</b>      | <b>\$ 966</b>                            | <b>\$ 528</b>                                   | <b>\$ 1,494</b>   | <b>\$ 1,483</b>                                       | <b>\$ 1.89</b>  | <b>\$ 1.01</b>  | <b>\$ 2.90</b>             |
| Adjusted percent of net sales (or effective tax rate for income tax expense) | 43.5 %         | 25.0 %                                       | 4.8 %                             | 0.0 %                | 13.9 %                  | 11.0 %   | 17.5 %             | 9.1 %                                    | 5.0 %   | 14.0 %            | 13.9 %  |   |   |                            |

|   | Reported        | Adjusted      |   |            |
|---|-----------------|---------------|---|------------|
| Income (loss) from discontinued operations, net of tax  | \$ (312)        | \$ 528        | Weighted-average diluted shares as reported                                       | 510        |
| Less: Net income attributable to noncontrolling interests included in discontinued operations | 11              | 11            | Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported | 1          |
| <b>Income (loss) from discontinued operations attributable to Baxter stockholders</b>         | <b>\$ (323)</b> | <b>\$ 517</b> | <b>Weighted-average diluted shares as adjusted</b>                                | <b>511</b> |

|  | Reported        | Adjusted        |
|--|-----------------|-----------------|
| Net income (loss)  | \$ (638)        | \$ 1,494        |
| Less: Net income (loss) attributable to noncontrolling interests | 11              | 11              |
| <b>Net income (loss) attributable to Baxter stockholders</b>     | <b>\$ (649)</b> | <b>\$ 1,483</b> |

The company's U.S. GAAP results for the twelve months ended December 31, 2023 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, Net | Operating Income (Loss) | Other (Income) Expense, Net | Income (Loss) From Continuing Operations Before Income Taxes | Income Tax Expense (Benefit) | Income (Loss) From Continuing Operations | Income From Discontinued Operations, Net of Tax | Net Income (Loss) | Net Income (Loss) Attributable to Baxter Stockholders | Diluted Earnings Per Share From Continuing Operations | Diluted Earnings Per Share From Discontinued Operations | Diluted Earnings Per Share |
|--|----------------|--|-----------------------------------|------------------------------|-------------------------|-----------------------------|--|------------------------------|--|---|-------------------|---|---|---|----------------------------|
| <b>Reported</b>  | <b>\$4,150</b> | <b>\$ 2,953</b>                              | <b>\$ 518</b>                     | <b>\$ (28)</b>               | <b>\$ 707</b>           | <b>\$ 26</b>                | <b>\$ 242</b>  | <b>\$ 61</b>                 | <b>\$ 181</b>                            | <b>\$ 2,482</b>                                 | <b>\$2,663</b>    | <b>\$ 2,656</b>                                       | <b>\$ 0.36</b>  | <b>\$ 4.87</b>  | <b>\$ 5.23</b>             |
| Reported percent of net sales (or effective tax rate for income tax expense (benefit)) | 40.1 %         | 28.5 %                                       | 5.0 %                             | (0.3)%                       | 6.8 %                   | 0.3 %                       | 2.3 %  | 25.2 %                       | 1.7 %                                    | 24.0 %  | 25.7 %            | 25.6 %  |   |   |                            |
| Intangible asset amortization  | 383            | (207)  | —                                 | —                            | 590                     | —                           | 590  | 143                          | 447                                      | 49  | 496               | 496   | 0.88  | 0.10  | 0.98                       |
| Business optimization items <sup>1</sup>   | 27             | (137)  | (10)                              | —                            | 174                     | —                           | 174  | 69                           | 105                                      | 305   | 410               | 410   | 0.21  | 0.59  | 0.80                       |
| Acquisition and integration items <sup>2</sup>   | 1              | (18)   | —                                 | 19                           | —                       | —                           | —  | 1                            | (1)                                      | —   | (1)               | (1)   | 0.00  | 0.00  | 0.00                       |
| European medical devices regulation <sup>3</sup>                                       | 41             | —  | —                                 | —                            | 41                      | —                           | 41   | 11                           | 30                                       | 6   | 36                | 36  | 0.06  | 0.01  | 0.07                       |
| Long-lived asset impairments <sup>5</sup>  | —              | —  | —                                 | —                            | —                       | —                           | —  | 4                            | (4)                                      | 205   | 201               | 201   | (0.01)  | 0.41  | 0.40                       |
| Legal matters <sup>9</sup>   | —              | (15)   | —                                 | 8                            | 7                       | —                           | 7  | 2                            | 5  | —   | 5                 | 5   | 0.01  | 0.00  | 0.01                       |
| Investment impairments <sup>10</sup>   | —              | —  | —                                 | —                            | —                       | (31)                        | 31   | (4)                          | 35                                       | 14  | 49                | 49  | 0.07  | 0.03  | 0.10                       |
| Gain on BPS Sale <sup>11</sup>   | —              | —  | —                                 | —                            | —                       | —                           | —  | —                            | —  | (2,588)   | (2,588)           | (2,588)   | 0.00  | (5.09)  | (5.09)                     |
| Separation-related costs <sup>8</sup>  | —              | —  | —                                 | —                            | —                       | —                           | —  | —                            | —  | 213   | 213               | 213   | 0.00  | 0.42  | 0.42                       |
| Tax matters <sup>12</sup>  | —              | —  | —                                 | —                            | —                       | —                           | —  | (65)                         | 65                                       | (61)  | 4                 | 4   | 0.13  | (0.12)  | 0.01                       |
| <b>Adjusted</b>  | <b>\$4,602</b> | <b>\$ 2,576</b>                              | <b>\$ 508</b>                     | <b>\$ (1)</b>                | <b>\$ 1,519</b>         | <b>\$ (5)</b>               | <b>\$ 1,085</b>  | <b>\$ 222</b>                | <b>\$ 863</b>                            | <b>\$ 625</b>                                   | <b>\$1,488</b>    | <b>\$ 1,481</b>                                       | <b>\$ 1.70</b>  | <b>\$ 1.22</b>  | <b>\$ 2.92</b>             |
| Adjusted percent of net sales (or effective tax rate for income tax expense)           | 44.4 %         | 24.9 %                                       | 4.9 %                             | 0.0 %                        | 14.7 %                  | 0.0 %                       | 10.5 %   | 20.5 %                       | 8.3 %                                    | 6.0 %   | 14.4 %            | 14.3 %  |   |   |                            |

|   | Reported        | Adjusted      |   |            |
|---|-----------------|---------------|---|------------|
| Income (loss) from discontinued operations, net of tax  | \$ 2,482        | \$ 625        | Weighted-average diluted shares as reported                                       | 506        |
| Less: Net income attributable to noncontrolling interests included in discontinued operations | 7               | 7             | Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported | 2          |
| <b>Income (loss) from discontinued operations attributable to Baxter stockholders</b>         | <b>\$ 2,475</b> | <b>\$ 618</b> | <b>Weighted-average diluted shares as adjusted</b>                                | <b>508</b> |

|   | Reported        | Adjusted       |
|---|-----------------|----------------|
| Weighted-average diluted shares as reported                                       | \$ 2,663        | \$1,488        |
| Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported | 7               | 7              |
| <b>Weighted-average diluted shares as adjusted</b>                                | <b>\$ 2,656</b> | <b>\$1,481</b> |

1 The company's results in 2024 and 2023 included charges associated with its execution of programs to optimize its organization and cost structure. The company's results of continuing operations in 2024 included costs primarily related initiatives to reduce its cost structure following the sale of its Kidney Care segment, initiatives within our Healthcare Systems & Technologies segment including the discontinuing of a product line and rationalization of certain other manufacturing and distribution facilities. The company's results of continuing operations in 2023 included actions related to its current implementation of a new operating model intended to simplify and streamline its operations and better align its manufacturing

and supply chain to its commercial activities. The company's results of discontinued operations in 2023, included actions related to its decision to close one of its U.S.-based manufacturing facilities, which resulted in a noncash impairment of property, plant and equipment in the first half of the year.

- 2 The company's results of continuing operations in 2024 included acquisition and integration-related items comprised of Hillrom acquisition and integration expenses.
- 3 The company's results in 2024 and 2023 included 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.
- 4 The company's results of continuing operations in 2024 included charges related to warranty and remediation activities arising from field corrective actions on Healthcare Systems & Technologies products and a revised estimate of warranty and remediation activities arising from a field correction action on certain of its infusion pumps initially recorded in 2022.
- 5 The company's results of continuing operations in 2024 included net charges related to Hurricane Helene, which consisted of charges related to damaged inventory and fixed assets, remediation, idle facility, air freight and other costs, partially offset by insurance recoveries. The company's results of discontinued operations in 2024 included charges related to Hurricane Helene consisting of charges related to air freight and other costs.
- 6 The company's results of continuing operations in 2024 included a long-lived asset impairment charge to reduce the carrying amount of an IPR&D asset to its fair value. The company's results of discontinued operations in 2023 included long-lived asset impairment charges related to the Hemodialysis business within its Kidney Care segment.
- 7 The company's results of continuing operations in 2024 included a goodwill impairment charge related to the Front Line Care reporting unit within its Healthcare Systems & Technologies segment. The company's results of discontinued operations in 2023 included a goodwill impairment charge related to the Chronic Therapies reporting unit within its Kidney Care segment.
- 8 The company's results of discontinued operations in 2024 and 2023 included separation-related costs primarily related to external advisors supporting its activities to prepare for the sale of its Kidney Care segment. The company's results in 2023 also included separation-related costs related to the sale of its BioPharma Solutions (BPS) business.
- 9 The company's results of continuing operations in 2024 included charges related to environmental reserves for remediation actions associated with historic operations at certain of our facilities. The company's results of continuing operations in 2023 included costs, including associated legal fees, related to matters involving alleged violations of the False Claims Act related to a now discontinued legacy Hillrom sales line and alleged injury from environmental exposure, partially offset by proceeds received, net of legal fees, from a settlement related to an intellectual property dispute.
- 10 The company's results of operations in 2023 included impairments of non-marketable investments in several early-stage companies consisting of noncash impairment write-downs.
- 11 The company's results of discontinued operations in 2023 included adjustments to its third quarter 2023 gain from the sale of its BPS business.
- 12 The company's results of continuing operations in 2024 included income tax expense consisting of a valuation allowance recorded to reduce the carrying amount of a tax attribute carryforward in the U.S., net income tax costs on internal reorganizations related to the sale of our Kidney Care segment, legislative changes under IRC Section 987 in the U.S., and a revaluation of the Swiss basis step-up deferred tax asset and related valuation allowance that arose from Swiss tax reform legislation in 2019 that was partially offset by a decrease in such valuation allowance to reflect the company's current estimate of recoverability of the basis step-up deferred tax asset. The company's results of discontinued operations in 2024 included income tax costs on internal reorganizations related to the sale of its Kidney Care segment, partially offset by an income tax benefit related to the deductibility of certain separation costs in the U.S. The company's results in 2023 included a net income tax expense from separation related income tax costs associated with the sale of its BPS business and a valuation allowance increase 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, with the remaining tax expense related to the tax effects of other special items recorded to continuing operations. The company's results of discontinued operations in 2023 included an income tax benefit from an internal reorganization transaction related to the separation of its Kidney Care segment, with the remaining tax benefit related to the tax effects of other special items.

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)**

The Medical Products & Therapies segment includes sales of our sterile IV solutions, infusion systems, administration sets, parenteral nutrition therapies and surgical hemostat, sealant and adhesion prevention products. The Healthcare Systems & Technologies segment includes sales of our connected care solutions and collaboration tools, including smart bed systems, patient monitoring systems and diagnostic technologies, respiratory health devices and advanced equipment for the surgical space, including operating room integration technologies, precision positioning devices and other accessories. The Pharmaceuticals segment includes sales of specialty injectable pharmaceuticals, inhaled anesthesia and drug compounding. Other sales not allocated to a segment primarily include sales of products and services provided directly through certain of our manufacturing facilities.

|                                      | Three Months Ended<br>December 31, |                 | % Growth<br>@ Actual<br>Rates | % Growth<br>@ Constant<br>Rates | Twelve Months<br>Ended December 31, |                  | % Growth<br>@ Actual<br>Rates | % Growth<br>@ Constant<br>Rates |
|--------------------------------------|------------------------------------|-----------------|-------------------------------|---------------------------------|-------------------------------------|------------------|-------------------------------|---------------------------------|
|                                      | 2024                               | 2023            |                               |                                 | 2024                                | 2023             |                               |                                 |
| Infusion Therapies & Technologies    | \$ 1,022                           | \$ 1,042        | (2)%                          | (1)%                            | \$ 4,103                            | \$ 3,960         | 4 %                           | 4 %                             |
| Advanced Surgery                     | 292                                | 278             | 5 %                           | 6 %                             | 1,104                               | 1,051            | 5 %                           | 6 %                             |
| Medical Products & Therapies         | 1,314                              | 1,320           | (0)%                          | 1 %                             | 5,207                               | 5,011            | 4 %                           | 5 %                             |
| Care and Connectivity Solutions      | 504                                | 492             | 2 %                           | 3 %                             | 1,814                               | 1,800            | 1 %                           | 1 %                             |
| Front Line Care                      | 280                                | 303             | (8)%                          | (8)%                            | 1,137                               | 1,213            | (6)%                          | (6)%                            |
| Healthcare Systems & Technologies    | 784                                | 795             | (1)%                          | (1)%                            | 2,951                               | 3,013            | (2)%                          | (2)%                            |
| Injectables and Anesthesia           | 383                                | 359             | 7 %                           | 8 %                             | 1,373                               | 1,347            | 2 %                           | 3 %                             |
| Drug Compounding                     | 260                                | 237             | 10 %                          | 9 %                             | 1,038                               | 902              | 15 %                          | 15 %                            |
| Pharmaceuticals                      | 643                                | 596             | 8 %                           | 8 %                             | 2,411                               | 2,249            | 7 %                           | 7 %                             |
| Other                                | 12                                 | 18              | (33)%                         | (33)%                           | 67                                  | 87               | (23)%                         | (22)%                           |
| <b>Total - Continuing Operations</b> | <b>\$ 2,753</b>                    | <b>\$ 2,729</b> | <b>1 %</b>                    | <b>2 %</b>                      | <b>\$ 10,636</b>                    | <b>\$ 10,360</b> | <b>3 %</b>                    | <b>3 %</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.

**BAXTER INTERNATIONAL INC.**  
**Segment Operating Income**  
**(unaudited)**  
**(\$ in millions)**

| (in millions)   | Three months ended<br>December 31, |               | Twelve months ended<br>December 31, |               |
|---|------------------------------------|---------------|-------------------------------------|---------------|
|   | 2024                               | 2023          | 2024                                | 2023          |
| Medical Products & Therapies  | \$ 217                             | \$ 266        | \$ 950                              | \$ 972        |
| <i>% of Segment Net Sales</i>                                       | <i>16.5 %</i>                      | <i>20.2 %</i> | <i>18.2 %</i>                       | <i>19.4 %</i> |
| Healthcare Systems & Technologies                                   | 145                                | 156           | 468                                 | 483           |
| <i>% of Segment Net Sales</i>                                       | <i>18.5 %</i>                      | <i>19.6 %</i> | <i>15.9 %</i>                       | <i>16.0 %</i> |
| Pharmaceuticals   | 102                                | 117           | 313                                 | 401           |
| <i>% of Segment Net Sales</i>                                       | <i>15.9 %</i>                      | <i>19.6 %</i> | <i>13.0 %</i>                       | <i>17.8 %</i> |
| Other   | 3                                  | (1)           | 18                                  | 18            |
| <b>Total</b>  | <b>467</b>                         | <b>538</b>    | <b>1,749</b>                        | <b>1,874</b>  |
| Unallocated corporate costs   | (48)                               | (70)          | (275)                               | (355)         |
| Intangible asset amortization expense                               | (154)                              | (156)         | (625)                               | (590)         |
| Business optimization items   | (113)                              | (7)           | (162)                               | (174)         |
| European medical devices regulation                                 | (8)                                | (9)           | (33)                                | (41)          |
| Long-lived asset impairments  | (50)                               | —             | (50)                                | —             |
| Legal matters   | —                                  | 6             | (17)                                | (7)           |
| Acquisition and integration items                                   | (7)                                | 2             | (23)                                | —             |
| Product-related items   | (12)                               | —             | (15)                                | —             |
| Hurricane Helene costs  | (85)                               | —             | (110)                               | —             |
| Goodwill impairments  | (425)                              | —             | (425)                               | —             |
| <b>Total operating income (loss)</b>                                | <b>(435)</b>                       | <b>304</b>    | <b>14</b>                           | <b>707</b>    |
| Interest expense, net   | 90                                 | 72            | 341                                 | 439           |
| Other (income) expense, net   | (4)                                | 11            | (38)                                | 26            |
| <b>Income (loss) from continuing operations before income taxes</b> | <b>\$ (521)</b>                    | <b>\$ 221</b> | <b>\$ (289)</b>                     | <b>\$ 242</b> |

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

|                                      | Three Months Ended December 31, |                 |                 |                 |                 |                 |            |               |            |
|--------------------------------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|---------------|------------|
|                                      | 2024                            |                 |                 | 2023            |                 |                 | % Growth   |               |            |
|                                      | U.S.                            | International   | Total           | U.S.            | International   | Total           | U.S.       | International | Total      |
| Infusion Therapies & Technologies    | \$ 561                          | \$ 461          | \$ 1,022        | \$ 573          | \$ 469          | \$ 1,042        | (2)%       | (2)%          | (2)%       |
| Advanced Surgery                     | 157                             | 135             | 292             | 149             | 129             | 278             | 5 %        | 5 %           | 5 %        |
| Medical Products & Therapies         | 718                             | 596             | 1,314           | 722             | 598             | 1,320           | (1)%       | (0)%          | (0)%       |
| Care and Connectivity Solutions      | 366                             | 138             | 504             | 337             | 155             | 492             | 9 %        | (11)%         | 2 %        |
| Front Line Care                      | 208                             | 72              | 280             | 223             | 80              | 303             | (7)%       | (10)%         | (8)%       |
| Healthcare Systems & Technologies    | 574                             | 210             | 784             | 560             | 235             | 795             | 3 %        | (11)%         | (1)%       |
| Injectables and Anesthesia           | 214                             | 169             | 383             | 209             | 150             | 359             | 2 %        | 13 %          | 7 %        |
| Drug Compounding                     | —                               | 260             | 260             | —               | 237             | 237             | 0 %        | 10 %          | 10 %       |
| Pharmaceuticals                      | 214                             | 429             | 643             | 209             | 387             | 596             | 2 %        | 11 %          | 8 %        |
| Other                                | 4                               | 8               | 12              | 14              | 4               | 18              | (71)%      | 100 %         | (33)%      |
| <b>Total - Continuing Operations</b> | <b>\$ 1,510</b>                 | <b>\$ 1,243</b> | <b>\$ 2,753</b> | <b>\$ 1,505</b> | <b>\$ 1,224</b> | <b>\$ 2,729</b> | <b>0 %</b> | <b>2 %</b>    | <b>1 %</b> |

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

|                                      | Twelve Months Ended December 31, |                 |                 |                 |                 |                 |            |               |            |
|--------------------------------------|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|---------------|------------|
|                                      | 2024                             |                 |                 | 2023            |                 |                 | % Growth   |               |            |
|                                      | U.S.                             | International   | Total           | U.S.            | International   | Total           | U.S.       | International | Total      |
| Infusion Therapies & Technologies    | \$ 2,279                         | \$ 1,824        | \$ 4,103        | \$ 2,227        | \$ 1,733        | \$ 3,960        | 2 %        | 5 %           | 4 %        |
| Advanced Surgery                     | 603                              | 501             | 1,104           | 582             | 469             | 1,051           | 4 %        | 7 %           | 5 %        |
| Medical Products & Therapies         | 2,882                            | 2,325           | 5,207           | 2,809           | 2,202           | 5,011           | 3 %        | 6 %           | 4 %        |
| Care and Connectivity Solutions      | 1,311                            | 503             | 1,814           | 1,263           | 537             | 1,800           | 4 %        | (6) %         | 1 %        |
| Front Line Care                      | 843                              | 294             | 1,137           | 905             | 308             | 1,213           | (7) %      | (5) %         | (6) %      |
| Healthcare Systems & Technologies    | 2,154                            | 797             | 2,951           | 2,168           | 845             | 3,013           | (1) %      | (6) %         | (2) %      |
| Injectables and Anesthesia           | 780                              | 593             | 1,373           | 759             | 588             | 1,347           | 3 %        | 1 %           | 2 %        |
| Drug Compounding                     | —                                | 1,038           | 1,038           | —               | 902             | 902             | 0 %        | 15 %          | 15 %       |
| Pharmaceuticals                      | 780                              | 1,631           | 2,411           | 759             | 1,490           | 2,249           | 3 %        | 9 %           | 7 %        |
| Other                                | 34                               | 33              | 67              | 66              | 21              | 87              | (48) %     | 57 %          | (23) %     |
| <b>Total - Continuing Operations</b> | <b>\$ 5,850</b>                  | <b>\$ 4,786</b> | <b>\$10,636</b> | <b>\$ 5,802</b> | <b>\$ 4,558</b> | <b>\$10,360</b> | <b>1 %</b> | <b>5 %</b>    | <b>3 %</b> |

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

|  | <b>Twelve Months Ended December 31,</b> |               |
|--|---|---------------|
|  | <b>2024</b>                             | <b>2023</b>   |
| Cash flows from operations – continuing operations           | \$ 819                                  | \$ 1,207      |
| Cash flows from investing activities - continuing operations | (410)                                   | (410)         |
| Cash flows from financing activities                         | (1,081)                                 | (3,489)       |
| Cash flows from operations - continuing operations           | \$ 819                                  | \$ 1,207      |
| Capital expenditures - continuing operations                 | (446)                                   | (432)         |
| <b>Free cash flow - continuing operations</b>                | <b>\$ 373</b>                           | <b>\$ 775</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 Constant Currency Sales Growth**  
**From The Three Months Ended December 31, 2023 to The Three Months Ended December 31, 2024**  
**(unaudited)**

|  | Net Sales<br>Growth<br>As Reported | FX         | Constant<br>Currency Sales<br>Growth* |
|--|------------------------------------|------------|---------------------------------------|
| Infusion Therapies & Technologies            | (2) %                              | 1 %        | (1) %                                 |
| Advanced Surgery                             | 5 %                                | 1 %        | 6 %                                   |
| <b>Medical Products &amp; Therapies</b>      | <b>(0) %</b>                       | <b>1 %</b> | <b>1 %</b>                            |
| Care and Connectivity Solutions              | 2 %                                | 1 %        | 3 %                                   |
| Front Line Care                              | (8) %                              | 0 %        | (8) %                                 |
| <b>Healthcare Systems &amp; Technologies</b> | <b>(1) %</b>                       | <b>0 %</b> | <b>(1) %</b>                          |
| Injectables and Anesthesia                   | 7 %                                | 1 %        | 8 %                                   |
| Drug Compounding                             | 10 %                               | (1) %      | 9 %                                   |
| <b>Pharmaceuticals</b>                       | <b>8 %</b>                         | <b>0 %</b> | <b>8 %</b>                            |
| <b>Other</b>                                 | <b>(33) %</b>                      | <b>0 %</b> | <b>(33) %</b>                         |
| <b>Total - Continuing Operations</b>         | <b>1 %</b>                         | <b>1 %</b> | <b>2 %</b>                            |
| Discontinued Operations - Kidney Care        | (2) %                              | 3 %        | 1 %                                   |

\*Totals may not add across due to rounding

Constant currency 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 Constant Currency Sales Growth**  
**From The Twelve Months Ended December 31, 2023 to The Twelve Months Ended December 31, 2024**  
**(unaudited)**

|  | Net Sales<br>Growth<br>As Reported | FX         | Constant<br>Currency Sales<br>Growth* |
|--|------------------------------------|------------|---------------------------------------|
| Infusion Therapies & Technologies            | 4 %                                | 0 %        | 4 %                                   |
| Advanced Surgery                             | 5 %                                | 1 %        | 6 %                                   |
| <b>Medical Products &amp; Therapies</b>      | <b>4 %</b>                         | <b>1 %</b> | <b>5 %</b>                            |
| Care and Connectivity Solutions              | 1 %                                | 0 %        | 1 %                                   |
| Front Line Care                              | (6)%                               | 0 %        | (6) %                                 |
| <b>Healthcare Systems &amp; Technologies</b> | <b>(2)%</b>                        | <b>0 %</b> | <b>(2) %</b>                          |
| Injectables and Anesthesia                   | 2 %                                | 1 %        | 3 %                                   |
| Drug Compounding                             | 15 %                               | 0 %        | 15 %                                  |
| <b>Pharmaceuticals</b>                       | <b>7 %</b>                         | <b>0 %</b> | <b>7 %</b>                            |
| <b>Other</b>                                 | <b>(23)%</b>                       | <b>1 %</b> | <b>(22)%</b>                          |
| <b>Total - Continuing Operations</b>         | <b>3 %</b>                         | <b>0 %</b> | <b>3 %</b>                            |

\*Totals may not add across due to rounding

Constant currency 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.**  
**Projected First Quarter and Full Year 2025 U.S. GAAP Sales Growth to Projected Operational Sales Growth and**  
**Projected First Quarter and Full Year 2025 Adjusted Earnings Per Share**  
**(unaudited)**

| <b>Sales Growth Guidance</b>  | <b>Q1 2025*</b> | <b>FY 2025*</b> |
|-------------------------------|-----------------|-----------------|
| Sales growth - U.S. GAAP      | 3% - 4%         | 5% - 6%         |
| Kidney Care MSA               | (~250 bps)      | (~350 bps)      |
| Exit of IV Solutions in China | ~60 bps         | ~60 bps         |
| Foreign Exchange              | >200 bps        | ~200 bps        |
| Operational sales growth      | ~4%             | 4% - 5%         |

| <b>Adjusted Earnings Per Share Guidance</b> | <b>Q1 2025</b>  | <b>FY 2025</b>  |
|---|-----------------|-----------------|
| Adjusted diluted EPS                        | \$0.47 - \$0.50 | \$2.45 - \$2.55 |

\*Totals may not foot due to rounding

Baxter calculates forward-looking non-GAAP financial measures based on forecasts that omit certain amounts that would be included in GAAP financial measures. For instance, forward-looking operational sales growth represents the company's targeted future sales growth excluding sales to Vantive under the Kidney Care manufacturing and supply agreement (MSA) not reflected in its reportable segments, reflects the exit of IV Solutions in China in its Medical Products & Therapies reportable segment, and assumes foreign currency exchange rates remain constant in future periods. Additionally, forward-looking adjusted diluted EPS guidance excludes potential charges or gains that would be reflected as non-GAAP adjustments to earnings. Baxter provides forward-looking operational sales growth guidance and adjusted diluted EPS guidance because it believes that these measures provide useful information for the reasons noted above. Baxter has not provided reconciliations of forward-looking adjusted EPS guidance to forward-looking GAAP EPS guidance because the company is unable to predict with reasonable certainty the impact of legal proceedings, future business optimization actions, separation-related costs, integration-related costs, asset impairments and unusual gains and losses, and the related amounts are unavailable without unreasonable efforts (as specified in the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K). In addition, Baxter believes that such reconciliations would imply a degree of precision and certainty that could be confusing to investors. Such items could have a substantial impact on GAAP measures of financial performance.