

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

	Three Months Ended June 30,		
	2024	2023	Change
NET SALES	\$ 3,812	\$ 3,707	3%
COST OF SALES	2,381	2,596	(8)%
GROSS MARGIN	1,431	1,111	29%
<i>% of Net Sales</i>	37.5 %	30.0 %	7.5 pts
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,021	964	6%
<i>% of Net Sales</i>	26.8 %	26.0 %	0.8 pts
RESEARCH AND DEVELOPMENT EXPENSES	173	165	5%
<i>% of Net Sales</i>	4.5 %	4.5 %	0.0 pts
GOODWILL IMPAIRMENT	430	—	NM
OTHER OPERATING INCOME, NET	(1)	(1)	0%
OPERATING LOSS	(192)	(17)	NM
<i>% of Net Sales</i>	(5.0)%	(0.5)%	(4.5) pts
INTEREST EXPENSE, NET	85	124	(31)%
OTHER (INCOME) EXPENSE, NET	(20)	42	NM
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(257)	(183)	40%
INCOME TAX EXPENSE	54	10	NM
<i>% of Loss from Continuing Operations Before Income Taxes</i>	(21.0)%	(5.5)%	(15.5) pts
LOSS FROM CONTINUING OPERATIONS	(311)	(193)	61%
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	—	54	(100)%
NET LOSS	(311)	(139)	NM
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3	2	50%
NET LOSS ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ (314)	\$ (141)	NM
LOSS FROM CONTINUING OPERATIONS PER COMMON SHARE			
Basic	\$ (0.62)	\$ (0.39)	59%
Diluted	\$ (0.62)	\$ (0.39)	59%
INCOME FROM DISCONTINUED OPERATIONS PER COMMON SHARE			
Basic	\$ 0.00	\$ 0.11	(100)%
Diluted	\$ 0.00	\$ 0.11	(100)%
LOSS PER COMMON SHARE			
Basic	\$ (0.62)	\$ (0.28)	NM
Diluted	\$ (0.62)	\$ (0.28)	NM
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	510	506	
Diluted	510	506	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 522	\$ 489	7%
ADJUSTED INCOME FROM CONTINUING OPERATIONS (excluding special items)¹	\$ 348	\$ 282	23%
ADJUSTED INCOME FROM DISCONTINUED OPERATIONS (excluding special items)¹	\$ —	\$ 55	(100)%
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 345	\$ 335	3%
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)¹	\$ 0.68	\$ 0.55	24%
ADJUSTED DILUTED EPS FROM DISCONTINUED OPERATIONS (excluding special items)¹	\$ 0.00	\$ 0.11	(100)%
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 0.68	\$ 0.66	3%

¹ Refer to page 9 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 June 30, 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 Impairment	Operating Income (Loss)	Income (Loss) From Continuing Operations Before Income Taxes	Income Tax Expense (Benefit)	Income (Loss) From Continuing Operations	Net Income (Loss)	Net Income (Loss) Attributable to Baxter Stockholders	Diluted Earnings Per Share from Continuing Operations	Diluted Earnings Per Share
Reported	\$ 1,431	\$ 1,021	\$ 173	\$ 430	\$ (192)	\$ (257)	\$ 54	\$ (311)	\$ (311)	\$ (314)	\$ (0.62)	\$ (0.62)
Reported percent of net sales (or effective tax rate for income tax expense)	37.5 %	26.8 %	4.5 %	11.3 %	(5.0)%	(6.7)%	(21.0)%	(8.2)%	(8.2)%	(8.2)%		
Intangible asset amortization	115	(52)	—	—	167	167	38	129	129	129	0.25	0.25
Business optimization items ¹	12	(11)	3	—	20	20	5	15	15	15	0.03	0.03
Acquisition and integration items ²	—	(6)	—	—	6	6	1	5	5	5	0.01	0.01
Separation-related costs ³	1	(79)	(1)	—	81	81	14	67	67	67	0.13	0.13
European medical devices regulation ⁴	10	—	—	—	10	10	2	8	8	8	0.02	0.02
Goodwill impairment ⁵	—	—	—	(430)	430	430	—	430	430	430	0.84	0.84
Tax matters ⁷	—	—	—	—	—	—	(5)	5	5	5	0.01	0.01
Adjusted	\$ 1,569	\$ 873	\$ 175	\$ —	\$ 522	\$ 457	\$ 109	\$ 348	\$ 348	\$ 345	\$ 0.68	\$ 0.68
Adjusted percent of net sales (or effective tax rate for income tax expense)	41.2 %	22.9 %	4.6 %	0.0 %	13.7 %	12.0 %	23.9 %	9.1 %	9.1 %	9.1 %		

	Reported	Adjusted
Net income (loss)	\$ (311)	\$ 348
Less: Net income attributable to noncontrolling interests	3	3
Net income (loss) attributable to Baxter stockholders	\$ (314)	\$ 345

Weighted-average diluted shares as reported	510
Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported	1
Weighted-average diluted shares as adjusted	511

The company's U.S. GAAP results for the three months ended June 30, 2023 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Other Operating Income, 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
Reported	\$1,111	\$ 964	\$ (1)	\$ (17)	\$ 42	\$ (183)	\$ 10	\$ (193)	\$ 54	\$ (139)	\$ (141)	\$ (0.39)	\$ 0.11	\$ (0.28)
Reported percent of net sales (or effective tax rate for income tax expense)	30.0 %	26.0 %	0.0 %	(0.5)%	1.1 %	(4.9)%	(5.5)%	(5.2)%	1.5 %	(3.7)%	(3.8)%			
Intangible asset amortization	105	(52)	—	157	—	157	38	119	—	119	119	0.23	0.00	0.23
Business optimization items ¹	266	(27)	—	293	—	293	43	250	—	250	250	0.49	0.00	0.49
Acquisition and integration items ²	—	(8)	1	7	—	7	2	5	—	5	5	0.01	0.00	0.01
Separation-related costs ³	4	(33)	—	37	—	37	—	37	8	45	45	0.07	0.02	0.09
European medical devices regulation ⁴	12	—	—	12	—	12	4	8	—	8	8	0.02	0.00	0.02
Investment impairments ⁶	—	—	—	—	(20)	20	5	15	—	15	15	0.03	0.00	0.03
Tax matters ⁷	—	—	—	—	—	—	(41)	41	(7)	34	34	0.08	(0.01)	0.07
Adjusted	\$1,498	\$ 844	\$ —	\$ 489	\$ 22	\$ 343	\$ 61	\$ 282	\$ 55	\$ 337	\$ 335	\$ 0.55	\$ 0.11	\$ 0.66
Adjusted percent of net sales (or effective tax rate for income tax expense)	40.4 %	22.8 %	0.0 %	13.2 %	0.6 %	9.3 %	17.8 %	7.6 %	1.5 %	9.1 %	9.0 %			

	Reported	Adjusted
Income (loss) from continuing operations	\$ (193)	\$ 282
Less: Net income attributable to noncontrolling interests	2	2
Income (loss) from continuing operations attributable to Baxter stockholders	\$ (195)	\$ 280
Weighted-average diluted shares as reported	506	
Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported	2	
Weighted-average diluted shares as adjusted	508	

¹ The company's results in 2024 and 2023 included costs related to programs to optimize its organization and cost structure. In 2024, these costs primarily related to third-party costs incurred to support the transformation of certain general and administrative functions, property, plant, and equipment impairments in connection with the transfer of a manufacturing production line as part of its initiatives to optimize its global manufacturing and supply chain organization, and costs to centralize certain of its research and development activities into a new location. In 2023, these costs primarily related to the company's implementation of its new operating model, the integration of its acquisition of Hill-Rom Holdings, Inc. (Hillrom), and the decision to cease production of dialyzers at one of its U.S.-based manufacturing facilities, which resulted in a \$243 million noncash impairment of property, plant and equipment in the second quarter of the prior year period.

² The company's results in 2024 and 2023 included integration-related items comprised of Hillrom acquisition and integration expenses. In 2023 those costs were partially offset by net gains from changes in the fair value of contingent consideration liabilities.

- ³ The company's results in 2024 and 2023 included separation-related costs primarily related to external advisors supporting its activities to prepare for the proposed separation of its Kidney Care segment, which are reported in continuing operations. The company's results in 2023 also included separation-related costs related to the sale of its BioPharma Solutions (BPS) business, which are reported in discontinued operations.
- ⁴ 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.
- ⁵ The company's results in 2024 included a charge related to a goodwill impairment of the company's Chronic Therapies reporting unit within its Kidney Care segment.
- ⁶ The company's results in 2023 included losses from non-marketable investments in several early stage companies, consisting of \$23 million of noncash impairment write-downs, partially offset by a \$3 million gain from the sale of an investment.
- ⁷ The company's results in 2024 included income tax expenses resulting from internal reorganization transactions related to the proposed separation of its Kidney Care segment. The company's results in 2023 included 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)

	Six Months Ended June 30,		
	2024	2023	Change
NET SALES	\$ 7,404	\$ 7,220	3%
COST OF SALES	4,586	4,834	(5)%
GROSS MARGIN	2,818	2,386	18%
<i>% of Net Sales</i>	38.1 %	33.0 %	5.1 pts
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,048	1,959	5%
<i>% of Net Sales</i>	27.7 %	27.1 %	0.6 pts
RESEARCH AND DEVELOPMENT EXPENSES	349	329	6%
<i>% of Net Sales</i>	4.7 %	4.6 %	0.1 pts
GOODWILL IMPAIRMENT	430	—	NM
OTHER OPERATING INCOME, NET	(4)	(14)	(71)%
OPERATING INCOME (LOSS)	(5)	112	NM
<i>% of Net Sales</i>	(0.1)%	1.6 %	(1.7) pts
INTEREST EXPENSE, NET	163	241	(32)%
OTHER (INCOME) EXPENSE, NET	(27)	40	NM
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(141)	(169)	(17)%
INCOME TAX EXPENSE	131	24	NM
<i>% of Loss from Continuing Operations Before Income Taxes</i>	(92.9)%	(14.2)%	NM
LOSS FROM CONTINUING OPERATIONS	(272)	(193)	41%
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	—	99	(100)%
NET LOSS	(272)	(94)	NM
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	5	3	67%
NET LOSS ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ (277)	\$ (97)	NM
INCOME (LOSS) FROM CONTINUING OPERATIONS PER COMMON SHARE			
Basic	\$ (0.54)	\$ (0.39)	38%
Diluted	\$ (0.54)	\$ (0.39)	38%
INCOME FROM DISCONTINUED OPERATIONS PER COMMON SHARE			
Basic	\$ 0.00	\$ 0.20	(100)%
Diluted	\$ 0.00	\$ 0.20	(100)%
NET INCOME (LOSS) PER COMMON SHARE			
Basic	\$ (0.54)	\$ (0.19)	NM
Diluted	\$ (0.54)	\$ (0.19)	NM
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	509	506	
Diluted	509	506	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 1,037	\$ 928	12%
ADJUSTED INCOME FROM CONTINUING OPERATIONS (excluding special items)¹	\$ 681	\$ 531	28%
ADJUSTED INCOME FROM DISCONTINUED OPERATIONS (excluding special items)¹	\$ —	\$ 104	(100)%
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 676	\$ 632	7%
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)¹	\$ 1.33	\$ 1.04	28%
ADJUSTED DILUTED EPS FROM DISCONTINUED OPERATIONS (excluding special items)¹	\$ 0.00	\$ 0.21	(100)%
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 1.33	\$ 1.25	6%

¹ Refer to page 11 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 six months ended June 30, 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 Impairment	Operating Income (Loss)	Income (Loss) From Continuing Operations Before Income Taxes	Income Tax Expense (Benefit)	Income (Loss) From Continuing Operations	Net Income (Loss)	Net Income (Loss) Attributable to Baxter Stockholders	Diluted Earnings Per Share From Continuing Operations	Diluted Earnings Per Share
Reported	\$2,818	\$ 2,048	\$ 349	\$ 430	\$ (5)	\$ (141)	\$ 131	\$ (272)	\$ (272)	\$ (277)	\$ (0.54)	\$ (0.54)
Reported percent of net sales (or effective tax rate for income tax expense)	38.1 %	27.7 %	4.7 %	5.8 %	(0.1)%	(1.9)%	(92.9)%	(3.7)%	(3.7)%	(3.7)%		
Intangible asset amortization	229	(104)	—	—	333	333	78	255	255	255	0.50	0.50
Business optimization items ¹	26	(38)	(13)	—	77	77	20	57	57	57	0.11	0.11
Acquisition and integration items ²	1	(10)	—	—	11	11	2	9	9	9	0.02	0.02
Separation-related costs ³	5	(167)	(1)	—	173	173	27	146	146	146	0.29	0.29
European medical devices regulation ⁴	18	—	—	—	18	18	4	14	14	14	0.03	0.03
Goodwill impairment ⁵	—	—	—	(430)	430	430	—	430	430	430	0.84	0.84
Tax Matters ⁶	—	—	—	—	—	—	(42)	42	42	42	0.08	0.08
Adjusted	\$3,097	\$ 1,729	\$ 335	\$ —	\$1,037	\$ 901	\$ 220	\$ 681	\$ 681	\$ 676	\$ 1.33	\$ 1.33
Adjusted percent of net sales (or effective tax rate for income tax expense)	41.8 %	23.4 %	4.5 %	0.0 %	14.0 %	12.2 %	24.4 %	9.2 %	9.2 %	9.1 %		

	Reported	Adjusted
Net income (loss)	\$ (272)	\$ 681
Less: Net income attributable to noncontrolling interests	5	5
Net income (loss) attributable to Baxter stockholders	\$ (277)	\$ 676
Weighted-average diluted shares as reported	509	
Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported	1	
Weighted-average diluted shares as adjusted	510	

The company's U.S. GAAP results for the six months ended June 30, 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 Income, Net	Operating Income	Other Expense, Net	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
Reported	\$2,386	\$ 1,959	\$ 329	\$ (14)	\$ 112	\$ 40	\$ (169)	\$ 24	\$ (193)	\$ 99	\$ (94)	\$ (97)	\$ (0.39)	\$ 0.20	\$ (0.19)
Reported percent of net sales (or effective tax rate for income tax expense)	33.0 %	27.1 %	4.6 %	(0.2)%	1.6 %	0.6 %	(2.3)%	(14.2)%	(2.7)%	1.4 %	(1.3)%	(1.3)%			
Intangible asset amortization	215	(104)	—	—	319	—	319	71	248	—	248	248	0.49	0.00	0.49
Business optimization items ¹	301	(119)	(7)	—	427	—	427	73	354	—	354	354	0.70	0.00	0.70
Acquisition and integration items ²	—	(14)	—	14	—	—	—	—	—	—	—	—	0.00	0.00	0.00
Separation-related costs ³	5	(41)	—	—	46	—	46	—	46	15	61	61	0.09	0.03	0.12
European medical devices regulation ⁴	24	—	—	—	24	—	24	7	17	—	17	17	0.03	0.00	0.03
Investment impairments ⁶	—	—	—	—	—	(20)	20	5	15	—	15	15	0.03	0.00	0.03
Tax matters ⁷	—	—	—	—	—	—	—	(44)	44	(10)	34	34	0.09	(0.02)	0.07
Adjusted	\$2,931	\$ 1,681	\$ 322	\$ —	\$ 928	\$ 20	\$ 667	\$ 136	\$ 531	\$ 104	\$ 635	\$ 632	\$ 1.04	\$ 0.21	\$ 1.25
Adjusted percent of net sales (or effective tax rate for income tax expense)	40.6 %	23.3 %	4.5 %	0.0 %	12.9 %	0.3 %	9.2 %	20.4 %	7.4 %	1.4 %	8.8 %	8.8 %			

	Reported	Adjusted
Income (loss) from continuing operations	\$ (193)	\$ 531
Less: Net income attributable to noncontrolling interests	3	3
Income (loss) from continuing operations attributable to Baxter stockholders	\$ (196)	\$ 528
Weighted-average diluted shares as reported	506	
Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported	1	
Weighted-average diluted shares as adjusted	507	

^{1.} The company's results in 2024 and 2023 included costs related to programs to optimize its organization and cost structure. In 2024, these costs primarily related to a program to centralize certain of its research and development activities into a new location, property plant and equipment impairments in connection with the transfer of a manufacturing production line as part of its initiatives to optimize its global manufacturing and supply chain organization, third party costs incurred to support the transformation of certain general and administrative functions, and, to a lesser extent, the implementation of a new operating model intended to streamline and simplify its operations. In 2023, these costs primarily related to the company's implementation of its new operating model, the integration of its acquisition of Hillrom, and the decision to cease production of dialyzers at one of its U.S.-based manufacturing facilities, which resulted in a \$243 million noncash impairment of property, plant and equipment in the second quarter of the prior year period.

^{2.} The company's results in 2024 and 2023 included integration-related items comprised of Hillrom acquisition and integration expenses. In 2023 those costs are offset by net gains from changes in the fair value of contingent consideration liabilities.

3. The company's results in 2024 and 2023 included separation-related costs primarily related to external advisors supporting its activities to prepare for the proposed separation of its Kidney Care segment, which are reported in continuing operations. The company's results in 2023 also included separation-related costs related to the sale of its BioPharma Solutions (BPS) business, which are reported in discontinued operations.
4. 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.
5. The company's results in 2024 included a charge related to a goodwill impairment of the company's Chronic Therapies reporting unit within its Kidney Care segment.
6. The company's results in 2023 included losses from non-marketable investments in several early stage companies, consisting of \$23 million of noncash impairment write-downs, partially offset by a \$3 million gain from the sale of an investment.
7. The company's results in 2024 included income tax expenses resulting from internal reorganization transactions related to the proposed separation of its Kidney Care segment. The company's results in 2023 included a valuation allowance to reduce the carrying amount of a deferred tax asset for a tax basis step-up related to previously enacted Swiss tax legislation, as well as tax costs from separation-related activities 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.
Sales by Operating Segment
(unaudited)
(\$ in millions)

The Medical Products and 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 and 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. The Kidney Care segment includes sales of chronic and acute dialysis therapies and services, including peritoneal dialysis, hemodialysis, continuous renal replacement therapies (CRRT) and other organ support therapies. 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 June 30,		% Growth @ Actual Rates	% Growth @ Constant Rates	Six Months Ended June 30,		% Growth @ Actual Rates	% Growth @ Constant Rates
	2024	2023			2024	2023		
Infusion Therapies and Technologies	\$ 1,045	\$ 1,004	4 %	5 %	\$ 2,011	\$ 1,915	5 %	5 %
Advanced Surgery	277	272	2 %	4 %	540	518	4 %	6 %
Medical Products and Therapies	1,322	1,276	4 %	5 %	2,551	2,433	5 %	5 %
Care and Connectivity Solutions	452	436	4 %	4 %	854	865	(1)%	(2)%
Front Line Care	296	307	(4)%	(4)%	561	609	(8)%	(8)%
Healthcare Systems and Technologies	748	743	1 %	1 %	1,415	1,474	(4)%	(4)%
Injectables and Anesthesia	341	332	3 %	4 %	669	637	5 %	6 %
Drug Compounding	261	218	20 %	20 %	511	436	17 %	18 %
Pharmaceuticals	602	550	9 %	11 %	1,180	1,073	10 %	11 %
Chronic Therapies	917	928	(1)%	1 %	1,805	1,812	(0)%	1 %
Acute Therapies	201	188	7 %	9 %	415	376	10 %	12 %
Kidney Care	1,118	1,116	0 %	3 %	2,220	2,188	1 %	3 %
Other	22	22	0 %	(5)%	38	52	(27)%	(29)%
Total - Continuing Operations	\$ 3,812	\$ 3,707	3 %	4 %	\$ 7,404	\$ 7,220	3 %	3 %

In connection with our segment change in the third quarter of 2023, we reclassified \$8 million and \$16 million of sales from the second quarter and first six months of 2023, respectively, from Chronic Therapies to Acute Therapies to conform to the current period presentation.

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)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Medical Products and Therapies	\$ 238	\$ 264	\$ 465	\$ 461
<i>% of Segment Net Sales</i>	<i>18.0 %</i>	<i>20.7 %</i>	<i>18.2 %</i>	<i>18.9 %</i>
Healthcare Systems and Technologies	120	100	187	212
<i>% of Segment Net Sales</i>	<i>16.0 %</i>	<i>13.5 %</i>	<i>13.2 %</i>	<i>14.4 %</i>
Pharmaceuticals	75	89	153	176
<i>% of Segment Net Sales</i>	<i>12.5 %</i>	<i>16.2 %</i>	<i>13.0 %</i>	<i>16.4 %</i>
Kidney Care	83	55	242	112
<i>% of Segment Net Sales</i>	<i>7.4 %</i>	<i>4.9 %</i>	<i>10.9 %</i>	<i>5.1 %</i>
Other	9	6	13	13
Total	525	514	1,060	974
Unallocated corporate costs	(3)	(25)	(23)	(46)
Intangible asset amortization expense	(167)	(157)	(333)	(319)
Goodwill impairment	(430)	—	(430)	—
Business optimization items	(20)	(293)	(77)	(427)
Acquisition and integration items	(6)	(7)	(11)	—
Separation-related costs	(81)	(37)	(173)	(46)
European Medical Devices Regulation	(10)	(12)	(18)	(24)
Total operating income (loss)	(192)	(17)	(5)	112
Interest expense, net	85	124	163	241
Other (income) expense, net	(20)	42	(27)	40
Loss from continuing operations before income taxes	\$ (257)	\$ (183)	\$ (141)	\$ (169)

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

	Three Months Ended June 30,								
	2024			2023			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Infusion Therapies and Technologies	\$ 579	\$ 466	\$ 1,045	\$ 570	\$ 434	\$ 1,004	2 %	7 %	4 %
Advanced Surgery	150	127	277	150	122	272	0 %	4 %	2 %
Medical Products and Therapies	729	593	1,322	720	556	1,276	1 %	7 %	4 %
Care and Connectivity Solutions	332	120	452	311	125	436	7 %	(4)%	4 %
Front Line Care	218	78	296	227	80	307	(4)%	(3)%	(4)%
Healthcare Systems and Technologies	550	198	748	538	205	743	2 %	(3)%	1 %
Injectables and Anesthesia	197	144	341	182	150	332	8 %	(4)%	3 %
Drug Compounding	—	261	261	—	218	218	0 %	20 %	20 %
Pharmaceuticals	197	405	602	182	368	550	8 %	10 %	9 %
Chronic Therapies	228	689	917	230	698	928	(1)%	(1)%	(1)%
Acute Therapies	77	124	201	64	124	188	20 %	0 %	7 %
Kidney Care	305	813	1,118	294	822	1,116	4 %	(1)%	0 %
Other	16	6	22	16	6	22	0 %	0 %	0 %
Total - Continuing Operations	\$ 1,797	\$ 2,015	\$ 3,812	\$ 1,750	\$ 1,957	\$ 3,707	3 %	3 %	3 %

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

	Six Months Ended June 30,								
	2024			2023			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Infusion Therapies and Technologies	\$1,105	\$ 906	\$ 2,011	\$1,084	\$ 831	\$ 1,915	2 %	9 %	5 %
Advanced Surgery	297	243	540	294	224	518	1 %	8 %	4 %
Medical Products and Therapies	1,402	1,149	2,551	1,378	1,055	2,433	2 %	9 %	5 %
Care and Connectivity Solutions	610	244	854	609	256	865	0 %	(5) %	(1) %
Front Line Care	413	148	561	448	161	609	(8) %	(8) %	(8) %
Healthcare Systems and Technologies	1,023	392	1,415	1,057	417	1,474	(3) %	(6) %	(4) %
Injectables and Anesthesia	388	281	669	355	282	637	9 %	(0) %	5 %
Drug Compounding	—	511	511	—	436	436	0 %	17 %	17 %
Pharmaceuticals	388	792	1,180	355	718	1,073	9 %	10 %	10 %
Chronic Therapies	454	1,351	1,805	459	1,353	1,812	(1) %	(0) %	(0) %
Acute Therapies	162	253	415	128	248	376	27 %	2 %	10 %
Kidney Care	616	1,604	2,220	587	1,601	2,188	5 %	0 %	1 %
Other	27	11	38	40	12	52	(33) %	(8) %	(27) %
Total - Continuing Operations	\$3,456	\$ 3,948	\$ 7,404	\$3,417	\$ 3,803	\$ 7,220	1 %	4 %	3 %

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

	Six Months Ended June 30,	
	2024	2023
Cash flows from operations – continuing operations	\$ 278	\$ 780
Cash flows from investing activities - continuing operations	(257)	(326)
Cash flows from financing activities - continuing operations	(1,076)	(492)
Cash flows from operations - continuing operations	\$ 278	\$ 780
Capital expenditures - continuing operations	(292)	(328)
Free cash flow - continuing operations	\$ (14)	\$ 452

	Six Months Ended June 30,	
	2024	2023
Cash flows from operations – discontinued operations	\$ —	\$ 50
Cash flows from investing activities - discontinued operations	—	(17)
Cash flows from operations - discontinued operations	\$ —	\$ 50
Capital expenditures - discontinued operations	—	(17)
Free cash flow - discontinued operations	\$ —	\$ 33

	Six Months Ended June 30,	
	2024	2023
Cash flows from operations – Total Baxter	\$ 278	\$ 830
Cash flows from investing activities - Total Baxter	(257)	(343)
Cash flows from financing activities - Total Baxter	(1,076)	(492)
Cash flows from operations - Total Baxter	\$ 278	\$ 830
Capital expenditures - Total Baxter	(292)	(345)
Free cash flow - Total Baxter	\$ (14)	\$ 485

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 June 30, 2023 to the Three Months Ended June 30, 2024
(unaudited)

	Net Sales Growth As Reported	FX	Constant Currency Sales Growth*
Infusion Therapies and Technologies	4 %	1 %	5 %
Advanced Surgery	2 %	2 %	4 %
Medical Products and Therapies	4 %	1 %	5 %
Care and Connectivity Solutions	4 %	0 %	4 %
Front Line Care	(4) %	0 %	(4) %
Healthcare Systems and Technologies	1 %	0 %	1 %
Injectables and Anesthesia	3 %	1 %	4 %
Drug Compounding	20 %	0 %	20 %
Pharmaceuticals	9 %	2 %	11 %
Chronic Therapies	(1) %	2 %	1 %
Acute Therapies	7 %	2 %	9 %
Kidney Care	0 %	3 %	3 %
Other	0 %	(5) %	(5) %
Total - Continuing Operations	3 %	1 %	4 %

*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 Six Months Ended June 30, 2023 to The Six Months Ended June 30, 2024
(unaudited)

	Net Sales Growth As Reported	FX	Constant Currency Sales Growth*
Infusion Therapies and Technologies	5 %	0 %	5 %
Advanced Surgery	4 %	2 %	6 %
Medical Products and Therapies	5 %	0 %	5 %
Care and Connectivity Solutions	(1) %	(1) %	(2) %
Front Line Care	(8) %	0 %	(8) %
Healthcare Systems and Technologies	(4) %	0 %	(4) %
Injectables and Anesthesia	5 %	1 %	6 %
Drug Compounding	17 %	1 %	18 %
Pharmaceuticals	10 %	1 %	11 %
Chronic Therapies	(0) %	1 %	1 %
Acute Therapies	10 %	2 %	12 %
Kidney Care	1 %	2 %	3 %
Other	(27) %	(2) %	(29) %
Total - Continuing Operations	3 %	0 %	3 %

*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 Measures
Projected Third Quarter and Full Year 2024 U.S. GAAP Sales Growth to Projected Constant Currency Sales Growth
and Projected Third Quarter and Full Year 2024 Adjusted Earnings Per Share
(unaudited)

Sales Growth Guidance	Q3 2024*	FY 2024*
Sales growth - U.S. GAAP	3% - 4%	~ 3%
Foreign Exchange	>50 bps	<50 bps
Sales growth - Constant currency	4% - 5%	~ 3%

Adjusted Earnings Per Share Guidance	Q3 2024	FY 2024
Adjusted diluted EPS	\$0.77 - \$0.79	\$2.93 - \$3.01

*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 adjusted diluted EPS guidance excludes potential charges or gains that would be reflected as non-GAAP adjustments to earnings. Baxter provides forward-looking adjusted diluted EPS guidance because it believes that this measure provides useful information for the reasons noted in the accompanying release. Baxter has not provided reconciliations of forward-looking adjusted EPS guidance to forward-looking GAAP EPS guidance for the third quarter and full year of 2024 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, unusual gains and losses, and changes in foreign currency exchange rates, 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.