

FOR IMMEDIATE RELEASE

BAXTER REPORTS FOURTH-QUARTER AND FULL-YEAR 2024 RESULTS

- *Fourth-quarter sales from continuing operations of \$2.75 billion increased 1% on a reported basis and 2% on a constant currency basis, exceeding the company's previously issued guidance¹*
- *Fourth-quarter U.S. GAAP² diluted earnings per share (EPS) (loss) from continuing operations of (\$0.95); adjusted diluted EPS from continuing operations of \$0.58, exceeding the company's previously issued guidance*
- *Full-year sales from continuing operations of \$10.64 billion increased 3% on both a reported and constant currency basis, exceeding the company's previously issued guidance*
- *Full-year U.S. GAAP diluted EPS (loss) from continuing operations of (\$0.64); adjusted diluted EPS from continuing operations of \$1.89, exceeding the company's previously issued guidance*
- *Transformative sale of Kidney Care business now complete, positioning company for next stage of growth and innovation*

DEERFIELD, ILL., FEB. 20, 2025 – Baxter International Inc. (NYSE:BAX), a global medtech leader, today reported results for the fourth quarter and full year ended Dec. 31, 2024, and provided its financial guidance for first-quarter and full-year 2025.

“Our 2024 performance and related strategic milestones reflect Baxter’s growing momentum in our pursuit of enhanced value for patients, healthcare providers, customers and shareholders,” said Brent Shafer, chair and interim chief executive officer. “In addition to delivering positive fourth-quarter and full-year results, the recently completed sale of our Kidney Care business concludes a range of transformative actions announced in early 2023. Today, as a streamlined, agile Baxter, we have new opportunities to redefine healthcare delivery and drive profitable growth. We’re powered by fundamentals that remain core to our impact, including our diverse portfolio of medically essential products and our sustained emphasis on customer-inspired innovation.”

¹ Sales growth at constant currency rates and adjusted diluted EPS are non-GAAP financial measures. See the “Non-GAAP Financial Measures” section below for information about the non-GAAP financial measures included in this release and see the accompanying tables to this press release for reconciliations of those non-GAAP measures to the corresponding U.S. GAAP measures.

² Generally Accepted Accounting Principles

Fourth-Quarter Financial Results

Worldwide sales from continuing operations in the fourth quarter totaled approximately \$2.75 billion, increasing 1% on a reported basis and 2% on a constant currency basis. Continuing operations exclude Baxter's Kidney Care business, which was acquired by Carlyle on Jan. 31, 2025, and Baxter's former BioPharma Solutions (BPS) business, which was divested at the end of the third quarter of 2023, and are both reported as discontinued operations.

U.S. sales from continuing operations in the fourth quarter totaled approximately \$1.51 billion, remaining flat on a reported basis. International sales from continuing operations in the fourth quarter totaled approximately \$1.24 billion, an increase of 1% on a reported basis and 3% at constant currency rates.

Top-line performance in the fourth quarter exceeded Baxter's previously announced guidance, driven by better-than-expected sales in the company's Medical Products & Therapies and Pharmaceuticals segments.

- **Medical Products & Therapies** sales were flat at reported rates and grew low single digits at constant currency rates. Growth in the quarter reflected strong performance from the company's infusion systems product portfolio driven by robust sales for the **Novum IQ** infusion pump, increased sales of parenteral nutrition products and strong demand for Advanced Surgery products. Performance in this segment was partially offset by reduced sales of IV solutions, which, as expected, declined due to the impact of Hurricane Helene. The impact from the Hurricane was less than previously anticipated given the company's swift recovery efforts, and contributed to the outperformance in the quarter.
- **Pharmaceuticals** sales grew high single digits at both reported and constant rates, driven by double-digit growth in specialty injectables, reflecting continued momentum from recent new product launches, and ongoing strength in Drug Compounding.
- **Healthcare Systems & Technologies** sales declined, as expected, by low single digits on a reported and constant currency basis. Robust sales in the U.S. Care and Connectivity Solutions (CCS) division were fueled by strength in the Patient Support Systems business due to upgrades from existing customers and new competitive wins. This strong performance was

offset by select product/market exits, a difficult comparison to the prior-year period and certain supply constraints.

- **Kidney Care** sales, which are now reported in discontinued operations, declined low single digits on a reported basis and grew low single digits on a constant currency basis.

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

For the fourth quarter, total net income (loss) attributable to Baxter on a U.S. GAAP basis was (\$512) million, or (\$1.00) per diluted share. Total U.S. GAAP diluted EPS includes (\$0.95) from continuing operations and (\$0.05) from discontinued operations. These results include special items totaling \$908 million after-tax, primarily related to the impact of a Front Line Care goodwill impairment charge, intangible amortization, business optimization costs, tax matters, Hurricane Helene costs and separation-related costs, among other factors. On an adjusted basis, net income from continuing operations was \$0.58 per diluted share, exceeding the company's original guidance of \$0.50 to \$0.53 per diluted share. Results in the quarter came in favorable to expectations due to strong operational performance, a lesser negative impact from Hurricane Helene than previously anticipated and a favorable tax rate. Income for total Baxter on an adjusted basis, including discontinued operations, was \$0.77 per diluted share, within the company's original guidance of \$0.77 to \$0.81 per diluted share.

Full-Year Financial Results

Baxter's 2024 worldwide sales from continuing operations totaled \$10.64 billion, an increase of 3% on both a reported and constant currency basis. Sales from continuing operations in the U.S. totaled \$5.85 billion, growing 1% on a reported basis. International sales from continuing operations of \$4.79 billion grew 5% on a reported basis and 6% at constant currency rates. The accompanying schedules include additional details on sales performance, including breakouts by Baxter's segments.

For full-year 2024, net income (loss) attributable to total Baxter on a U.S. GAAP basis was (\$649) million, or (\$1.27) per diluted share. Total U.S. GAAP diluted EPS (loss) includes (\$0.64) from continuing operations and (\$0.63) from discontinued operations. These results include special items totaling \$2.13 billion after-tax, which primarily reflected the impact of intangible amortization,

Chronic Therapies and Front Line Care goodwill impairment charges, separation-related costs, business optimization costs and tax matters, among other items. On an adjusted basis, 2024 income from continuing operations totaled \$1.89 per diluted share. Total adjusted net income attributable to Baxter totaled \$1.48 billion or \$2.90 per diluted share.

For the full year, Baxter generated \$819 million in operating cash flow from continuing operations and \$373 million in free cash flow (operating cash flow from continuing operations less capital expenditures of \$446 million).

“The recently completed Kidney Care sale is a major inflection point in our journey to transform Baxter and create value for our stakeholders,” said Joel Grade, executive vice president and chief financial officer. “In line with our capital allocation priorities, net after-tax proceeds from the transaction are being allocated toward debt repayment, aligned with our objective of reaching our net leverage target of approximately 3.0x by the end of 2025. Looking ahead, our goal is to harness the opportunities created by our newly streamlined profile and strategic trajectory with a focus on improving our cash flow generation and investing in our businesses to accelerate growth.”

Transformation Update and Senior Leadership Changes

Baxter completed the sale of its Kidney Care business, now known as Vantive, to Carlyle for approximately \$3.4 billion of net, after-tax proceeds, exceeding previous expectations of \$3.15 to \$3.25 billion, on Jan. 31, 2025. This transaction marks the final stage of the strategic transformation Baxter announced in January 2023 to enhance operational effectiveness, accelerate innovation for patients and drive value for shareholders. Additional transformative actions announced at that time included the implementation of a new vertical operating model and the divestiture of Baxter’s non-core BioPharma Solutions business, both completed in 2023.

With the three elements of the strategic transformation complete, Baxter is positioned to move forward as a more strategically focused and operationally efficient company, with a unique opportunity to set the trajectory and vision for its next phase. On Feb. 3, 2025, Baxter announced [several key leadership changes](#) to usher the company into this new chapter. José (Joe) E. Almeida, chair, president and chief executive officer (CEO), retired from his executive roles with the company, creating the opportunity for a new CEO to define Baxter’s future course. Mr. Almeida will serve in an advisory capacity through Oct. 31, 2025. The Baxter Board of Directors appointed former lead independent director Brent Shafer as chair and interim CEO, and has initiated a search for a

permanent CEO. Additionally, Baxter appointed Heather Knight to the role of executive vice president and chief operating officer (COO). Ms. Knight will also serve as interim group president, Medical Products & Therapies.

Hurricane Helene Recovery at North Cove Facility

On Sept. 27, 2024, Baxter's North Cove, North Carolina, manufacturing site was significantly impacted by flooding related to an unprecedented rain and storm surge due to Hurricane Helene, resulting in a temporary production shutdown. The North Cove and broader Baxter teams, in coordination with government agencies, focused immediately on supporting employees in affected communities, bringing the facility back online, and working to help ensure ongoing supply continuity for patients.

Thanks to the dedication and resilience of Baxter's local and global teams, all 10 of the site's manufacturing lines have since restarted, and North Cove is now producing at pre-hurricane levels. The company expresses its deep gratitude to all who participated in this recovery effort, within Baxter and beyond, and thanks its customers for their patience as Baxter has worked to support supply continuity as recovery has progressed.

Recent Highlights³

Baxter continues to advance key strategic priorities in pursuit of its Mission to Save and Sustain Lives. Following are highlights among many 2024 achievements across the company's business segments.

Medical Products & Therapies

- Received U.S. Food and Drug Administration (FDA) 510(k) clearance of its [Novum IQ large volume infusion pump \(LVP\) with Dose IQ Safety Software](#). Adding LVP modality to the **Novum IQ** Infusion Platform – which includes Baxter's syringe infusion pump (SYR) with **Dose IQ** Safety Software, powered by the **IQ Enterprise** Connectivity Suite – integrates the user experience across its LVP and SYR pumps and helps to reduce the burden of non-critical tasks so that nurses, pharmacists, and other clinicians can spend more time focused on

³ See links to original press releases for additional product information.

patient care. Both the **Novum IQ LVP** and **Novum IQ SYR** are available and in use across the U.S.

- Announced U.S. FDA approval of an [expanded indication for Clinolipid \(Lipid Injectable Emulsion\)](#) to be used in pediatric patients, including preterm and term neonates. **Clinolipid** is Baxter’s proprietary mixed oil lipid emulsion that is used to provide calories and essential fatty acids in parenteral (intravenous) nutrition (PN) when oral or enteral nutrition is not possible, insufficient or contraindicated. **Clinolipid** has been available in the U.S. for adults since 2019 and is now available for use in all ages.

Healthcare Systems & Technologies

- Launched its [next generation airway clearance system, The Vest Advanced Pulmonary Experience \(APX\) System](#), in the U.S., supporting daily therapy for adults and children with certain chronic lung conditions and retained secretions. The system features the same trusted airflow technology as the previous version, with enhanced comfort and additional patient-centered features driven by clinician and patient input.

Pharmaceuticals

- Announced [10 injectable pharmaceutical product launches](#) in the U.S. that reinforce Baxter’s focus on bringing high-value products to market to help address critical patient needs across key therapeutic areas, including critical care, anti-infectives, pain and oncology.

Corporate Responsibility

Baxter continues to advance its life-sustaining mission through efforts that demonstrate the company’s commitment to operating as a socially responsible and sustainable business and an employer of choice. The company is focused on creating value for its stakeholders through its overarching pledge to “Empower our Patients,” “Protect our Planet” and “Champion our People and Communities.”

Among key areas of focus in 2024, Baxter:

- Continued its longstanding commitment to disaster relief and preparedness globally through a combination of product donations and financial assistance, as well as employees working tirelessly to help ensure access to Baxter’s medically essential products. In 2024, these

efforts included more than \$4 million in contributions focused on relief in the wake of Hurricane Helene in the southern U.S., which directly affected Baxter's employees in North Carolina as well as numerous other communities in the hurricane's path. Baxter also activated support in response to other natural disasters, including the Rio Grande do Sul floods in Brazil; Hurricane Beryl, affecting parts of the Caribbean, Mexico and the U.S.; and severe flooding in Valencia, Spain. More recently, the company activated a response to the massive wildfires affecting Southern California.

- Advanced a wide range of Signature Partnerships through the Baxter International Foundation. These multiyear grants with leading globally recognized nonprofit organizations help fund access to healthcare for the underserved; bolster science, technology, engineering and math (STEM) education to develop the next generation of healthcare innovators; and promote community resilience, disaster relief, and disaster preparedness. The Foundation currently maintains ongoing partnerships with the American Red Cross, Direct Relief and UNICEF, among many others. The Foundation has invested more than \$28 million through its Signature Partnerships since establishing the program in 2019.
- Maintained its emphasis on sustainable business practices and environmental stewardship across our value chain. This includes our ongoing efforts to achieve carbon neutrality, implement strategic water management plans, advance sustainable procurement and mitigate waste.

More information about Baxter's corporate responsibility initiatives is [available on the company's web site](#), including Baxter's most recent Corporate Responsibility report. The company's 2024 Corporate Responsibility report will be published later this year.

2025 Financial Outlook

For full-year 2025: Baxter expects sales growth from continuing operations of 5% to 6% on a reported basis. On an operational basis,⁴ Baxter expects sales growth of 4% to 5%. The company

⁴ Operational sales growth excludes the impact of 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 is calculated at constant currency rates.



expects adjusted earnings from continuing operations, before special items, of \$2.45 to \$2.55 per diluted share.

For first-quarter 2025: The company expects sales growth from continuing operations of 3% to 4% on a reported basis and approximately 4% on an operational basis. The company expects adjusted earnings from continuing operations, before special items, of \$0.47 to \$0.50 per diluted share.

A webcast of Baxter's fourth-quarter 2024 conference call for investors can be accessed live from a link in the Investor Relations section of the company's website at www.baxter.com beginning at 7:30 a.m. CST on Feb. 20, 2025. Please see www.baxter.com for more information regarding this and future investor events and webcasts.

About Baxter

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

Non-GAAP Financial Measures

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

Net sales growth on a constant currency basis is a non-GAAP financial measure that provides information on the percentage change in net sales growth as if foreign currency exchange rates had remained constant between the prior and current periods. Operational sales growth is a non-GAAP measure that excludes the impact of the Kidney Care MSA not reflected in its reportable segments, reflects the exit of IV solutions in China in its Medical Products & Therapies reportable segment, and is calculated on a constant currency basis.

Other non-GAAP financial measures included in this release and the accompanying tables (including within the tables that provide the company's detailed reconciliations to the corresponding U.S. GAAP financial measures) are: adjusted gross margin, adjusted selling, general, and administrative expenses, adjusted research and development expenses, adjusted other operating expense, net, adjusted operating income, adjusted other income (expense), net, adjusted income (loss) from continuing operations before income taxes, adjusted income tax expense (benefit), adjusted income (loss) from continuing operations, adjusted income (loss) from discontinued operations, adjusted net income (loss), adjusted net income (loss) attributable to Baxter stockholders, adjusted diluted earnings per share from continuing operations, adjusted diluted earnings per share from discontinued operations and adjusted diluted earnings per share. Those non-GAAP financial measures exclude the impact of special items. For the quarter and full year ended December 31, 2024 and 2023, special items for one or more periods included intangible asset amortization, business optimization charges, acquisition and integration costs, separation-related costs, expenses related to European medical devices regulation, certain legal matters, goodwill impairments, long-lived asset impairments, non-marketable investment impairments, product-related reserves, the gain on the sale of the BPS business, Hurricane Helene costs, and certain tax matters. These items are excluded because they are highly variable or unusual and of a size that may substantially impact the company's reported operations for a period. Additionally, intangible asset amortization is excluded as a special item to facilitate an evaluation of current and past operating performance and is consistent with how management and the company's Board of Directors assess performance.

This release and the accompanying tables also include free cash flow, a non-GAAP financial measure that Baxter defines as operating cash flow less capital expenditures. Free cash flow is used by management and the company's Board of Directors to evaluate the cash generated from Baxter's operating activities each period after deducting its capital spending.

This release also includes forecasts of certain of the aforementioned non-GAAP measures on a forward-looking basis as part of the company's financial outlook for upcoming periods. 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 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.

Forward-Looking Statements

This release includes forward-looking statements concerning the company's financial results (including the outlook for first-quarter and full-year 2025) and business development and regulatory activities. These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: the company's ability to achieve the intended benefits of its recent strategic actions, including the sale of the Kidney Care business, and cost saving initiatives; the company's ability to successfully integrate acquisitions, including the acquisition of Hill-Rom Holdings, Inc. and the related impact on the company's organization structure, senior leadership, culture, functional alignment, outsourcing and other areas, the company's management of resulting related personnel capacity constraints and potential institutional knowledge loss, and the company's ability to achieve anticipated performance or financial targets and maintain its reputation following integration; the impact of global economic conditions (including, among other things, changes in taxation, tariffs, trade policies and treaties, sanctions, embargos, export control restrictions, inflation levels and interest rates, financial market volatility, banking crises, the potential for a recession, the war in Ukraine, the conflict in the Middle East, other geopolitical events and the potential for escalation of these conflicts, the related economic sanctions being imposed globally in response to the conflicts and potential trade wars, global public health crises, pandemics and epidemics, or the anticipation of any of the foregoing, on the company's operations and on the company's employees, customers, suppliers, and foreign governments in countries in which the company operates; failure to accurately forecast or achieve the company's short- and long-term financial performance and goals, market and category growth rates, and related impacts on the company's liquidity; the company's ability to execute on its capital allocation plans, including the company's debt repayment plans, the timing and amount of any dividends, share repurchases and divestiture proceeds; downgrades to the company's credit ratings or ratings outlooks, or withdrawals by rating agencies from rating the company and its indebtedness, and the impact on the company's funding costs and liquidity; fluctuations in foreign exchange and interest rates; the impact of any goodwill, intangible asset, or other long-lived asset impairments on the company's operating results; the company's ability to finance and develop new products or services, or enhancements thereto, on commercially acceptable terms or at all; product development risks, including satisfactory clinical performance and obtaining and maintaining required regulatory approvals (including as a result of evolving regulatory requirements or the withdrawal or resubmission of any pending applications), the ability to manufacture at appropriate scale, and the general unpredictability associated with the product development cycle; demand and market acceptance risks for, and competitive pressures related to, new and existing products and services, challenges with the company's ability to accurately predict changing customer preferences and future expenditures and inventory levels, and challenges with the company's ability to monetize new and existing products and services (and to sustain any related price increases), the impact of those products and services on quality and patient safety concerns, and the need for ongoing training and support for the company's products and services; the impact of competitive products and pricing, including generic competition, drug reimportation, and disruptive technologies; regulatory agency inspections, product quality or patient safety issues leading to product recalls, withdrawals, labeling changes, launch delays, warning letters, import bans, denial of import certifications, sanctions, seizures, litigation, or declining sales, including the focus on evaluating product portfolios for the potential presence or formation of nitrosamines; future actions of, or failures to act or delays in acting by FDA, the European Medicines Agency, or any other regulatory body or government authority (including the U.S. Securities and

Exchange Commission, Department of Justice, or the Attorney General of any state) that could delay, limit or suspend product development, manufacturing or sale, or result in seizures, recalls, injunctions, monetary sanctions or criminal or civil liabilities; failures with respect to the company's quality, compliance or ethics programs; loss of key employees, including senior management, the occurrence of labor disruptions (including as a result of labor disagreements under bargaining agreements or national trade union agreements or disputes with works councils) or the inability to attract, develop, retain and engage employees; inability to create additional production capacity in a timely manner or the occurrence of other manufacturing, sterilization, or supply difficulties, including as a result of natural disaster (such as Hurricane Helene), war, terrorism, global public health crises and epidemics/pandemics, regulatory actions or otherwise; future actions of third parties, including third-party payors and the company's customers and distributors (including GPOs and IDNs); the continuity, availability, and pricing of acceptable raw materials and component parts, the company's ability to pass some or all of these costs to the company's customers through price increases or otherwise, and the related continuity of the company's manufacturing and distribution and those of the company's suppliers; breaches, including by cyber-attack, data leakage, unauthorized access or theft, or failures of or vulnerabilities in, the company's information technology systems or products; the company's ability to effectively develop, integrate or deploy artificial intelligence, machine learning and other emerging technologies into the company's products, services and operations in a manner that is compliant with existing and emerging regulations; the impact of physical effects of climate change, severe storms (including Hurricane Helene) and storm-related events, including the company's ability to resume production at its North Cove facility to pre-hurricane levels and to complete the remediation; changes to legislation and regulation and other governmental pressures in the United States and globally, including the cost of compliance and potential penalties for purported noncompliance thereof, including new or amended laws, rules and regulations as well as the impact of healthcare reform and its implementation, suspension, repeal, replacement, amendment, modification and other similar actions undertaken by the United States or foreign governments, including with respect to pricing, reimbursement, taxation and rebate policies; the company's ability to meet evolving and varied corporate responsibility expectations of the company's stakeholders, including compliance with new and emerging sustainability regulations; global regulatory, trade, and tax policies, including with respect to climate change and other sustainability matters; the ability to protect or enforce the company's patents or other proprietary rights (including trademarks, copyrights, trade secrets, and know-how) or where the patents of third parties prevent or restrict the company's manufacture, sale or use of affected products or technology; any changes in law concerning the taxation of income (whether with respect to current or future tax reform); actions by tax authorities in connection with ongoing tax audits; the outcome of pending or future litigation; and other risks discussed in Baxter's most recent filings on Form 10-K and Form 10-Q and other SEC filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements unless otherwise required by the federal securities laws.

Baxter, Clinolipid, Dose IQ, IQ Enterprise, Novum IQ and The Vest are trademarks of Baxter International Inc.

Any other trademarks or product brands appearing herein are the property of their respective owners.

Media Contact

Stacey Eisen, (224) 948-5353
media@baxter.com

Investor Contact

Clare Trachtman, (224) 948-3020

###