

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

	Three Months Ended December 31,		
	2025	2024	Change
NET SALES	\$ 2,974	\$ 2,753	8 %
COST OF SALES	2,397	1,794	34 %
GROSS MARGIN	577	959	(40) %
<i>% of Net Sales</i>	19.4 %	34.8 %	(15.4) pts
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	761	761	0 %
<i>% of Net Sales</i>	25.6 %	27.6 %	(2.0) pts
RESEARCH AND DEVELOPMENT EXPENSES	126	211	(40) %
<i>% of Net Sales</i>	4.2 %	7.7 %	(3.5) pts
GOODWILL IMPAIRMENTS	485	425	14 %
OTHER OPERATING INCOME, NET	(66)	(3)	NM
OPERATING INCOME (LOSS)	(729)	(435)	68 %
<i>% of Net Sales</i>	(24.5)%	(15.8)%	(8.7) pts
INTEREST EXPENSE, NET	58	90	(36) %
OTHER (INCOME) EXPENSE, NET	(31)	(4)	NM
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(756)	(521)	45 %
INCOME TAX EXPENSE (BENEFIT)	279	(33)	NM
<i>% of Income (Loss) from Continuing Operations Before Income Taxes</i>	(36.9)%	6.3 %	(43.2) pts
INCOME (LOSS) FROM CONTINUING OPERATIONS	(1,035)	(488)	NM
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	(93)	(22)	NM
NET INCOME (LOSS)	(1,128)	(510)	NM
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS INCLUDED IN CONTINUING OPERATIONS	—	—	NM
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS INCLUDED IN DISCONTINUED OPERATIONS	—	2	(100) %
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	2	(100) %
NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ (1,128)	\$ (512)	NM
INCOME (LOSS) FROM CONTINUING OPERATIONS PER COMMON SHARE			
Basic	\$ (2.01)	\$ (0.95)	NM
Diluted	\$ (2.01)	\$ (0.95)	NM
INCOME (LOSS) FROM DISCONTINUED OPERATIONS PER COMMON SHARE			
Basic	\$ (0.18)	\$ (0.05)	NM
Diluted	\$ (0.18)	\$ (0.05)	NM
NET INCOME (LOSS) PER COMMON SHARE			
Basic	\$ (2.19)	\$ (1.00)	NM
Diluted	\$ (2.19)	\$ (1.00)	NM
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	514	511	
Diluted	514	511	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 352	\$ 419	(16) %
ADJUSTED INCOME (LOSS) FROM CONTINUING OPERATIONS (excluding special items)¹	\$ 225	\$ 297	(24) %
ADJUSTED INCOME (LOSS) FROM DISCONTINUED OPERATIONS (excluding special items)¹	\$ (40)	\$ 101	NM
ADJUSTED NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 185	\$ 396	(53) %
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)¹	\$ 0.44	\$ 0.58	(24) %
ADJUSTED DILUTED EPS FROM DISCONTINUED OPERATIONS (excluding special items)¹	\$ (0.08)	\$ 0.19	NM
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 0.36	\$ 0.77	(53) %

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 three months ended December 31, 2025 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Goodwill Impairments	Other Operating Income, Net	Operating Income (Loss)	Other (Income) Expense, Net	Income From Continuing Operations Before Income Taxes	Income Tax Expense (Benefit)	Income (Loss) From Continuing Operations	Income (Loss) From Discontinued Operations, Net of Tax	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	\$ 577	\$ 761	\$ 126	\$ 485	\$ (66)	\$ (729)	\$ (31)	\$ (756)	\$ 279	\$ (1,035)	\$ (93)	\$ (1,128)	\$ (2,01)	\$ (0,18)	\$ (2,19)
	19.4 %	25.6 %	4.2 %	16.3 %	(2.2)%	(24.5)%	(1.0)%	(25.4)%	(36.9)%	(34.8)%	(3.1)%	(37.9)%	(37.9)%		
Reported percent of net sales (or effective tax rate for income tax expense (benefit))															
Intangible asset amortization	95	(50)	—	—	—	145	—	145	34	111	—	111	0.22	0.00	0.22
Business optimization items ¹	23	(46)	(9)	—	—	78	—	78	19	59	—	59	0.11	0.00	0.11
Acquisition and integration items ²	—	(13)	—	—	—	13	—	13	3	10	—	10	0.02	0.00	0.02
European medical devices regulation ³	6	—	—	—	—	6	—	6	2	4	—	4	0.01	0.00	0.01
Product-related reserves ⁴	52	—	—	—	—	52	—	52	13	39	—	39	0.08	0.00	0.08
Hurricane Helene costs ⁵	10	—	—	—	—	10	—	10	2	8	—	8	0.02	0.00	0.02
Separation-related costs ⁶	2	(15)	(1)	—	—	18	—	18	4	14	—	14	0.03	0.00	0.03
Indefinite-lived asset impairments ⁷	290	—	—	—	—	290	—	290	71	219	—	219	0.43	0.00	0.43
Goodwill impairments ⁸	—	—	—	(485)	—	485	—	485	—	485	—	485	0.94	0.00	0.94
Gain on sale of long-lived asset ⁹	—	—	—	—	16	(16)	—	(16)	—	(16)	—	(16)	(0.03)	0.00	(0.03)
Gain on early extinguishment of debt ¹⁰	—	—	—	—	—	—	16	(16)	(4)	(12)	—	(12)	(0.02)	0.00	(0.02)
Tax matters ¹¹	—	—	—	—	—	—	—	—	(339)	339	53	392	0.66	0.10	0.76
Adjusted	\$ 1,055	\$ 637	\$ 116	\$ —	\$ (50)	\$ 352	\$ (15)	\$ 309	\$ 84	\$ 225	\$ (40)	\$ 185	\$ 0.44	\$ (0.08)	\$ 0.36
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	35.5 %	21.4 %	3.9 %	0.0 %	(1.7)%	11.8 %	(0.5)%	10.4 %	27.2 %	7.6 %	(1.3)%	6.2 %	6.2 %		

Weighted-average diluted shares as reported 514

Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported 1

Weighted-average diluted shares as adjusted 515

The company's U.S. GAAP results for the three months ended December 31, 2024 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Goodwill Impairments	Operating Income (Loss)	Income From Continuing Operations Before Taxes	Income Tax Expense (Benefit)	Income (Loss) From Continuing Operations, Net of Tax	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	\$ 959	\$ 761	\$ 211	\$ 425	\$ (435)	\$ (521)	\$ (33)	\$ (488)	\$ (510)	\$ (0.95)	\$ (0.05)	\$ (1.00)
	34.8 %	27.6 %	7.7 %	15.4 %	(15.8)%	(18.9)%	6.3 %	(17.7)%	(18.5)%	(18.5)%	(18.6)%	
Intangible asset amortization	103	(51)	—	—	154	154	37	117	118	0.23	0.00	0.23
Business optimization items ¹	59	(24)	(30)	—	113	113	27	86	82	0.17	(0.01)	0.16
Acquisition and integration items ²	—	(7)	—	—	7	7	2	5	5	0.01	0.00	0.01
European medical devices regulation ³	8	—	—	—	8	8	1	7	6	0.01	0.00	0.01
Product-related reserves ⁴	12	—	—	—	12	12	3	9	9	0.02	0.00	0.02
Hurricane Helene costs ⁵	85	—	—	—	85	85	21	64	73	0.13	0.01	0.14
Indefinite-lived asset impairments ⁷	—	—	(50)	—	50	50	13	37	37	0.07	0.00	0.07
Goodwill impairments ⁸	—	—	—	(425)	425	425	—	425	425	0.83	0.00	0.83
Separation-related costs ⁶	—	—	—	—	—	—	—	—	68	0.00	0.13	0.13
Tax matters ¹¹	—	—	—	—	—	—	(35)	35	85	0.07	0.10	0.17
Adjusted	\$1,226	\$ 679	\$ 131	\$ —	\$ 419	\$ 333	\$ 36	\$ 297	\$ 398	\$ 0.58	\$ 0.19	\$ 0.77
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	44.5 %	24.7 %	4.8 %	0.0 %	15.2 %	12.1 %	10.8 %	10.8 %	14.5 %	14.4 %		
Income (loss) from discontinued operations										511		
Less: Net income attributable to noncontrolling interests included in discontinued operations					2	2						1
Income (loss) from discontinued operations attributable to Baxter stockholders					\$ (24)	\$ 99						512
Net income (loss)					Reported	Adjusted						
					\$ (22)	\$ 101						
Less: Net income (loss) attributable to noncontrolling interests												
Net income (loss) attributable to Baxter stockholders					\$ (510)	\$ 398						

¹ The company's results of continuing operations in 2025 and 2024 included costs related to programs to optimize its organization and cost structure. These restructuring and business optimization costs in 2025 and 2024 included costs primarily related to its initiatives to reduce its cost structure following the sale of its former Kidney Care segment. Additionally, in

2024 these costs related to its initiatives within its Healthcare Systems & Technologies segment including the discontinuing of a product line and rationalization of certain other manufacturing and distribution facilities.

2 The company's results of continuing operations in 2025 and 2024 included integration costs which primarily reflected third-party consulting costs related to its ongoing integration of Hill-Rom Holdings, Inc. (Hillrom).

3 The company's results of continuing operations in 2025 and 2024 included incremental costs to comply with the European Union's medical device regulations for previously registered products, which primarily consisted of contractor costs and other direct third-party costs. The company considers the adoption of these regulations to be a significant one-time regulatory change and believes that the costs of initial compliance for previously registered products over the implementation period are not indicative of its core operating results.

4 The company's results of continuing operations in 2025 included charges primarily related to inventory and contract asset write-downs and estimates of warranty and remediation activities from field corrective actions across its infusion pump category. The company's results of continuing operations in 2024 included charges related to warranty and remediation activities arising from field corrective actions on Healthcare Systems & Technologies products.

5 The company's results of continuing operations in 2025 and 2024 included net charges related to Hurricane Helene. In 2025 this amount consisted of remediation, air freight and other costs. In 2024 this amount consisted of charges related to remediation, idle facility, air freight and other costs, partially offset by insurance recoveries. The company's results of discontinued operations in 2024 included charges related to Hurricane Helene consisting of charges related to air freight and other costs.

6 The company's results of continuing operations in 2025 and discontinued operations in 2024 included separation-related costs primarily related to external advisors supporting its activities related to the sale of its former Kidney Care segment.

7 The company's results of continuing operations in 2025 included an indefinite-lived asset impairment charge to reduce the carrying amount of a trade name asset to its fair value. The company's results of continuing operations in 2024 included an indefinite-lived asset impairment charge to reduce the carrying amount of an in-process research and development (IP&D) asset to its fair value.

8 The company's results of continuing operations in 2025 and 2024 included goodwill impairment charges related to the Front Line Care reporting unit within its Healthcare Systems & Technologies segment.

9 The company's results of continuing operations in 2025 included a gain on sale of a long-lived asset.

10 The company's results of continuing operations in 2025 included a gain on the early extinguishment of debt.

11 The company's results of continuing operations in 2025 included income tax expense primarily related to increases to its valuation allowances related to the realizability of its deferred tax assets. The company's results of discontinued operations in 2025 included income tax expense primarily related to increases to its valuation allowances related to the realizability of its deferred tax assets. The company's results of continuing operations in 2024 included income tax expense related to legislative changes under Internal Revenue Code (IRC) Section 987 in the U.S. and net income tax expense related to a revaluation of the Swiss basis step-up deferred tax asset and related valuation allowance that arose from Swiss tax reform legislation in 2019 that was partially offset by a decrease in such valuation allowance to reflect the company's current estimate of recoverability of the basis step-up deferred tax asset. The company's results of discontinued operations in 2024 included income tax costs on internal reorganizations related to the sale of its former Kidney Care segment.

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)

	Year Ended December 31,		Change
	2025	2024	
NET SALES	\$11,244	\$10,636	6 %
COST OF SALES	7,865	6,652	18 %
GROSS MARGIN	3,379	3,984	(15) %
<i>% of Net Sales</i>	<i>30.1 %</i>	<i>37.5 %</i>	<i>(7.4) pts</i>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,890	2,967	(3) %
<i>% of Net Sales</i>	<i>25.7 %</i>	<i>27.9 %</i>	<i>(2.2) pts</i>
RESEARCH AND DEVELOPMENT EXPENSES	518	590	(12) %
<i>% of Net Sales</i>	<i>4.6 %</i>	<i>5.5 %</i>	<i>(0.9) pts</i>
GOODWILL IMPAIRMENTS	485	425	14 %
OTHER OPERATING INCOME, NET	(206)	(12)	NM
OPERATING INCOME (LOSS)	(308)	14	NM
<i>% of Net Sales</i>	<i>(2.7)%</i>	<i>0.1 %</i>	<i>(2.8) pts</i>
INTEREST EXPENSE, NET	238	341	(30) %
OTHER (INCOME) EXPENSE, NET	(41)	(38)	8 %
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(505)	(289)	75 %
INCOME TAX EXPENSE	395	37	NM
<i>% of Income (Loss) from Continuing Operations Before Income Taxes</i>	<i>(78.2)%</i>	<i>(12.8)%</i>	<i>(65.4) pts</i>
INCOME (LOSS) FROM CONTINUING OPERATIONS	(900)	(326)	NM
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	(57)	(312)	(82) %
NET INCOME (LOSS)	(957)	(638)	50 %
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS INCLUDED IN CONTINUING OPERATIONS	—	—	NM
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS INCLUDED IN DISCONTINUED OPERATIONS	—	11	(100) %
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	11	(100) %
NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ (957)	\$ (649)	47 %
INCOME (LOSS) FROM CONTINUING OPERATIONS PER COMMON SHARE			
Basic	\$ (1.75)	\$ (0.64)	NM
Diluted	\$ (1.75)	\$ (0.64)	NM
INCOME (LOSS) FROM DISCONTINUED OPERATIONS PER COMMON SHARE			
Basic	\$ (0.12)	\$ (0.63)	(81) %
Diluted	\$ (0.12)	\$ (0.63)	(81) %
NET INCOME (LOSS) PER COMMON SHARE			
Basic	\$ (1.87)	\$ (1.27)	47 %
Diluted	\$ (1.87)	\$ (1.27)	47 %
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	513	510	
Diluted	513	510	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 1,590	\$ 1,474	8 %
ADJUSTED INCOME (LOSS) FROM CONTINUING OPERATIONS (excluding special items)¹	\$ 1,167	\$ 966	21 %
ADJUSTED INCOME (LOSS) FROM DISCONTINUED OPERATIONS (excluding special items)¹	\$ (31)	\$ 528	NM
ADJUSTED NET INCOME (LOSS) ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 1,136	\$ 1,483	(23) %
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)¹	\$ 2.27	\$ 1.89	20 %
ADJUSTED DILUTED EPS FROM DISCONTINUED OPERATIONS (excluding special items)¹	\$ (0.06)	\$ 1.01	NM
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 2.21	\$ 2.90	(24) %

¹ Refer to page 13 for a description of the adjustments and a reconciliation to U.S. GAAP measures.

NM - Not Meaningful

BAXTER INTERNATIONAL INC.
Description of Adjustments and Reconciliation of U.S. GAAP to Non-GAAP Measures
(unaudited, in millions)

The company's U.S. GAAP results for the twelve months ended December 31, 2025 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Goodwill Impairments	Other Operating Income, Net	Operating Income (Loss)	Other (Income) Expense, Net	Income From Continuing Operations Before Taxes	Income Tax Expense (Benefit)	Income (Loss) From Continuing Operations Net of Tax	Income Discontinued Operations	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	\$3,379	\$ 2,890	\$ 518	\$ 485	\$ (206)	\$ (308)	\$ (41)	\$ (505)	\$ 395	\$ (57)	\$ (900)	\$ (957)	\$ (1,75)	\$ (0,12)	\$ (1,87)
	30.1 %	25.7 %	4.6 %	4.3 %	(1.8)%	(2.7)%	(0.4)%	(4.5)%	(78.2)%	(0.5)%	(8.0)%	(8.5)%	(8.5)%	(8.5)%	(8.5)%
Reported percent of net sales (or effective tax rate for income tax expense (benefit))															
Intangible asset amortization	396	(202)	—	—	—	598	—	598	140	—	458	458	0.89	0.00	0.89
Business optimization items ¹	67	(97)	(14)	—	—	178	—	178	44	—	134	134	0.26	0.00	0.26
Acquisition and integration items ²	—	(25)	—	—	(2)	27	(5)	32	7	—	25	25	0.05	0.00	0.05
European medical devices regulation ³	21	—	—	—	—	21	—	21	5	—	16	16	0.03	0.00	0.03
Product-related reserves ⁴	113	—	—	—	—	113	—	113	29	—	84	84	0.16	0.00	0.16
Hurricane Helene costs ⁵	133	—	—	—	—	133	—	133	33	6	106	106	0.19	0.02	0.21
Legal matters ⁶	11	—	—	—	—	11	—	11	2	—	9	9	0.02	0.00	0.02
Investment impairments ⁷	—	—	—	—	—	—	(9)	9	2	—	7	7	0.01	0.00	0.01
Separation-related costs ⁸	4	(53)	(1)	—	—	58	—	58	13	31	45	76	0.09	0.06	0.15
Indefinite-lived asset impairments ⁹	290	—	—	—	—	290	—	290	71	—	219	219	0.43	0.00	0.43
Goodwill impairments ¹⁰	—	—	—	(485)	—	485	—	485	—	—	485	485	0.94	0.00	0.94
Gain on sale of long-lived asset ¹¹	—	—	—	—	16	(16)	—	(16)	—	—	(16)	(16)	(0.03)	0.00	(0.03)
Gain on early extinguishment of debt ¹²	—	—	—	—	—	—	16	(16)	(4)	—	(12)	(12)	(0.02)	0.00	(0.02)
Gain on Kidney Care Sale ¹³	—	—	—	—	—	—	—	—	—	—	—	(74)	0.00	(0.14)	(0.14)
Tax matters ¹⁴	—	—	—	—	—	—	—	—	(513)	63	576	576	1.00	0.12	1.12
Adjusted	\$4,414	\$ 2,513	\$ 503	\$ —	\$ (192)	\$ 1,590	\$ (39)	\$ 1,391	\$ 224	\$ (31)	\$ 1,167	\$ 1,136	\$ 2.27	\$ (0.06)	\$ 2.21
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	39.3 %	22.3 %	4.5 %	0.0 %	(1.7)%	14.1 %	(0.3)%	12.4 %	16.1 %	(0.3)%	10.4 %	10.1 %	10.1 %	10.1 %	10.1 %

Weighted-average diluted shares as reported 513

Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported 2

Weighted-average diluted shares as adjusted 515

The company's U.S. GAAP results for the twelve months ended December 31, 2024 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Goodwill Impairments	Operating Income (Loss)	Income From Continuing Operations Before Income Taxes	Income Tax Expense (Benefit)	Income (Loss) From Continuing Operations	Net Income (Loss) to Baxter Stockholders	Diluted Earnings Per Share From Continuing Operations	Diluted Earnings Per Share From Discontinued Operations
Reported	\$3,984	\$ 2,967	\$ 590	\$ 425	\$ 14	\$ (289)	\$ 37	\$ (326)	\$ (649)	\$ (0.64)	\$ (0.63)
Reported percent of net sales (or effective tax rate for income tax expense (benefit))	37.5 %	27.9 %	5.5 %	4.0 %	0.1 %	(2.7)%	(12.8)%	(3.1)%	(6.1)%	(6.1)%	(6.1)%
Intangible asset amortization	419	(206)	—	—	625	625	148	477	497	0.93	0.04
Business optimization items ¹	67	(65)	(30)	—	162	162	41	121	170	0.24	0.09
Acquisition and integration items ²	1	(22)	—	—	23	23	5	18	18	0.04	0.00
European medical devices regulation ³	33	—	—	—	33	33	7	26	28	0.05	0.00
Product-related reserves ⁴	15	—	—	—	15	15	3	12	12	0.02	0.00
Hurricane Helene costs ⁵	110	—	—	—	110	110	27	83	92	0.16	0.02
Legal matters ⁶	—	(17)	—	—	17	17	4	13	13	0.03	0.00
Indefinite-lived asset impairments ⁹	—	—	(50)	—	50	50	13	37	37	0.07	0.00
Goodwill impairments ¹⁰	—	—	—	(425)	425	425	—	425	855	0.83	0.84
Separation-related costs ⁸	—	—	—	—	—	—	—	—	261	0.00	0.51
Tax matters ¹⁴	—	—	—	—	—	—	(80)	80	149	0.16	0.14
Adjusted	\$4,629	\$ 2,657	\$ 510	\$ —	\$ 1,474	\$ 1,171	\$ 205	\$ 966	\$ 1,483	\$ 1.89	\$ 1.01
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	43.5 %	25.0 %	4.8 %	0.0 %	13.9 %	11.0 %	17.5 %	9.1 %	13.9 %	14.0 %	13.9 %
Income (loss) from discontinued operations, net of tax										Weighted-average diluted shares as reported	510
Less: Net income attributable to noncontrolling interests included in discontinued operations										Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported	1
Income (loss) from discontinued operations attributable to Baxter stockholders										Weighted-average diluted shares as adjusted	511
Net income (loss)										Reported	Adjusted
Less: Net income (loss) attributable to noncontrolling interests										\$ (638)	\$ 1,494
Net income (loss) attributable to Baxter stockholders										\$ (649)	\$ 1,483

¹ The company's results of continuing operations in 2025 and 2024 included costs related to programs to optimize its organization and cost structure. These restructuring and business optimization costs in 2025 included costs primarily related to its initiatives to reduce its cost structure following the sale of its former Kidney Care segment and the exit of a product line at one of its manufacturing facilities. In 2024, these restructuring and other business optimization costs included costs primarily related to initiatives to reduce its cost structure following the sale of its former Kidney Care segment, initiatives within our Healthcare Systems & Technologies segment including the discontinuing of a product line and rationalization of certain other manufacturing and distribution facilities. The company's results of discontinued operations in 2024, included costs primarily related to a program to centralize certain of its

- research and development activities into a new location and 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.
- 2 The company's results of continuing operations in 2025 and 2024 included integration costs which primarily reflected third-party consulting costs related to its ongoing integration of Hillrom. The results in 2025 also included the recognition of a noncash impairment of property, plant and equipment related to integration activities.
 - 3 The company's results of continuing operations in 2025 and 2024 included incremental costs to comply with the European Union's medical device regulations for previously registered products, which primarily consist of contractor costs and other direct third-party costs. The company considers the adoption of these regulations to be a significant one-time regulatory change and believes that the costs of initial compliance for previously registered products over the implementation period are not indicative of its core operating results.
 - 4 The company's results of continuing operations in 2025 included charges related to inventory and contract asset write-downs and estimates of warranty and remediation activities from field corrective actions across its infusion pump category. The company's results of continuing operations in 2024 included charges related to warranty and remediation activities arising from field corrective actions on Healthcare Systems & Technologies products and a revised estimate of warranty and remediation activities arising from a field corrective action on certain of its infusion pumps initially recorded in 2022.
 - 5 The company's results of continuing operations in 2025 included charges related to Hurricane Helene, which consisted of remediation, air freight and other costs. The company's results of continuing operations in 2024 included net charges related to Hurricane Helene, which consisted of charges related to damaged inventory and fixed assets, remediation, idle facility, air freight and other costs, partially offset by insurance recoveries. The company's results of discontinued operations in 2024 included charges related to Hurricane Helene consisting of charges related to air freight and other costs.
 - 6 The company's results of continuing operations in 2025 included charges related to matters involving alleged injury from environmental exposure. The company's results of continuing operations in 2024 included charges related to environmental reserves for remediation actions associated with historic operations at certain of our facilities.
 - 7 The company's results of continuing operations in 2025 included losses from a noncash impairment write-down in an equity method investment.
 - 8 The company's results of continuing operations in 2025 included separation-related costs primarily related to external advisors supporting its activities related to the sale of its former Kidney Care segment. The company's results of discontinued operations in 2025 and 2024 included separation-related costs primarily reflecting costs of external advisors supporting our activities related to the sale of its former Kidney Care segment.
 - 9 The company's results of continuing operations in 2025 included an indefinite-lived asset impairment charge to reduce the carrying amount of a trade name asset to its fair value. The company's results of continuing operations in 2024 included an indefinite-lived asset impairment charge to reduce the carrying amount of an IPR&D asset to its fair value.
 - 10 The company's results of continuing operations in 2025 and 2024 included goodwill impairment charges related to the Front Line Care reporting unit within its Healthcare Systems & Technologies segment. The company's results of discontinued operations in 2024 included a goodwill impairment charge related to the Chronic Therapies reporting unit within its former Kidney Care segment.
 - 11 The company's results of continuing operations in 2025 included a gain on sale of a long-lived asset.
 - 12 The company's results of continuing operations in 2025 included a gain on the early extinguishment of debt.
 - 13 The company's results of discontinued operations in 2025 included a gain from the sale of its former Kidney Care segment, partially offset by the final settlement of certain net working capital adjustments made in accordance with the Kidney Care Equity Purchase Agreement.
 - 14 The company's results of continuing operations in 2025 included income tax expense primarily related to an increase in reserves for uncertain tax positions, increases to its valuation allowances related to the realizability of its deferred tax assets and a step-up in Swiss Valuation allowances, partially offset by a tax benefit from an internal reorganization which resulted in a capital loss. The company's results of discontinued operations in 2025 included indirect impacts of the carryback of tax benefits generated by the sale of its former Kidney Care business to prior years and an income tax benefit attributable to the allocation of reserves for uncertain tax positions to discontinued operations, partially offset by an income tax expense primarily related to increases to its valuation allowances related to the realizability of its deferred tax assets. The company's results of continuing operations in 2024 included income tax expense consisting of a valuation allowance recorded to reduce the carrying amount of a tax attribute carryforward in the U.S., net income tax costs on internal reorganizations related to the sale of its former Kidney Care segment, legislative changes under IRC Section 987 in the U.S., and a revaluation of the Swiss basis step-up deferred tax asset and related valuation allowance that arose from Swiss tax reform legislation in 2019 that was partially offset by a decrease in such valuation allowance to reflect the company's

current estimate of recoverability of the basis step-up deferred tax asset. The company's results of discontinued operations in 2024 included income tax costs on internal reorganizations related to the sale of its former Kidney Care segment, partially offset by an income tax benefit related to the deductibility of certain separation costs in the U.S.

For more information on the company's use of non-GAAP financial measures, please see the Non-GAAP Financial Measures section of this press release.

BAXTER INTERNATIONAL INC.
Sales by Operating Segment
(unaudited)
(\$ in millions)

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

	Three Months Ended December 31,		% Change @ Actual Rates	% Change @ Operational Sales Growth	Year Ended December 31,		% Change @ Actual Rates	% Change @ Operational Sales Growth
	2025	2024			2025	2024		
Infusion Therapies & Technologies	\$ 1,060	\$ 1,022	4 %	1 %	\$ 4,101	\$ 4,103	(0)%	1 %
Advanced Surgery	328	292	12 %	11 %	1,198	1,104	9 %	8 %
Medical Products & Therapies	1,388	1,314	6 %	4 %	5,299	5,207	2 %	2 %
Care & Connectivity Solutions	537	504	7 %	4 %	1,911	1,814	5 %	4 %
Front Line Care	290	280	4 %	3 %	1,160	1,137	2 %	2 %
Healthcare Systems & Technologies	827	784	5 %	4 %	3,071	2,951	4 %	3 %
Injectables & Anesthesia	352	383	(8)%	(9)%	1,352	1,373	(2)%	(2)%
Drug Compounding	316	260	22 %	18 %	1,141	1,038	10 %	9 %
Pharmaceuticals	668	643	4 %	2 %	2,493	2,411	3 %	3 %
Other	91	12	658 %	(58)%	381	67	469 %	(24)%
Total - Continuing Operations	\$ 2,974	\$ 2,753	8 %	3 %	\$ 11,244	\$ 10,636	6 %	3 %

Operational 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.
Segment Operating Income
(unaudited)
(\$ in millions)

(in millions)	Three months ended December 31,		Twelve months ended December 31,	
	2025	2024	2025	2024
Medical Products & Therapies	\$ 214	\$ 217	\$ 970	\$ 950
<i>% of Segment Net Sales</i>	<i>15.4 %</i>	<i>16.5 %</i>	<i>18.3 %</i>	<i>18.2 %</i>
Healthcare Systems & Technologies	126	145	441	468
<i>% of Segment Net Sales</i>	<i>15.2 %</i>	<i>18.5 %</i>	<i>14.4 %</i>	<i>15.9 %</i>
Pharmaceuticals	39	102	222	313
<i>% of Segment Net Sales</i>	<i>5.8 %</i>	<i>15.9 %</i>	<i>8.9 %</i>	<i>13.0 %</i>
Other	23	3	43	18
Total	402	467	1,676	1,749
Unallocated corporate costs	(50)	(48)	(86)	(275)
Intangible asset amortization expense	(145)	(154)	(598)	(625)
Business optimization items	(78)	(113)	(178)	(162)
European medical devices regulation	(6)	(8)	(21)	(33)
Indefinite-lived asset impairments	(290)	(50)	(290)	(50)
Separation-related costs	(18)	—	(58)	—
Legal matters	—	—	(11)	(17)
Acquisition and integration items	(13)	(7)	(27)	(23)
Product-related reserves	(52)	(12)	(113)	(15)
Hurricane Helene costs	(10)	(85)	(133)	(110)
Goodwill impairments	(485)	(425)	(485)	(425)
Gain on sale of long-lived asset	16	—	16	—
Total operating income (loss)	(729)	(435)	(308)	14
Interest expense, net	58	90	238	341
Other (income) expense, net	(31)	(4)	(41)	(38)
Income (loss) from continuing operations before income taxes	\$ (756)	\$ (521)	\$ (505)	\$ (289)

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

	Three Months Ended December 31,								
	2025			2024			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Infusion Therapies & Technologies	\$ 543	\$ 517	\$ 1,060	\$ 561	\$ 461	\$ 1,022	(3) %	12 %	4 %
Advanced Surgery	177	151	328	157	135	292	13 %	12 %	12 %
Medical Products & Therapies	720	668	1,388	718	596	1,314	0 %	12 %	6 %
Care & Connectivity Solutions	367	170	537	366	138	504	0 %	23 %	7 %
Front Line Care	219	71	290	208	72	280	5 %	(1) %	4 %
Healthcare Systems & Technologies	586	241	827	574	210	784	2 %	15 %	5 %
Injectables & Anesthesia	190	162	352	214	169	383	(11) %	(4) %	(8) %
Drug Compounding	—	316	316	—	260	260	0 %	22 %	22 %
Pharmaceuticals	190	478	668	214	429	643	(11) %	11 %	4 %
Other	56	35	91	4	8	12	1,300 %	338 %	658 %
Total - Continuing Operations	\$ 1,552	\$ 1,422	\$ 2,974	\$ 1,510	\$ 1,243	\$ 2,753	3 %	14 %	8 %

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

	Year Ended December 31,								
	2025			2024			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Infusion Therapies & Technologies	\$ 2,236	\$ 1,865	\$ 4,101	\$ 2,279	\$ 1,824	\$ 4,103	(2)%	2 %	(0)%
Advanced Surgery	648	550	1,198	603	501	1,104	7 %	10 %	9 %
Medical Products & Therapies	2,884	2,415	5,299	2,882	2,325	5,207	0 %	4 %	2 %
Care & Connectivity Solutions	1,372	539	1,911	1,311	503	1,814	5 %	7 %	5 %
Front Line Care	871	289	1,160	843	294	1,137	3 %	(2)%	2 %
Healthcare Systems & Technologies	2,243	828	3,071	2,154	797	2,951	4 %	4 %	4 %
Injectables & Anesthesia	749	603	1,352	780	593	1,373	(4)%	2 %	(2)%
Drug Compounding	—	1,141	1,141	—	1,038	1,038	0 %	10 %	10 %
Pharmaceuticals	749	1,744	2,493	780	1,631	2,411	(4)%	7 %	3 %
Other	246	135	381	34	33	67	624 %	309 %	469 %
Total - Continuing Operations	\$ 6,122	\$ 5,122	\$11,244	\$ 5,850	\$ 4,786	\$10,636	5 %	7 %	6 %

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

	Year Ended December 31,	
	2025	2024
Cash flows from (used in) operations – continuing operations	\$ 951	\$ 819
Cash flows from (used in) investing activities - continuing operations	(464)	(410)
Cash flows from (used in) financing activities	(4,216)	(1,081)
Cash flows from (used in) operations - continuing operations	\$ 951	\$ 819
Capital expenditures - continuing operations	(513)	(446)
Free cash flow - continuing operations	\$ 438	\$ 373

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 Operational Sales Growth
From The Three Months Ended December 31, 2024 to The Three Months Ended December 31, 2025
(unaudited)

	Net Sales Growth As Reported	Kidney Care MSA	Exit of IV Solutions in China	FX	Operational Sales Growth*
Infusion Therapies & Technologies	4 %	0 %	0 %	(3)%	1 %
Advanced Surgery	12 %	0 %	0 %	(1)%	11 %
Medical Products & Therapies	6 %	0 %	0 %	(2)%	4 %
Care & Connectivity Solutions	7 %	0 %	0 %	(3)%	4 %
Front Line Care	4 %	0 %	0 %	(1)%	3 %
Healthcare Systems & Technologies	5 %	0 %	0 %	(1)%	4 %
Injectables & Anesthesia	(8)%	0 %	0 %	(1)%	(9)%
Drug Compounding	22 %	0 %	0 %	(4)%	18 %
Pharmaceuticals	4 %	0 %	0 %	(2)%	2 %
Other	658 %	(700)%	0 %	(16)%	(58)%
Total - Continuing Operations	8 %	(3)%	0 %	(2)%	3 %

*Totals may not add across due to rounding

Operational 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 Operational Sales Growth
From The Year Ended December 31, 2024 to The Year Ended December 31, 2025
(unaudited)

	Net Sales Growth As Reported	Kidney Care MSA	Exit of IV Solutions in China	FX	Operational Sales Growth*
Infusion Therapies & Technologies	(0)%	0 %	1 %	(0)%	1 %
Advanced Surgery	9 %	0 %	0 %	(1)%	8 %
Medical Products & Therapies	2 %	0 %	1 %	(1)%	2 %
Care & Connectivity Solutions	5 %	0 %	0 %	(1)%	4 %
Front Line Care	2 %	0 %	0 %	(0)%	2 %
Healthcare Systems & Technologies	4 %	0 %	0 %	(1)%	3 %
Injectables & Anesthesia	(2)%	0 %	0 %	(0)%	(2)%
Drug Compounding	10 %	0 %	0 %	(1)%	9 %
Pharmaceuticals	3 %	0 %	0 %	(0)%	3 %
Other	469 %	(493)%	0 %	(0)%	(24)%
Total - Continuing Operations	6 %	(3)%	0 %	(0)%	3 %

*Totals may not add across due to rounding

Operational sales growth is a non-GAAP measure. For more information on the company's use of non-GAAP financial measures, please see the Non-GAAP Financial Measures section of this press release.

BAXTER INTERNATIONAL INC.
Projected Full Year 2026 U.S. GAAP Sales Growth to Projected Organic Sales Growth and
Projected Full Year 2026 Adjusted Earnings Per Share
(unaudited)

Sales Growth Guidance	FY 2026*
Sales growth - U.S. GAAP	Flat - 1%
Kidney Care MSA	~30 bps
Foreign Exchange	(~100 bps)
Organic sales growth	~ Flat

Adjusted Earnings Per Share Guidance	FY 2026
Adjusted diluted EPS	\$1.85 - \$2.05

*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 organic sales growth represents the company's targeted future sales growth excluding 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. 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.