

Baxter

First-Quarter 2026 Earnings

Baxter International Inc.

April 30, 2026



Forward-Looking Statements

This presentation 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; the company is subject to risks associated with doing business globally, including changes in tariffs and trade policies and treaties (including with respect to the validity of previously issued tariffs and the availability of any related refunds) as well as the ongoing Iran conflict and other geopolitical events; 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, including with respect to Novum IQ Large Volume Pump; 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; 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.

Use Of Non-GAAP Financial Measures

To supplement Baxter's consolidated financial statements presented on a U.S. GAAP basis, the company discloses certain non-GAAP financial measures. These non-GAAP financial measures are not in accordance with generally accepted accounting principles in the United States.

A reconciliation of the non-GAAP financial measures included in this document to the corresponding U.S. GAAP measures follows in the section titled Non-GAAP Reconciliations. In addition, an explanation of the ways in which Baxter management uses these supplemental non-GAAP measures to evaluate its business and the substantive reasons why Baxter management believes that these non-GAAP measures provide useful information to investors is included in the company's most recent earnings release filed with the SEC on Form 8-K on April 30, 2026. This information should be considered in addition to, and not as substitutes for, information prepared in accordance with U.S. GAAP.

Baxter strongly encourages investors to review its consolidated financial statements and publicly filed reports in their entirety and cautions investors that the non-GAAP measures used by the company may differ from similar measures used by other companies, even when similar terms are used to identify such measures.

Non-GAAP financial measures used in this presentation include organic sales growth, adjusted gross margin, adjusted selling, general, and administrative expenses, adjusted research and development expenses, 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, adjusted diluted earnings per share and free cash flow.

A reconciliation to comparable U.S. GAAP measures can be found herein and is available at www.baxter.com.

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Key Takeaways



1.

First-quarter results in line with overall expectations



2.

Reiterating full year 2026 guidance



4.

- Introduced the **IV Verify Line Labeling System**
- **Showcased recent innovations** at the Association of periOperative Registered Nurses (AORN) Global Surgical Conference & Expo



5.

- Progress towards achieving turnaround effort; focused on three pillars:
- 1) **Stabilizing** the business
 - 2) **Strengthening** the balance sheet
 - 3) **Driving** continuous improvement

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Performance Summary

First-Quarter 2026 Earnings

April 30, 2026



Performance Highlights

Continuing Operations¹

Sales

\$2.7B

+3% Reported
(1%) Organic²

Adjusted

Gross
Margin

36.8%

(500 bps)

Adjusted

Operating
Margin

11.0%

(390 bps)

Adjusted

EPS

\$0.36

(35%)

Q1 2026 Results

- Worldwide sales from continuing operations grew 3% on a reported basis and declined 1% on an organic basis
- Adjusted earnings per share from continuing operations totaled \$0.36 per diluted share, decreasing 35% due to:
 - An expected unfavorable comparison to prior year³
 - Higher costs related to tariffs and increased manufacturing expenses, including lower absorption

¹Continuing operations excludes the results of the Kidney Care business, which are reported as discontinued operations. Non-GAAP financial metrics referenced in this slide include organic sales growth, adjusted gross margin, adjusted operating margin, and adjusted diluted EPS from continuing operations. A reconciliation to comparable U.S. GAAP measures can be found herein and is available at www.baxter.com. ²Organic sales growth represents the company's sales growth excluding the impact of the Kidney Care manufacturing and supply agreement (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. ³Expected unfavorable comparison to the prior year, which benefited from a timing shift in expense recognition related to an updated estimate which resulted in the reclassification of certain functional costs from SG&A to cost of sales.

First-Quarter 2026 Sales By Product Category¹

<i>\$ In Millions</i>	Q1 2026 Revenue			Total Growth	
	U.S.	International	Total	Reported	Organic
Infusion Therapies & Technologies	\$526	\$455	\$981	(1%)	(5%)
Advanced Surgery	\$165	\$139	\$304	+13%	+10%
Medical Products & Therapies	\$691	\$594	\$1,285	+2%	(2%)
Care & Connectivity Solutions	\$315	\$120	\$435	+2%	(0%)
Front Line Care	\$198	\$72	\$270	(3%)	(4%)
Healthcare Systems & Technologies	\$513	\$192	\$705	+0%	(2%)
Injectables & Anesthesia	\$180	\$121	\$301	(10%)	(13%)
Drug Compounding	\$0	\$320	\$320	+30%	+20%
Pharmaceuticals	\$180	\$441	\$621	+7%	+1%
MSA Baxter/Vantive ²	\$46	\$30	\$76	+21%	NM ³
Other	\$5	\$9	\$14	(7%)	(13%)
Total Other	\$51	\$39	\$90	15%	NM³
Baxter Continuing Operations	\$1,435	\$1,266	\$2,701	+3%	(1%)

First-Quarter 2026 Sales By Product Category¹

Product Category	Sales	Organic ²	Quarterly Performance Drivers
Infusion Therapies & Technologies	\$981M	(5%)	Performance in the quarter reflects lower infusion pump sales due to the previously discussed shipment and installation hold of Novum LVP, and an unfavorable comparison to the prior year due to a one-time distributor build within IV solutions
Advanced Surgery	\$304M	+10%	Results in the quarter reflect continued strong demand for hemostats and sealants, strong commercial execution across regions and steady procedure volumes
Care & Connectivity Solutions	\$435M	(0%)	Performance in the quarter was driven by growth in the Patient Support Systems portfolio, offset by decline in the Care Communications portfolio, which was impacted by the timing of installations
Front Line Care	\$270M	(4%)	Performance in the quarter reflects the timing of government orders and large customer deals. It also includes planned global exits in the portfolio
Injectables & Anesthesia	\$301M	(13%)	Performance in the quarter reflects a decline in injectables, driven by supply constraints and continued softness in certain premix products. Anesthesia declined low double-digits, reflecting continued softer demand for inhaled anesthesia products globally
Drug Compounding	\$320M	+20%	Results for this business reflect continued strong demand for services
Other ³	\$14M	(13%)	Sales reflect demand for certain contract manufacturing volumes

Medical Products & Therapies

<i>\$ In Millions</i>	Q1 2026 Results			
	Q1 2026	Q1 2025	Increase / (Decrease)	
			\$ Change	% Change
Net Sales	\$1,285	\$1,262	\$23	+2%
Cost of Sales	\$781	\$694	\$87	+13%
Gross Margin	\$504	\$568	(\$64)	(11%)
<i>% of Sales</i>	39.2%	45.0%		(580 bps)
Selling, General and Administrative Expenses	\$290	\$286	\$4	+1%
<i>% of Sales</i>	22.6%	22.7%		(10 bps)
Research and Development Expenses	\$54	\$59	(\$5)	(8%)
<i>% of Sales</i>	4.2%	4.7%		(50 bps)
Other	(\$26)	(\$21)	(\$5)	+24%
Operating Income (Loss)	\$186	\$244	(\$58)	(24%)
<i>% of Sales</i>	14.5%	19.3%		(480 bps)

Healthcare Systems & Technologies

<i>\$ In Millions</i>	Q1 2026 Results			
	Q1 2026	Q1 2025	Increase / (Decrease)	
			\$ Change	% Change
Net Sales	\$705	\$704	\$1	+0%
Cost of Sales	\$390	\$356	\$34	+10%
Gross Margin	\$315	\$348	(\$33)	(9%)
<i>% of Sales</i>	44.7%	49.4%		(470 bps)
Selling, General and Administrative Expenses	\$209	\$217	(\$8)	(4%)
<i>% of Sales</i>	29.6%	30.8%		(120 bps)
Research and Development Expenses	\$49	\$45	\$4	+9%
<i>% of Sales</i>	7.0%	6.4%		+60 bps
Other	(\$9)	(\$7)	(\$2)	+29%
Operating Income (Loss)	\$66	\$93	(\$27)	(29%)
<i>% of Sales</i>	9.4%	13.2%		(380 bps)

Pharmaceuticals

<i>\$ In Millions</i>	Q1 2026 Results			
	Q1 2026	Q1 2025	Increase / (Decrease)	
			\$ Change	% Change
Net Sales	\$621	\$581	\$40	+7%
Cost of Sales	\$458	\$396	\$62	+16%
Gross Margin	\$163	\$185	(\$22)	(12%)
<i>% of Sales</i>	26.2%	31.8%		(560 bps)
Selling, General and Administrative Expenses	\$102	\$103	(\$1)	(1%)
<i>% of Sales</i>	16.4%	17.7%		(130 bps)
Research and Development Expenses	\$22	\$26	(\$4)	(15%)
<i>% of Sales</i>	3.5%	4.5%		(100 bps)
Other	(\$7)	(\$7)	\$0	+0%
Operating Income (Loss)	\$46	\$63	(\$17)	(27%)
<i>% of Sales</i>	7.4%	10.8%		(340 bps)

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2026 Outlook

First-Quarter 2026 Earnings

April 30, 2026



Full-Year 2026 Guidance¹

No change since February 12, 2026 (Q4 2025 Earnings)

Sales Growth

Reported (Continuing Operations)

Kidney Care MSA

Foreign Exchange

Sales Growth

Organic (Continuing Operations)²

Adjusted Diluted EPS

Continuing Operations

FY 2026
Guidance

Flat - 1%

~30 bps

(~100 bps)

~Flat

\$1.85 - \$2.05

¹Non-GAAP financial metrics referenced in this slide include organic sales growth and adjusted diluted EPS from continuing operations. Information about our use of non-GAAP measures can be found herein and is available at www.baxter.com. ²Organic 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.

Full-Year 2026 Guidance By Segment¹

No change since February 12, 2026 (Q4 2025 Earnings)

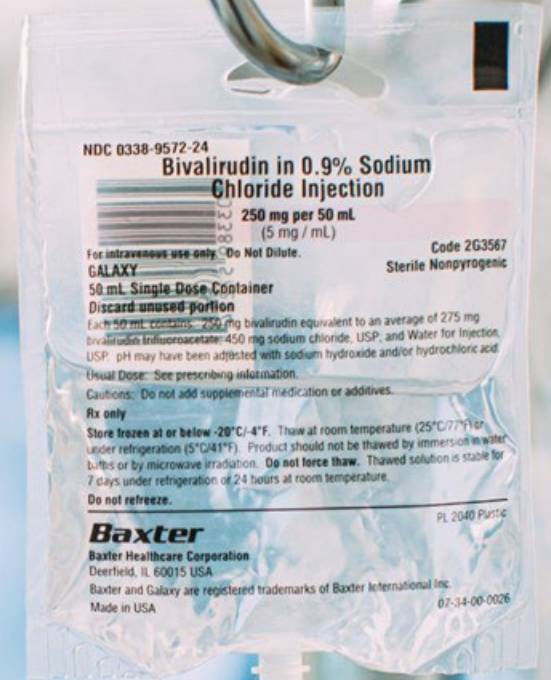
Sales Growth <i>Organic</i> ²	FY 2026 <i>Guidance</i>
Medical Products & Therapies	Flat to Slightly Up
Healthcare Systems & Technologies	Low-Single-Digit Growth
Pharmaceuticals	~Flat

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Baxter GPS and Capital Allocation

First-Quarter 2026 Earnings

April 30, 2026





People
Winning as a mission-driven team

Process
Simplified and optimized

Performance
Creating enterprise value

Operating Cadence

Daily Management

Monthly/Quarterly Results Reviews (MRRs/QBRs)

Annual Operating Plan

Strategic Planning Process/ Long-Range Plan

Tools

Performance Management

Organization/Talent Development

Goal Deployment

Lean/Six Sigma

Ideation

Problem Solving

Tracking

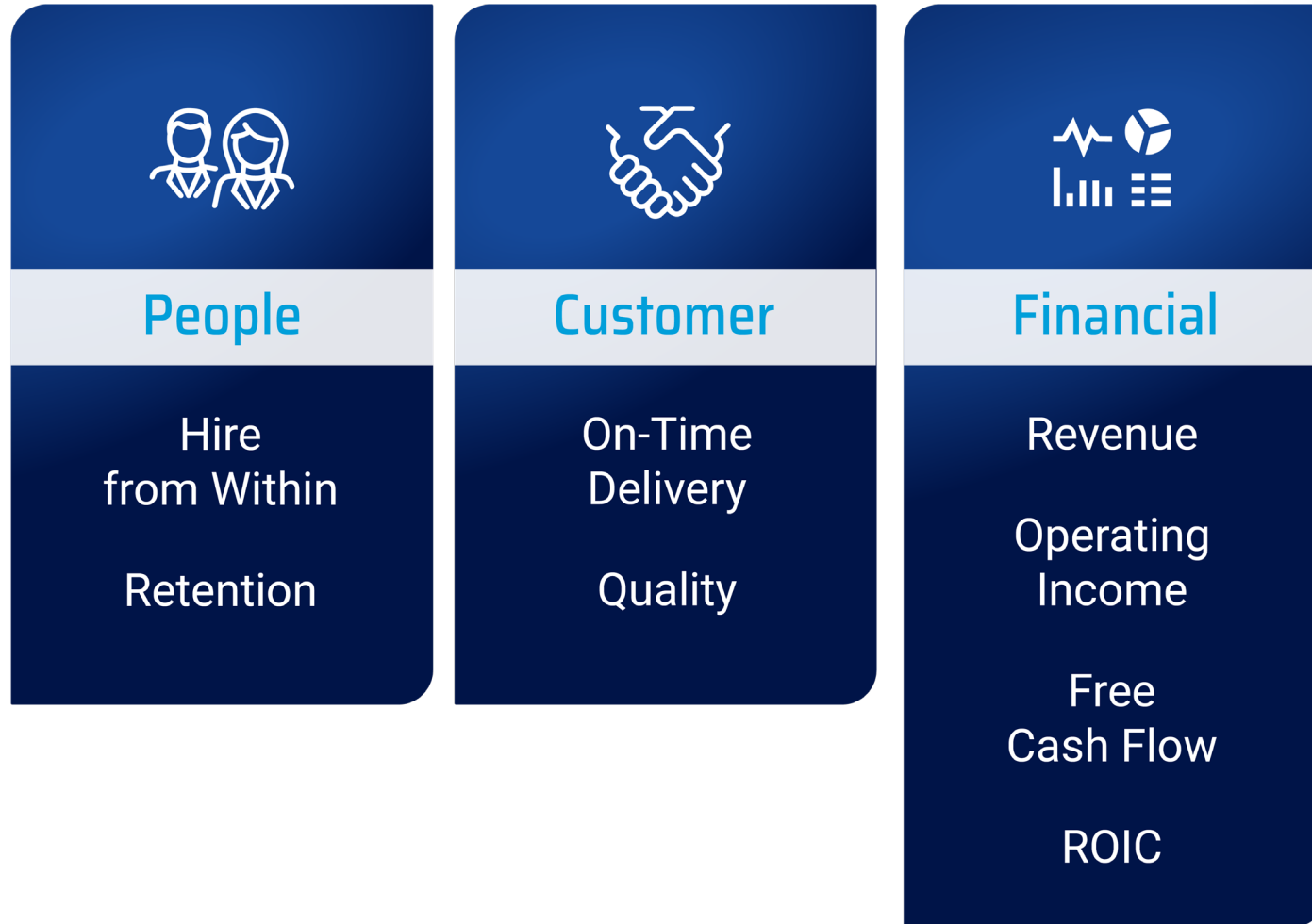
Value Creators

- People
- Customer
- Financial

KPIs

Mission First | Customer Success | Shareholder Value

Value Creators



Disciplined Capital Allocation Driving Long-Term Shareholder Value

CURRENT

FUTURE

Debt Repayment

- > Near-term priority to strengthen balance sheet to enhance financial flexibility
- > Targeting to achieve net leverage of ~3.0x by the end of 2026
- > Committed to maintaining an investment grade credit rating

Invest For Growth

- > Continued organic investment in core platforms and innovation
- > Capex: Increasing mix toward growth-generating and productivity-enhancing investments
- > R&D: Targeted funding across divisions to maximize returns over the long-range plan

M&A¹

- > Strategic tuck-in opportunities that enhance growth capabilities

Share Repurchases¹

- > Will evaluate opportunistically

Dividend: Expect to maintain current quarterly dividend

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Non-GAAP Reconciliations

First-Quarter 2026 Earnings

April 30, 2026



NON-GAAP RECONCILIATIONS AS OF April 30, 2026

Non-GAAP Reconciliations:

As part of its Q1 2026 earnings announcement on April 30, 2026, Baxter presented its financial results for the first quarter of 2026. Baxter also reaffirmed its guidance for the full year of 2026. In these presentations, Baxter used non-GAAP financial measures of sales growth (on an organic basis), adjusted gross margin, adjusted selling, general, and administrative expenses, adjusted research and development expenses, 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, adjusted diluted earnings per share and free cash flow. The reconciliations set forth below reconcile the non-GAAP measures set forth in this presentation for historical periods to the most directly comparable U.S. GAAP measures.

DESCRIPTION OF ADJUSTMENTS AND RECONCILIATIONS OF U.S. GAAP TO NON-GAAP MEASURES

Three Months Ended March 31, 2026

(unaudited)

(in millions, except per share and percentage data)

The company's U.S. GAAP results for the three months ended March 31, 2026 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	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 (Loss) 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	\$ 891	\$ 728	\$ 139	\$ 66	\$ 6	\$ (6)	\$ 11	\$ (17)	\$ 2	\$ (15)	\$ (15)	\$ (0.03)	\$ 0.00	\$ (0.03)
Reported percent of net sales (or effective tax rate for income tax expense (benefit))	33.0 %	27.0 %	5.1 %	2.4 %	0.2 %	(0.2) %	(183.3) %	(0.6) %	0.1 %	(0.6) %	(0.6) %			
Intangible asset amortization	95	(51)	—	146	—	146	34	112	—	112	112	0.22	0.00	0.22
Business optimization items ¹	11	(42)	(15)	68	—	68	17	51	—	51	51	0.10	0.00	0.10
European medical devices regulation ³	4	—	—	4	—	4	1	3	—	3	3	0.01	0.00	0.01
Product-related items ⁴	(12)	—	—	(12)	—	(12)	(3)	(9)	—	(9)	(9)	(0.02)	0.00	(0.02)
Hurricane Helene costs ⁵	3	—	—	3	—	3	1	2	—	2	2	0.00	0.00	0.00
Separation-related costs ⁶	—	(11)	—	11	—	11	3	8	—	8	8	0.02	0.00	0.02
Investment impairments ⁷	—	—	—	—	(5)	5	1	4	—	4	4	0.01	0.00	0.01
Business transformation ⁸	1	(10)	—	11	—	11	3	8	—	8	8	0.02	0.00	0.02
Tax matters ¹¹	—	—	—	—	—	—	(26)	26	—	26	26	0.05	0.00	0.05
Adjusted	\$ 993	\$ 614	\$ 124	\$ 297	\$ 1	\$ 230	\$ 42	\$ 188	\$ 2	\$ 190	\$ 190	\$ 0.36	\$ 0.01	\$ 0.37
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	36.8 %	22.7 %	4.6 %	11.0 %	0.0 %	8.5 %	18.3 %	7.0 %	0.1 %	7.0 %	7.0 %			
Weighted-average diluted shares as reported				515										
Effect of dilutive securities that were anti-dilutive to dilutive EPS as reported				2										
Weighted-average diluted shares as adjusted				517										

DESCRIPTION OF ADJUSTMENTS AND RECONCILIATIONS OF U.S. GAAP TO NON-GAAP MEASURES

Three Months Ended March 31, 2025

(unaudited)

(in millions, except per share and percentage data)

The company's U.S. GAAP results for the three months ended March 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	Operating Income	Other (Income) Expense, Net	Income (Loss) 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)	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	\$ 861	\$ 703	\$ 140	\$ 58	\$ (3)	\$ (3)	\$ (67)	\$ 64	\$ 62	\$ 126	\$ 126	\$ 0.13	\$ 0.12	\$ 0.25
Reported percent of net sales (or effective tax rate for income tax expense (benefit))	32.8 %	26.8 %	5.3 %	2.2 %	(0.1)%	(0.1)%	2,233.3 %	2.4 %	2.4 %	4.8 %	4.8 %			
Intangible asset amortization	104	(51)	—	155	—	155	37	118	—	118	118	0.23	0.00	0.23
Business optimization items ¹	13	(30)	(2)	45	—	45	11	34	—	34	34	0.07	0.00	0.07
Acquisition and integration items ²	—	(1)	—	1	(5)	6	1	5	—	5	5	0.01	0.00	0.01
European medical devices regulation ³	5	—	—	5	—	5	1	4	—	4	4	0.01	0.00	0.01
Product-related items ⁴	6	—	—	6	—	6	2	4	—	4	4	0.01	0.00	0.01
Hurricane Helene costs ⁵	98	—	—	98	—	98	25	73	6	79	79	0.14	0.01	0.15
Legal matters ⁹	11	—	—	11	—	11	2	9	—	9	9	0.02	0.00	0.02
Separation-related costs ⁶	—	(13)	—	13	—	13	3	10	31	41	41	0.02	0.06	0.08
Investment impairments ⁷	—	—	—	—	(9)	9	2	7	—	7	7	0.01	0.00	0.01
Gain on Kidney Care sale ¹⁰	—	—	—	—	—	—	—	—	(111)	(111)	(111)	0.00	(0.22)	(0.22)
Tax matters ¹¹	—	—	—	—	—	—	43	(43)	47	4	4	(0.08)	0.09	0.00
Adjusted	\$ 1,098	\$ 608	\$ 138	\$ 392	\$ (17)	\$ 345	\$ 60	\$ 285	\$ 35	\$ 320	\$ 320	\$ 0.55	\$ 0.07	\$ 0.62
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	41.8 %	23.2 %	5.3 %	14.9 %	(0.6)%	13.1 %	17.4 %	10.9 %	1.3 %	12.2 %	12.2 %			

DESCRIPTION OF ADJUSTMENTS AND RECONCILIATIONS OF U.S. GAAP TO NON-GAAP MEASURES

Three Months Ended March 31, 2026 and 2025

(unaudited)

1. The company's results of continuing operations in 2026 and 2025 included costs related to programs to optimize its organization and cost structure. These restructuring and business optimization costs in 2026 and 2025 included costs primarily related to its initiatives to reduce its cost structure following the sale of its former Kidney Care segment.
2. The company's results of continuing operations in 2025 included integration-related items comprised of Hill-Rom Holdings, Inc. (Hillrom) acquisition and integration expenses. In 2025 these expenses primarily reflected the recognition of a noncash impairment of property, plant and equipment related to integration activities.
3. The company's results in 2026 and 2025 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 2026 included a benefit related to a revised estimate of warranty and remediation activities from field corrective actions across our infusion pump category initially recorded in 2025. The company's results of continuing operations in 2025 included charges related to 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 2026 and 2025 included charges related to Hurricane Helene which primarily consisted of remediation, air freight and other costs.
6. The company's results of continuing operations in 2026 and 2025 and 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 included separation-related costs primarily related to external advisors supporting its activities related to the completed sale of its Kidney Care segment.
7. The company's results of continuing operations in 2026 and 2025 included investment impairments which include losses from noncash impairment write-downs of investments.
8. The company's results of continuing operations in 2026 included business transformation costs which include expenses incurred in connection with discrete, newly launched enterprise-wide initiatives to modernize and simplify systems, redesign operating models, and enhance process efficiency and digital capabilities. These costs are distinct from restructuring-related charges (which are included in footnote 1 above as Business Optimization items) and are excluded to provide investors with greater comparability of underlying operating performance.
9. The company's results of continuing operations in 2025 included charges related to matters involving alleged injury from environmental exposure.
10. The company's results of discontinued operations in 2025 included a gain from the sale of the Kidney Care business.
11. The company's results of continuing operations in 2026 included an income tax expense primarily related to an increase in interest related to uncertain tax positions and differences arising from the use of a forecasted effective tax rate to compute income tax expense during the quarter. The company's results of continuing operations in 2025 included an income tax benefit driven by an entity classification election that the Company made for U.S. tax purposes, which resulted in a capital loss. The company's results of discontinued operations in 2025 included indirect impacts of the carryback of the tax benefits generated by the sale of its Kidney Care business to prior years.

For more information on the company's use of non-GAAP financial measures in this presentation, please see the company's Current Report on Form 8-K filed with the Securities and Exchange Commission on the date of this presentation.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

Operating Cash Flow to Free Cash Flow

(unaudited)

(in millions)

	Three Months Ended March 31,	
	2026	2025
Cash flows from (used in) operations – continuing operations	\$ 213	\$ (99)
Cash flows from (used in) investing activities - continuing operations	(133)	(124)
Cash flows from (used in) financing activities	(11)	(3,226)
Cash flows from (used in) operations - continuing operations	\$ 213	\$ (99)
Capital expenditures - continuing operations	(137)	(122)
Free cash flow - continuing operations	\$ 76	\$ (221)

Free cash flow is a non-GAAP measure. For more information on the company's use of non-GAAP financial measures in this presentation, please see the company's Current Report on Form 8-K filed with the Securities Exchange Commission on the date of this presentation.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

Change in Net Sales Growth As Reported to Organic Sales Growth

From the Three Months Ended March 31, 2025 to the Three Months Ended March 31, 2026

(unaudited)

Sales By Product Category:

	Net Sales Growth As Reported	Kidney Care MSA	FX	Organic Sales Growth*
Infusion Therapies & Technologies	(1)%	0%	(4)%	(5)%
Advanced Surgery	13%	0%	(3)%	10%
Medical Products & Therapies	2%	0%	(4)%	(2)%
Care & Connectivity Solutions	2%	0%	(2)%	(0)%
Front Line Care	(3)%	0%	(1)%	(4)%
Healthcare Systems & Technologies	0%	0%	(2)%	(2)%
Injectables & Anesthesia	(10)%	0%	(3)%	(13)%
Drug Compounding	30%	0%	(10)%	20%
Pharmaceuticals	7%	0%	(6)%	1%
Other	15%	(17)%	(11)%	(13)%
Total - Continuing Operations	3%	(1)%	(3)%	(1)%

*Totals may not add across due to rounding

Change in organic sales growth is a non-GAAP measure. For more information on the company's use of non-GAAP financial measures in this presentation, please see the company's Current Report on Form 8-K filed with the Securities Exchange Commission on the date of this presentation.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

Projected Full Year 2026 U.S. GAAP Sales Growth to Projected Organic Sales Growth

(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

*Totals may not foot due to rounding

Organic sales growth is a non-GAAP measure. For more information on the company's use of non-GAAP financial measures in this presentation, please see the company's Current Report on Form 8-K filed with the Securities Exchange Commission on the date of this presentation.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

Projected Full Year 2026 Adjusted Operating Margin, Projected Full Year 2026 Adjusted Tax Rate and Projected Full Year 2026 Adjusted Earnings Per Share

(unaudited)

Adjusted Operating Margin Guidance	FY 2026
Adjusted operating margin	13.0% - 14.0%

Adjusted Tax Rate Guidance	FY 2026
Adjusted tax rate	18.5% - 19.5%

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

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 operating margin guidance, adjusted tax rate guidance, and 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, adjusted operating margin guidance, adjusted tax rate 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 operating margin guidance to forward-looking GAAP operating margin guidance, adjusted tax rate guidance to forward-looking GAAP tax rate guidance and 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, business transformation-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.

Baxter

First-Quarter 2026 Earnings

Baxter International Inc.

April 30, 2026

