

FOR IMMEDIATE RELEASE

## **BAXTER REPORTS FOURTH-QUARTER 2025 RESULTS**

- *Fourth-quarter sales from continuing operations of \$2.97 billion increased 8% on a reported basis and 3% on an operational basis<sup>1,2</sup>*
- *Fourth-quarter U.S. GAAP<sup>3</sup> diluted earnings per share (EPS) (loss) from continuing operations of (\$2.01); adjusted diluted EPS from continuing operations of \$0.44*
- *Company advances ongoing board of directors refreshment*

DEERFIELD, ILL., FEB. 12, 2026 – Baxter International Inc. (NYSE:BAX), a global medtech leader, today reported results for the fourth quarter of 2025.

“While we delivered sales growth across all segments, our fourth-quarter results did not meet our expectations, underscoring the importance of our focus on driving continuous improvement across the enterprise,” said Andrew Hider, president and CEO. “We recently introduced a new operating model that is designed to simplify our organization, accelerate innovation and improve performance. These changes further decentralize the business and embed critical functional roles directly within each division – bringing us closer to our customers and ultimately helping us to improve our say-do ratio and execute more consistently. While the work ahead will take time, I’m encouraged by the dedication of our employees and remain confident in Baxter’s long-term trajectory.”

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<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Generally Accepted Accounting Principles



## Fourth-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 fourth quarter totaled approximately \$2.97 billion, increasing 8% on a reported basis and 3% on an operational basis.
- U.S. sales from continuing operations in the fourth quarter totaled approximately \$1.55 billion, increasing 3% on a reported basis and declining 1% on an operational basis.
- International sales from continuing operations in the fourth quarter totaled approximately \$1.42 billion, increasing 14% on a reported basis and 8% on an operational basis.
- On a U.S. GAAP basis, net income (loss) from continuing operations totaled (\$1,035) million, or (\$2.01) per diluted share which includes a goodwill impairment charge of \$485 million related to the Front Line Care reporting unit and a valuation allowance on the realizability of U.S. deferred tax assets of \$330 million.
- On an adjusted basis, net income from continuing operations in the fourth quarter was \$0.44 per diluted share, decreasing 24% from the prior year driven primarily by unfavorable product mix, non-recurring items including inventory adjustments, and a higher effective tax rate.

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

## Fourth-Quarter 2025 Segment Results

- **Medical Products & Therapies** sales for the fourth quarter totaled approximately \$1.39 billion, an increase of 6% on a reported basis and 4% on an operational basis. Performance in the quarter reflected increased sales within the Infusion Therapies & Technologies division driven by strength in IV solutions reflecting a favorable comparison to the prior-year period, which was offset by reduced sales in infusion

systems due to the previously disclosed shipment and installation hold of the **Novum IQ** LVP. Continued strong global demand for Advanced Surgery products also positively contributed to performance.

- **Healthcare Systems & Technologies** sales for the fourth quarter totaled approximately \$827 million, an increase of 5% on a reported basis and 4% on an operational basis. Performance in the quarter reflected continued demand for Care & Connectivity Solutions products and growth in the Front Line Care division, including the recent launch of the **Welch Allyn Connex 360** Vital Signs Monitor.
- **Pharmaceuticals** sales for the fourth quarter totaled approximately \$668 million, an increase of 4% on a reported basis and 2% on an operational basis. Performance in the quarter reflected continued strength in Drug Compounding, which was partially offset by reduced sales within Injectables & Anesthesia.

#### Recent Highlights<sup>4</sup>

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

- Announced the upcoming U.S. launch of the [Dynamo Series smart stretcher](#), the latest innovation in Baxter's leading portfolio of smart beds, surfaces and connected care solutions. The **Dynamo Series** is designed to address common challenges care teams face in hospital settings by helping to reduce the need for patient transfers and simplify patient positioning across a range of procedures.
- Presented real-world data demonstrating the positive impact of smart infusion pump integration with hospital electronic medical records on patient safety, clinicians' bedside productivity and programming compliance at the American Society of Health-System Pharmacists (ASHP) 2025 Midyear Clinical Meeting.

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<sup>4</sup> See links to original press releases for additional information.

Developed in collaboration with the University of Texas Medical Branch, the data analyzed more than one million infusions on Baxter's **Spectrum IQ** large volume infusion pumps.

- Announced a [three-year \\$2.6M grant from the Baxter Foundation](#) to support the continuation of a partnership with Northwestern University's School of Education and Social Policy to provide science, technology, engineering and math (STEM) programs for students and teachers throughout the Chicagoland area.

### Full-Year 2026 Financial Outlook

- Reported sales growth from continuing operations: flat to 1%
- Organic sales growth from continuing operations: approximately flat
- Adjusted earnings from continuing operations per diluted share: \$1.85 to \$2.05

See the "Non-GAAP Financial Measures" section for explanations of our non-GAAP financial measures.

### Board Refreshment

Baxter announced today that it has appointed Michael R. McDonnell to its board of directors effective Feb. 13, 2026. Mr. McDonnell is a seasoned finance executive with decades of CFO experience across major global life sciences and technology companies, including most recently at Biogen and IQVIA Holdings. He brings foundational audit and advisory expertise from his early career as a partner at PwC (PricewaterhouseCoopers) and has deep proficiency in financial management, capital markets, and governance supported by his public company board experience.

In addition, the company announced that Cathy R. Smith and Stephen H. Rusckowski will resign from the Baxter board as of Feb. 13, 2026. Ms. Smith joined the Baxter board in July

2017 and Mr. Rusckowski in August 2023. Effective upon their resignations and Mr. McDonnell's appointment, the size of the company's board will be 10 directors.

"On behalf of the board, I thank Cathy and Steve for their years of service," said Brent Shafer, chair, Baxter board of directors. "We are excited to welcome Mike to the Baxter board and look forward to his many contributions."

### Earnings Conference Call

Baxter will host a conference call today, Feb. 12, 2026, at 7:30 a.m. CST to discuss its fourth-quarter 2025 results and provide an update on the business. The 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](http://www.baxter.com). Please see [www.baxter.com](http://www.baxter.com) for more information regarding this and future investor events and webcasts.

### Upcoming Webcasted Investor Events (*to be made available on [www.baxter.com](http://www.baxter.com)*)

- Citi 2026 Unplugged MedTech and Life Sciences Access Day at 11:15 a.m. CST, Feb. 26, 2026
- Barclays 28<sup>th</sup> Annual Global Healthcare Conference at noon CDT, March 11, 2026

### 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 37,500 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](http://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. Organic sales growth is a non-GAAP measure that excludes the impact of the Kidney Care MSA not reflected in reportable segments, impacts associated with business acquisitions or divestitures, 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 goodwill impairments, adjusted other operating income, net, adjusted operating income (loss), 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 12-month periods ended December 31, 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, indefinite-lived asset impairments, goodwill impairments, investment impairments, product-related reserves, gain on sale of long-lived assets, gain on early extinguishment of debt, 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 organic 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 impacts associated with business acquisitions or divestitures, 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 organic 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 full-year 2026) and certain business development and product development 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 is exposed to risks as a result of its strategic actions; the company may not achieve the anticipated benefits of its significant transactions, including the sale of its Kidney Care business and its acquisition of Hill-Rom Holdings, Inc.; the company's significant indebtedness requires it to use a substantial amount of its cash flow for debt service and constrains the company's ability to pursue growth strategies and advance its R&D capabilities; there is substantial competition in the product markets in which the company operates and the risk of declining demand and pricing pressures could adversely affect the company's business, results of operations, financial condition and cash flows; the company may be unable to successfully introduce or monetize new and existing products or*

*services or keep pace with changing consumer preferences and needs or advances in technology; the company may not achieve its financial goals; the company has experienced disruptions in its supply chain; global economic conditions, including inflation, have adversely affected, and could continue to adversely affect, the company's operations; the company may not be successful in achieving expected operating efficiencies and sustaining or improving operating expense reductions; continued consolidation in the health care industry or additional governmental controls exerted over pricing and access in key markets could lead to increased demands for price concessions or limit or eliminate the company's ability to sell to certain of its significant market segments; the company's operating results and financial condition have fluctuated and may in the future continue to fluctuate; management transition creates uncertainties, and the company may experience difficulties in managing such transitions, including attracting and retaining key employees; changes in foreign currency exchange rates and interest rates have had, and may in the future have, an adverse effect on the company's results of operations, financial condition, cash flows, and liquidity; future material impairments in the value of the company's goodwill, intangible assets, and other long-lived assets would negatively affect the company's operating results; segments of the company's business are significantly dependent on major contracts with group purchasing organizations, integrated delivery networks, and certain other distributors and purchasers; the company may be unable to obtain sufficient components or raw materials on a timely basis or for a cost-effective price; the company may experience manufacturing, sterilization, supply, or distribution difficulties; the company has experienced and may continue to experience issues with quality management or product quality; the company may experience breaches and breakdowns affecting its information technology systems or protected information, including from obsolescence, cyber security breaches and data leakage; the company is exposed to risks associated with incorporating artificial intelligence (AI), machine learning and other emerging technologies into our products, services and operations; the company is subject to risks associated with doing business globally; a portion of the company's workforce is unionized, and the company could face labor disruptions that would interfere with its operations; the effects of climate change, including legal, regulatory, or market measures related to climate change and other sustainability topics, could adversely affect the company's business, results of operations, financial condition, and cash flows; the company's commitments, goals, activities, and disclosures related to sustainability and corporate responsibility matters, and the perception of the company's activities in these areas, may fail to satisfy the differing expectations of key stakeholders on these matters; the company is subject to laws and regulations globally, and its failure to comply with rapidly changing and increasingly divergent expectations of regulators in different jurisdictions could adversely impact the company; if reimbursement or other payment for our current or future products is reduced or modified in the U.S. or in foreign countries, or there are changes to policies with respect to pricing, taxation, or rebates, the company's business could suffer; increasing regulatory focus on, and expanding laws relating to, privacy, artificial intelligence, and cybersecurity could impact the company's business and expose it to increased liability; the company is party to a number of pending lawsuits and other disputes which may adversely impact it; the company could be subject to fines or damages and possible exclusion from participation in federal or state healthcare programs if it fails to comply with the laws and regulations applicable to its business; if the company is unable to protect or enforce its patents or other proprietary rights, or if the company becomes subject to claims or litigation*

*alleging infringement of the patents or other proprietary rights of others, the company's competitiveness and business prospects may be materially damaged; changes in tax laws or exposure to additional income tax liabilities may have a negative impact on the company's operating results; the company's Amended and Restated Bylaws could limit its stockholders' ability to choose their preferred judicial forum for disputes with the company or its directors, officers, or employees; the company recently decreased its quarterly dividend to \$0.01 per share and cannot guarantee that it will increase the amount of dividends it pays, or that it will not cease paying dividends; the company's common stock price has fluctuated significantly and may continue to do so; 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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