FOR IMMEDIATE RELEASE

BAXTER REPORTS SECOND-QUARTER 2025 RESULTS

- *Second-quarter sales from continuing operations of $2.81 billion increased 4% on a reported basis and 1% on an operational basis, in line with the company's previously issued guidance*[1,2]
- *Second-quarter U.S. GAAP*[3] *diluted earnings per share (EPS) from continuing operations of $0.24; adjusted diluted EPS from continuing operations of $0.59, in line with the company's previously issued guidance*
- *Recently announced appointment of Andrew Hider as president and chief executive officer (CEO)*[4] *supports company's focus to accelerate innovation, drive sustainable growth, enhance operational effectiveness and create shareholder value*

DEERFIELD, Ill., JULY 31, 2025 – Baxter International Inc. (NYSE:BAX), a global medtech leader, today reported results for the second quarter of 2025.

"For the second quarter of 2025, Baxter delivered performance in line with guidance while our employees across the globe continued advancing the company's life-sustaining Mission and building on its vision to redefine healthcare delivery," said Brent Shafer, chair and

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[1] Sales growth on an operational basis 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] Operational sales growth excludes the impact of the Kidney Care manufacturing and supply agreement (MSA) not reflected in reportable segments, reflects the previously announced exit of IV solutions in China in the Medical Products & Therapies reportable segment, and is calculated at constant currency rates.

[3] Generally Accepted Accounting Principles

[4] Mr. Hider's appointment was announced July 7, 2025; he is to assume his responsibilities at Baxter by Sept. 3, 2025. See press release on baxter.com for additional information.

interim CEO. “The company is poised to enter a new chapter with the appointment of Andrew Hider as our next CEO. Andrew’s extensive experience in driving operational excellence, innovation and growth at global, diversified companies will help propel Baxter into a new era of progress and performance.”

Second-Quarter 2025 Companywide Financial Results

Note that continuing operations exclude Baxter’s Kidney Care business, which was acquired by Carlyle in January 2025, and is reported as discontinued operations.

- Worldwide sales from continuing operations in the second quarter totaled approximately $2.81 billion, increasing 4% on a reported basis and 1% on an operational basis.
- U.S. sales from continuing operations in the second quarter totaled approximately $1.54 billion, increasing 3% on a reported basis and declining 1% on an operational basis.
- International sales from continuing operations in the second quarter totaled approximately $1.27 billion, increasing 6% on a reported basis and 3% on an operational basis.
- On a U.S. GAAP basis, net income from continuing operations totaled $122 million, or $0.24 per diluted share in the second quarter.
- On an adjusted basis, net income from continuing operations in the second quarter was $0.59 per diluted share, increasing 28% over the prior year.

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

Second-Quarter 2025 Segment Results

- **Medical Products & Therapies** sales for the second quarter totaled approximately $1.32 billion, remaining flat on a reported basis and increasing 1% on an operational basis. Performance in the quarter reflected strength globally for Advanced Surgery and for infusion systems products within the Infusion Therapies & Technologies division. As previously discussed, softness in demand for IV solutions due to fluid conservation efforts enacted post Hurricane Helene partially offset the segment's growth in the quarter.

- **Healthcare Systems & Technologies** sales for the second quarter totaled approximately $767 million, an increase of 3% on a reported basis and 2% on an operational basis. Performance in the quarter reflected solid global growth for the Care & Connectivity Solutions division, with a noted improvement in growth internationally. Sales in the Front Line Care division improved sequentially but declined compared to the prior year, driven by softness in select markets outside the U.S.

- **Pharmaceuticals** sales for the second quarter totaled approximately $612 million, an increase of 2% on a reported basis and 1% on an operational basis. Positive performance in the quarter reflected strength in Drug Compounding, which was partially offset by reduced sales of Injectables & Anesthesia. Injectables sales declined 1%, primarily reflecting a difficult comparison to the prior-year period due to the timing of a government order. Anesthesia sales declined low double digits in the quarter globally.

Recent Highlights[5]

Baxter continues to advance key strategic priorities in pursuit of its Mission to Save and Sustain Lives. Among recent highlights, the company:

- Announced that following the impact of Hurricane Helene at its North Cove, N.C. site, inventory levels are restored and therefore allocations have been removed for all IV solutions product codes manufactured at the site.

- Partnered with Vizient to include IV fluids through an expansion of its Vizient Reserve Program, to help ensure reliable access to these critical products during

[5] See links to original press releases for additional information.

times of supply disruption. The program provides participating healthcare organizations with dedicated, on-demand manufacturer inventory, warehoused in the U.S., along with comprehensive support to help safeguard continuity of care.

- Published its 2024 Corporate Responsibility Report, demonstrating its commitment to transparent reporting and providing updates on the company's 2030 Corporate Responsibility Commitment and Goals,[6] which strive to create a more sustainable and responsible business model.

2025 Financial Outlook

For full-year 2025: Baxter now expects sales growth from continuing operations of 6% to 7% on a reported basis. On an operational basis, Baxter expects sales growth of 3% to 4%. The company now expects adjusted earnings from continuing operations, before special items, of $2.42 to $2.52 per diluted share. Baxter's updated guidance attempts to capture potential downside risks associated with factors primarily impacting the company's Medical Products & Therapies segment.

For third-quarter 2025: The company expects sales growth from continuing operations of 6% to 7% on a reported basis and 3% to 4% on an operational basis. The company expects adjusted earnings from continuing operations, before special items, of $0.58 to $0.62 per diluted share.

A webcast of Baxter's second-quarter 2025 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. CDT on July 31, 2025. Please see www.baxter.com for more information regarding this and future investor events and webcasts.

[6] Data presented in the 2024 Corporate Responsibility Report includes Baxter's Kidney Care business, which was sold in January 2025, unless otherwise noted.

About Baxter

At Baxter, we are everywhere healthcare happens – and everywhere it is going, with essential solutions in the hospital, physician's office and other sites of care. For nearly a century, our customers have counted on us as a vital and trusted partner. And every day, millions of patients and healthcare providers rely on our unmatched portfolio of connected solutions, medical devices, and advanced injectable technologies. Approximately 38,000 Baxter team members live our enduring Mission: to Save and Sustain Lives. Together, we are redefining how care is delivered to make a greater impact today, tomorrow, and beyond. 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.

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

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 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 quarters and six-month periods ended June 30, 2025 and 2024, 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, a goodwill impairment, investment impairments, product-related reserves, the gain on the sale of the Kidney Care 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 reportable segments, reflects the previously announced exit of IV solutions in China in the 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 third-quarter and full-year 2025) and operational (including with respect to the new Vizient partnership), 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 strategic actions, including the sale of the Kidney Care business, business strategy and development activities and cost saving initiatives; the company's ability to successfully integrate acquisitions, including the acquisition of Hill-Rom Holdings, Inc. (Hillrom) 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 tariffs, taxation, trade policies and treaties, sanctions, embargos, export control restrictions, the potential for a recession, supply chain disruptions, inflation levels and interest rates, financial market volatility, banking crises, the war in Ukraine, the conflict in the Middle East and other geopolitical events, including U.S. military strikes on Iran, and the potential for escalation of these and other 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 and the company's ability to identify actions to mitigate the impact of those conditions (or to realize the anticipated benefits of any such mitigating actions); 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 (including pricing) related to, new and existing products and services (including response to product recalls), challenges and reputational risks associated with converting customers to new products and challenges with accurately predicting changing customer preferences and future expenditures and inventory levels (including with respect to any fluid conservation efforts) and with being able 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; future actions of, or failures to act or delays in acting by the U.S. Food and Drug Administration, the European Medicines Agency, or any other regulatory body or government authority (including the U.S. Securities and Exchange Commission, Department of Justice, Health Canada or the Attorney General of any state), or any product quality or patient safety issues (including those related to voluntary corrections for the company's* ***Novum IQ*** *Large Volume pump) that could delay, limit or suspend product development, manufacturing, or sale or otherwise lead to product recalls (either voluntary or required by governmental authorities), adverse regulatory site inspection reports, voluntary or official action indicated classifications, labeling changes, launch delays, warning letters, import bans, refusal of a government to grant or the government withdrawal of approvals, clearances, licenses or other marketing authorizations, denial of import certifications, sanctions, seizures, injunctions (including to halt manufacture or distribution), monetary sanctions, criminal or civil liabilities or litigation; 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 its customers through price increases or otherwise, and the related* *continuity of the company's manufacturing, sterilization, supply and distribution and those of the company's suppliers; failure to accurately forecast or achieve the company's short- and long-term financial performance and goals, market and category growth rates, growth rates for the company's segments, 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 related impact on the company's funding costs and liquidity; fluctuations in foreign exchange and interest rates; the impact of any accounting estimates and assumptions, including with respect to 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; actions by tax authorities in connection with ongoing tax audits (including with respect to transfer pricing matters) and the outcome of pending or future litigation; failures with respect to the company's quality, compliance or ethics programs; our ability to attract, develop, retain and engage employees, including senior management, and 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); 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 or severe weather event (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 group purchasing organizations and integrated delivery networks); breaches and breakdowns affecting the company's information technology systems or protected information, 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; 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 (including taxation of income, whether with respect to current or future tax reform) 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; 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; 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.*

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