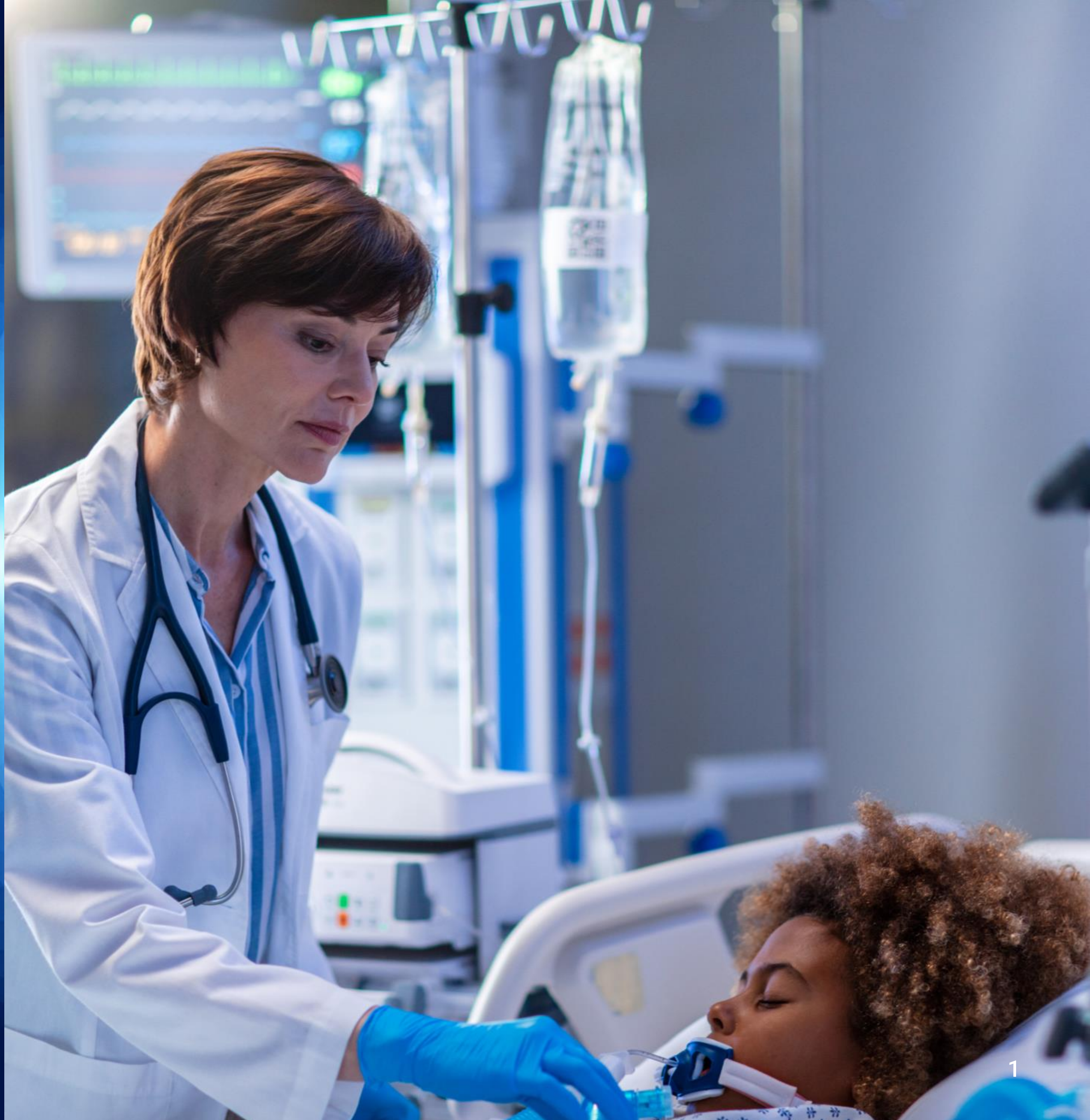
Baxter

Second-Quarter 2026 Earnings

Baxter International Inc.

July 30, 2026



Forward-Looking Statements

This presentation includes forward-looking statements concerning the company's financial results (including the updated outlook for full-year 2026) and certain 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 and may experience additional disruptions in the future; global economic conditions, including inflation, have adversely affected, and could continue to adversely affect, the company's operations; the company is subject to risks associated with doing business globally, including changes in tariffs and trade policies and treaties as well as the ongoing Iran conflict and other geopolitical events; 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 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; 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'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; the company has experienced and may in the future 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 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, AI, 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; changes in tax laws or exposure to additional income tax liabilities may have a negative impact on the company's operating results; 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; 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 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 July 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 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, 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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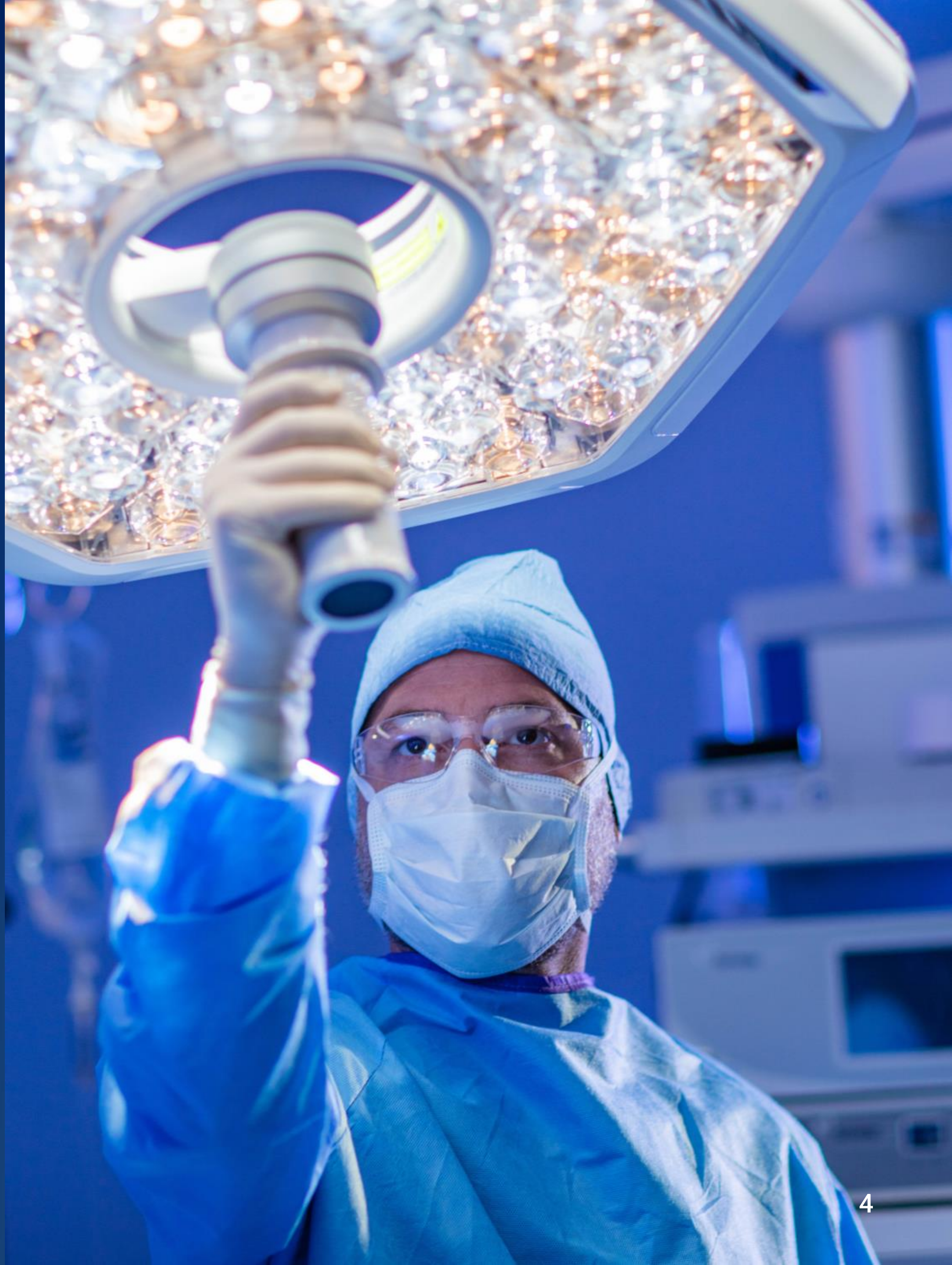
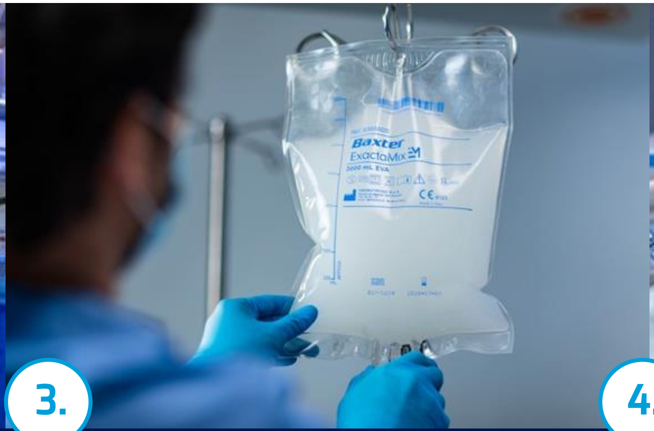


Key Takeaways

1. Second-quarter results exceeded expectations on both the top and bottom lines

2. Raised full-year 2026 financial outlook



3. Positive free cash flow in Q2 supports continued confidence in achieving ~3.0x year-end leverage target

4. 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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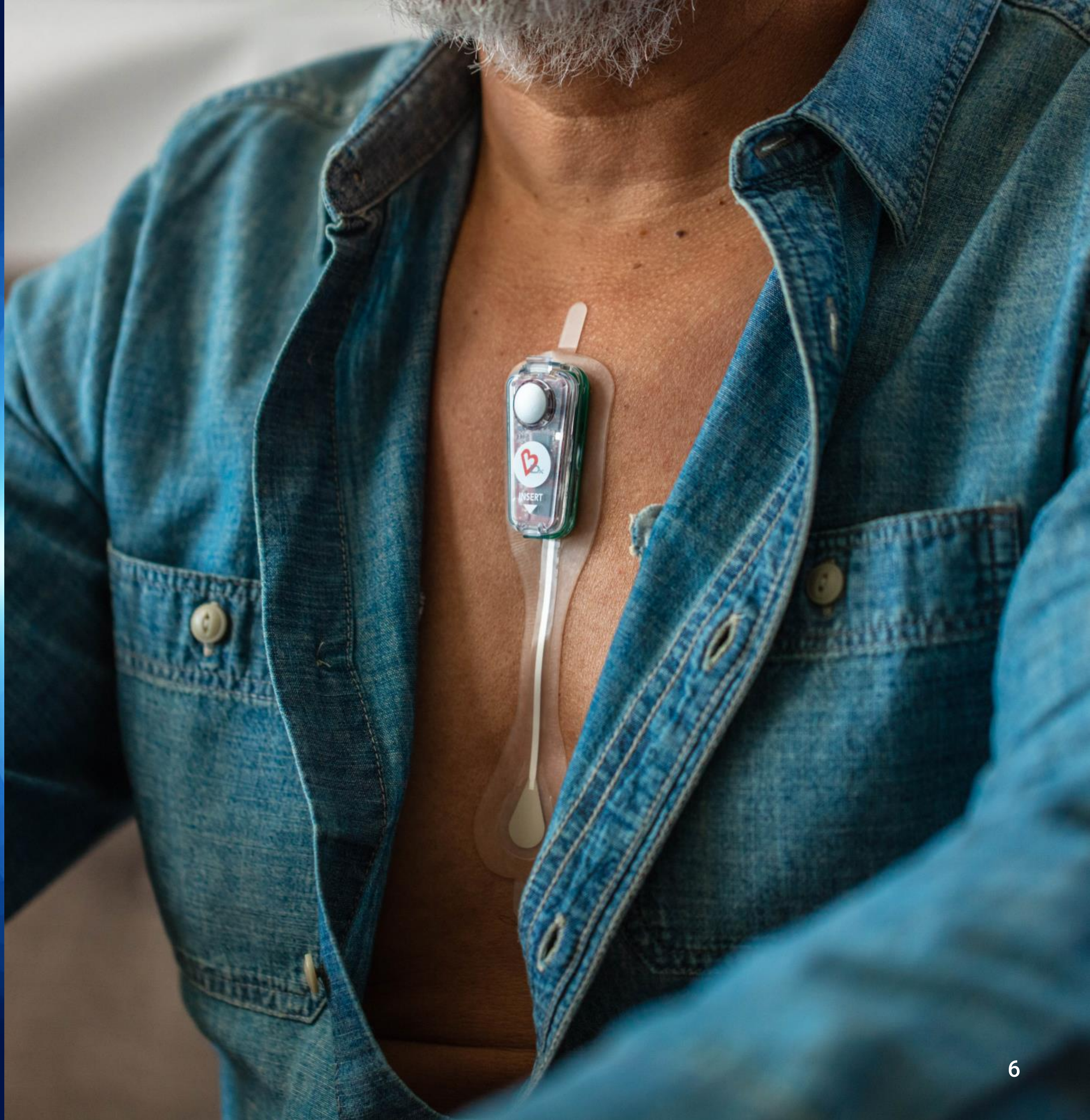
Performance Summary

Second-Quarter 2026 Earnings

July 30, 2026



Performance Highlights

Continuing Operations[1]

Net Sales	Adjusted Gross Margin
~$3.0B	38.6%
+5% Reported *+5% Organic[2]*	*(210 bps)*

Adjusted Operating Margin	Adjusted EPS
14.2%	$0.56
(90 bps)	*(5%)*

Q2 2026 Results

- Worldwide sales grew 5% on both a reported and organic basis
- Adjusted earnings per share totaled $0.56 per diluted share, decreasing 5% due to:
  - Roll through of higher-cost inventory produced at the end of 2025
  - Unfavorable comparison to prior year[3]
  - Partially offset by $0.11 per diluted share benefit related to an IEEPA[4] tariff refund

[1]Continuing 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. [2]Organic 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. [3]Expected 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. [4]International Emergency Economic Powers Act.

Second-Quarter 2026 Sales[1]

$ In Millions	Q2 2026 Revenue U.S.	Q2 2026 Revenue International	Q2 2026 Revenue Total	Total Growth Reported	Total Growth Organic
Infusion Therapies & Platforms[2]	$769	$976	$1,745	+6%	+4%
Advanced Surgery	$182	$149	$331	+12%	+12%
Medical Products & Therapies	**$951**	**$1,125**	**$2,076**	**+7%**	**+5%**
Care & Connectivity Solutions	$361	$141	$502	+6%	+5%
Front Line Care	$226	$73	$299	+2%	+2%
Healthcare Systems & Technologies	**$587**	**$214**	**$801**	**+4%**	**+4%**
Total Other	**$57**	**$26**	**$83**	**(15%)**	**NM[3]**
Total Baxter	**$1,595**	**$1,365**	**$2,960**	**+5%**	**+5%**

[1]Non-GAAP financial metrics referenced in this slide include organic sales growth. A reconciliation to comparable U.S. GAAP measures can be found herein and is available at www.baxter.com. [2]As of Q2 2026, the Pharmaceuticals segment and its divisions are reported under the new Infusion Therapies & Platforms division within the Medical Products & Therapies segment. In addition, certain sales previously reported within Other are now included within the division. [3]Not meaningful.

First-Half 2026 Sales[1]

$ In Millions	H1 2026 Revenue U.S.	H1 2026 Revenue International	H1 2026 Revenue Total	Total Growth Reported	Total Growth Organic
Infusion Therapies & Platforms[2]	$1,480	$1,881	$3,361	+4%	+1%
Advanced Surgery	$347	$288	$635	+13%	+11%
Medical Products & Therapies	**$1,827**	**$2,169**	**$3,996**	**+5%**	**+2%**
Care & Connectivity Solutions	$676	$261	$937	+4%	+3%
Front Line Care	$424	$145	$569	(0%)	(1%)
Healthcare Systems & Technologies	**$1,100**	**$406**	**$1,506**	**+2%**	**+1%**
Total Other	**$103**	**$56**	**$159**	**(1%)**	**NM[3]**
Total Baxter	**$3,030**	**$2,631**	**$5,661**	**+4%**	**+2%**

[1]Non-GAAP financial metrics referenced in this slide include organic sales growth. A reconciliation to comparable U.S. GAAP measures can be found herein and is available at www.baxter.com. [2]As of Q2 2026, the Pharmaceuticals segment and its divisions are reported under the new Infusion Therapies & Platforms division within the Medical Products & Therapies segment. In addition, certain sales previously reported within Other are now included within the division. [3]Not meaningful.

Second-Quarter 2026 Sales By Division[1]

Division	Sales	Organic[2]	Quarterly Performance Drivers
Infusion Therapies & Platforms[3]	$1,745M	+4%	Growth driven by Drug Compounding and IV solutions, partially offset by lower sales within Infusion Systems and Injectables
Advanced Surgery	$331M	+12%	Growth reflects continued strong demand for hemostats and sealants, strong commercial execution across regions and steady procedure volumes
Care & Connectivity Solutions	$502M	+5%	Growth driven by strong Patient Support Systems volumes globally, including execution against the U.S. backlog and growth across international markets
Front Line Care	$299M	+2%	Growth reflects continued momentum from Connex 360 and the timing of large customer deals relative to the first quarter. Partially offsetting these benefits were planned global product exits in the portfolio

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[1]Non-GAAP financial metrics referenced in this slide include organic sales growth. A reconciliation to comparable U.S. GAAP measures can be found herein and is available at www.baxter.com. [2]Represents organic sales growth. [3]As of Q2 2026, the Pharmaceuticals segment and its divisions are reported under the new Infusion Therapies & Platforms division within the Medical Products & Therapies segment. In addition, certain sales previously reported within Other are now included within the division.

Medical Products & Therapies[1]

$ In Millions	Q2 2026 Results			
			Increase / (Decrease)	
	Q2 2026	Q2 2025	$ Change	% Change
Net Sales	$2,076	$1,945	$131	+7%
Cost of Sales	$1,331	$1,157	$174	+15%
Gross Margin	$745	$788	($43)	(5%)
% of Sales	35.9%	40.5%		(460 bps)
Selling, General and Administrative Expenses	$310	$299	$11	+4%
% of Sales	14.9%	15.4%		(50 bps)
Research and Development Expenses	$74	$83	($9)	(11%)
% of Sales	3.6%	4.3%		(70 bps)
Other	($39)	($38)	($1)	+3%
Operating Income (Loss)	$400	$444	($44)	(10%)
% of Sales	19.3%	22.8%		(350 bps)

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[1]As of Q2 2026, the Pharmaceuticals segment and its divisions are reported under the new Infusion Therapies & Platforms division within the Medical Products & Therapies segment. In addition, certain sales previously reported within Other are now included within the division.

Medical Products & Therapies[1]

$ In Millions	H1 2026 Results			
			Increase / (Decrease)	
	H1 2026	H1 2025	$ Change	% Change
Net Sales	$3,996	$3,803	$193	+5%
Cost of Sales	$2,568	$2,256	$312	+14%
Gross Margin	$1,428	$1,547	($119)	(8%)
% of Sales	35.7%	40.7%		(500 bps)
Selling, General and Administrative Expenses	$605	$601	$4	+1%
% of Sales	15.1%	15.8%		(70 bps)
Research and Development Expenses	$145	$166	($21)	(13%)
% of Sales	3.6%	4.4%		(80 bps)
Other	($72)	($67)	($5)	+7%
Operating Income (Loss)	$750	$847	($97)	(11%)
% of Sales	18.8%	22.3%		(350 bps)

[1]As of Q2 2026, the Pharmaceuticals segment and its divisions are reported under the new Infusion Therapies & Platforms division within the Medical Products & Therapies segment. In addition, certain sales previously reported within Other are now included within the division.

Healthcare Systems & Technologies

$ In Millions	Q2 2026 Results			
			Increase / (Decrease)	
	Q2 2026	Q2 2025	$ Change	% Change
Net Sales	$801	$767	$34	+4%
Cost of Sales	$402	$375	$27	+7%
Gross Margin	$399	$392	$7	+2%
% of Sales	49.8%	51.1%		(130 bps)
Selling, General and Administrative Expenses	$202	$195	$7	+4%
% of Sales	25.2%	25.4%		(20 bps)
Research and Development Expenses	$44	$49	($5)	(10%)
% of Sales	5.5%	6.4%		(90 bps)
Other	($10)	($8)	($2)	+25%
Operating Income (Loss)	$163	$156	$7	+4%
% of Sales	20.3%	20.3%		0 bps

Healthcare Systems & Technologies

$ In Millions	H1 2026 Results			
			Increase / (Decrease)	
	H1 2026	H1 2025	$ Change	% Change
Net Sales	$1,506	$1,471	$35	+2%
Cost of Sales	$787	$729	$58	+8%
Gross Margin	$719	$742	($23)	(3%)
% of Sales	47.7%	50.4%		(270 bps)
Selling, General and Administrative Expenses	$384	$385	($1)	(0%)
% of Sales	25.5%	26.2%		(70 bps)
Research and Development Expenses	$92	$95	($3)	(3%)
% of Sales	6.1%	6.5%		(40 bps)
Other	($19)	($16)	($3)	+19%
Operating Income (Loss)	$262	$278	($16)	(6%)
% of Sales	17.4%	18.9%		(150 bps)

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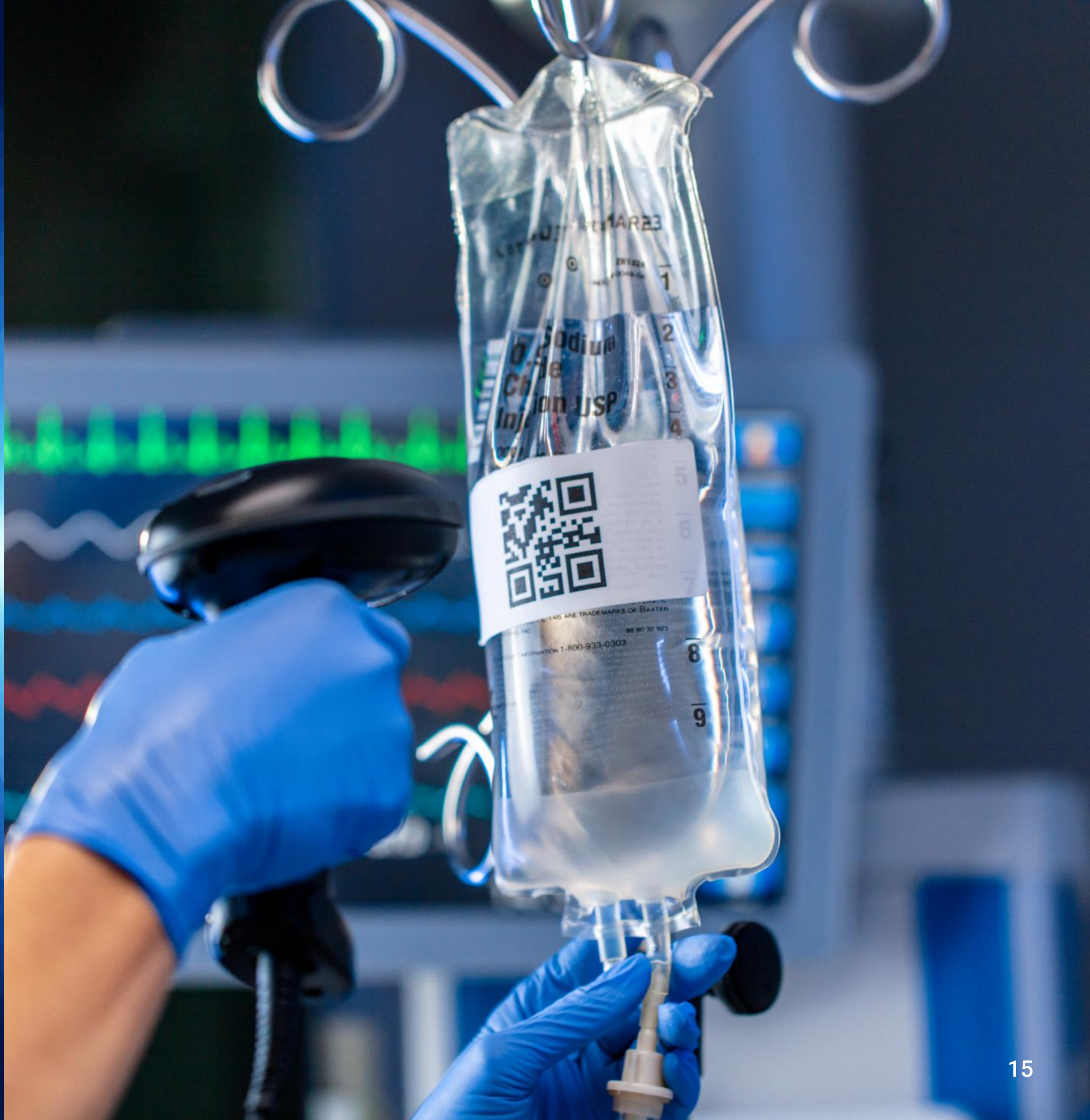
2026 Outlook

Second-Quarter 2026 Earnings

July 30, 2026



Full-Year 2026 Guidance (Consolidated)

Continuing Operations[1]

Consolidated Guidance	*Current Outlook* FY 2026	*Previous Outlook (as of Q1 2026 earnings)* FY 2026
Reported Sales Growth	3% - 4%	Flat to 1%
Organic Sales Growth[2]	2% - 3%	~ Flat
Adj. Diluted EPS	$1.95 - $2.15	$1.85 - $2.05

[1]Continuing 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 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. [2]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.

Full-Year 2026 Guidance (Segments)[1]

Consolidated Guidance	*Current Outlook* FY 2026	*Previous Outlook (as of Q1 2026 earnings)* FY 2026
Organic Sales Growth[2]		
Medical Products & Therapies[3]	Low-Single-Digit Growth	Flat to Slightly Up
Healthcare Systems & Technologies	Low-Single-Digit Growth	Low-Single-Digit Growth

[1]Non-GAAP financial metrics referenced in this slide include organic sales growth. Information about our use of non-GAAP measures can be found herein and is available at www.baxter.com. [2]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. [3]As of Q2 2026, the Pharmaceuticals segment and its divisions are reported under the new Infusion Therapies & Platforms division within the Medical Products & Therapies segment. In addition, certain sales previously reported within Other are now included within the division.

Full-Year 2026 Guidance Assumptions (Consolidated)

Continuing Operations[1]

Guidance Assumptions	*Current Outlook* FY 2026	*Previous Outlook (as of Q1 2026 earnings)* FY 2026
Kidney Care MSA Revenue Contribution	($25M) (~30 bps)	($25M) (~30 bps)
FX Revenue Contribution	~100 bps	~100 bps
Tariff Impact[2]	~$80M	~$80M
Kidney Care TSA Income Contribution	$155M - $165M	$130M - $140M
Adjusted Operating Margin	13.0% - 14.0%	13.0% - 14.0%
Interest and Other (Income) / Expense	$260M - $280M	$280M - $300M
Adjusted Tax Rate	18.5% - 19.5%	18.5% - 19.5%
Diluted Shares	~518M	~518M

[1]Continuing operations excludes the results of the Kidney Care business, which are reported as discontinued operations. Non-GAAP financial metrics referenced in this slide include adjusted operating margin and adjusted tax rate from continuing operations. Information about our use of non-GAAP measures can be found herein and is available at www.baxter.com. [2]Net of mitigating actions, related to Section 122 and 301 tariffs, does not include IEEPA tariff refund recognized in Q2.

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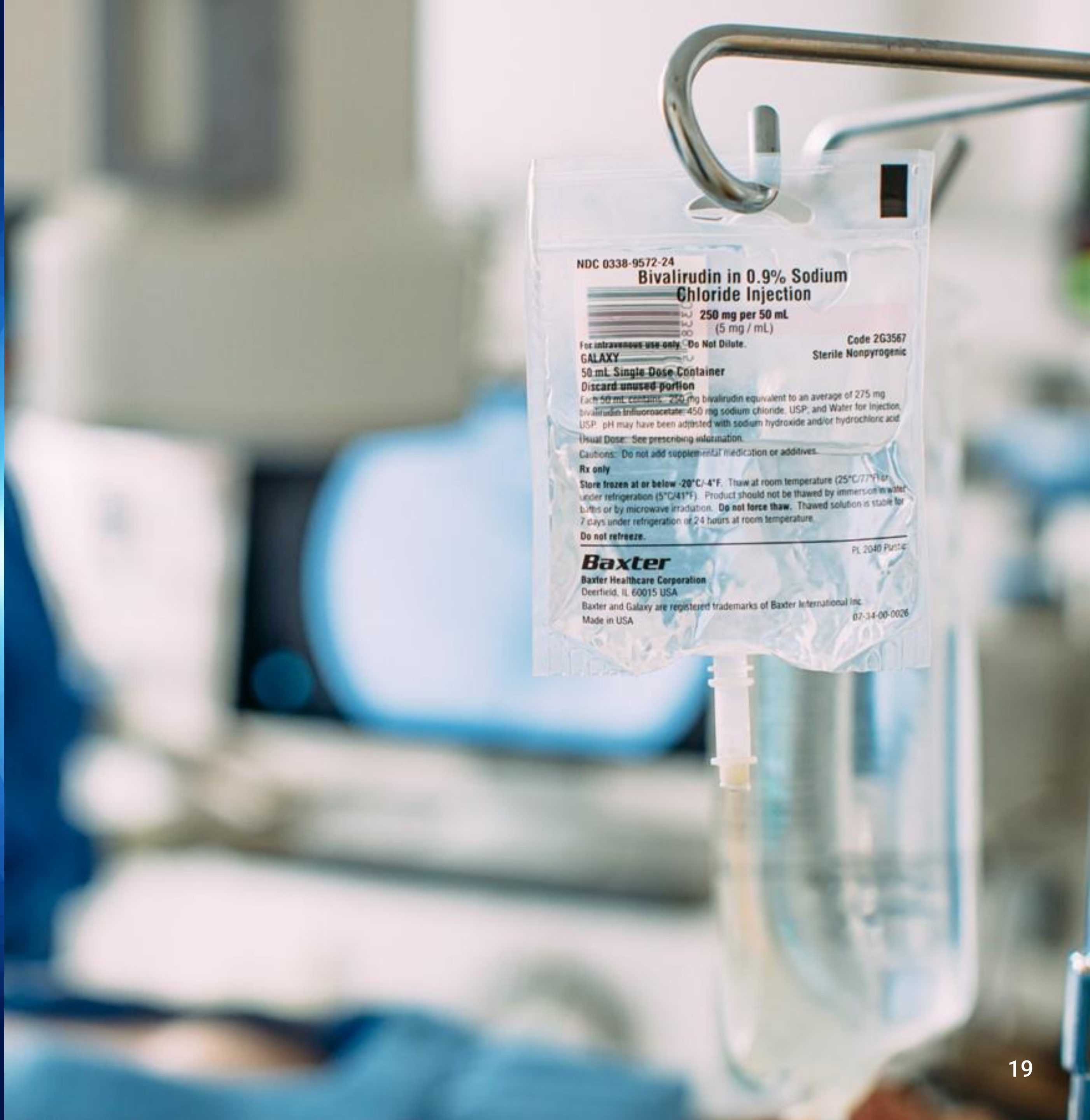
Baxter GPS and Capital Allocation

Second-Quarter 2026 Earnings

July 30, 2026



Baxter GPS

People
Winning as a mission-driven team

Process
Simplified and optimized

Performance
Creating enterprise value

Operating Cadence	Tools	Tracking
Daily Management	Performance Management	Value Creators • People • Customer • Financial
Monthly/Quarterly Results Reviews (MRRs/QBRs)	Organization/Talent Development	KPIs
Annual Operating Plan	Goal Deployment	
Strategic Planning Process/ Long-Range Plan	Lean/Six Sigma	
	Ideation	
	Problem Solving	

Mission First | Customer Success | Shareholder Value

Value Creators

Baxter GPS

People	Customer	Financial
Hire from Within	On-Time Delivery	Revenue
Retention	Quality	Operating Income
		Free Cash Flow
		ROIC

GROWTH & PERFORMANCE SYSTEM

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&A[1]

- Strategic tuck-in opportunities that enhance growth capabilities

Share Repurchases[1]

- Will evaluate opportunistically

Dividend: Expect to maintain current quarterly dividend

[1]Anticipated actions once targeted leverage ratio has been achieved.

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Non-GAAP Reconciliations

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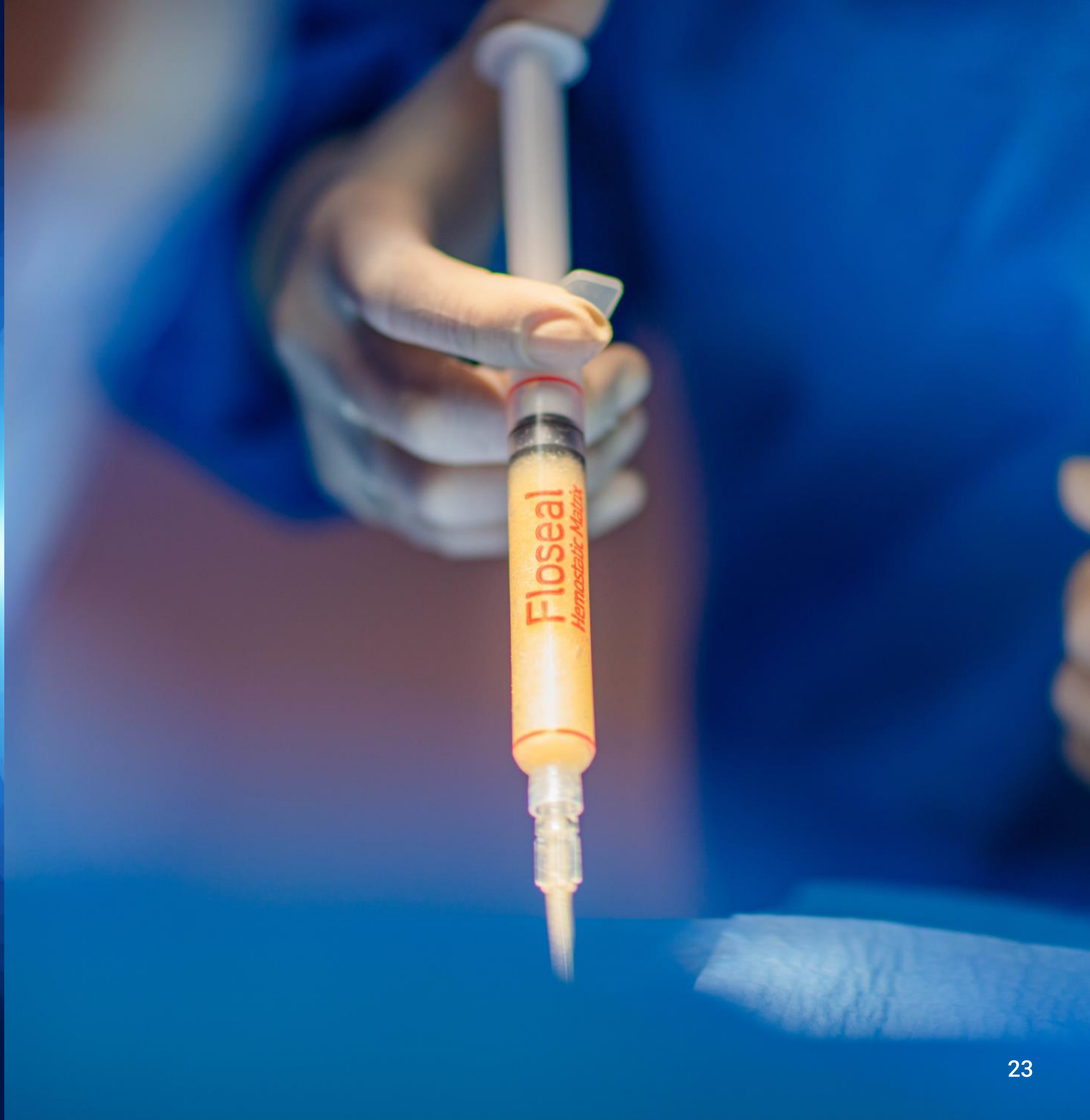

NON-GAAP RECONCILIATIONS AS OF July 30, 2026

Non-GAAP Reconciliations:

As part of its Q2 2026 earnings announcement on July 30, 2026, Baxter presented its financial results for the second quarter of 2026. Baxter also presented guidance 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 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, 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 June 30, 2026

(unaudited)
(in millions, except per share and percentage data)

The company's U.S. GAAP results for the three months ended June 30, 2026 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Other Operating Income, Net	Operating Income (Loss)	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	**$ 1,032**	**$ 735**	**$ 129**	**$ (49)**	**$ 217**	**$ 158**	**$ 23**	**$ 135**	**$ (9)**	**$ 126**	**$ 126**	**$ 0.26**	**$ (0.02)**	**$ 0.24**
Reported percent of net sales (or effective tax rate for income tax expense (benefit))	34.9 %	24.8 %	4.4 %	(1.7) %	7.3 %	5.3 %	14.6 %	4.6 %	(0.3) %	4.3 %	4.3 %			
Intangible asset amortization	94	(51)	—	—	145	145	35	110	—	110	110	0.21	0.00	0.21
Business optimization items[1]	3	(4)	—	—	7	7	(1)	8	—	8	8	0.02	0.00	0.02
European medical devices regulation[2]	4	—	—	—	4	4	1	3	—	3	3	0.01	0.00	0.01
Hurricane Helene costs[3]	3	—	—	—	3	3	1	2	—	2	2	0.00	0.00	0.00
Separation-related costs[4]	3	(19)	—	—	22	22	5	17	—	17	17	0.03	0.00	0.03
Business transformation[5]	3	(13)	(4)	(3)	23	23	5	18	—	18	18	0.03	0.00	0.03
Tax matters[8]	—	—	—	—	—	—	3	(3)	—	(3)	(3)	(0.01)	0.00	(0.01)
Adjusted	**$ 1,142**	**$ 648**	**$ 125**	**$ (52)**	**$ 421**	**$ 362**	**$ 72**	**$ 290**	**$ (9)**	**$ 281**	**$ 281**	**$ 0.56**	**$ (0.02)**	**$ 0.54**
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	38.6 %	21.9 %	4.2 %	(1.8) %	14.2 %	12.2 %	19.9 %	9.8 %	(0.3) %	9.5 %	9.5 %			

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

Three Months Ended June 30, 2025

(unaudited)
(in millions, except per share and percentage data)

The company's U.S. GAAP results for the three months ended June 30, 2025 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Operating Income (Loss)	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	**$ 991**	**$ 718**	**$ 191**	**$ 133**	**$ 11**	**$ 122**	**$ (31)**	**$ 91**	**$ 91**	**$ 0.24**	**$ (0.06)**	**$ 0.18**
Reported percent of net sales (or effective tax rate for income tax expense (benefit))	35.3 %	25.6 %	6.8 %	4.7 %	8.3 %	4.3 %	(1.1) %	3.2 %	3.2 %			
Intangible asset amortization	101	(50)	151	151	35	116	—	116	116	0.23	0.00	0.23
Business optimization items[1]	6	(11)	17	17	4	13	—	13	13	0.03	0.00	0.03
European medical devices regulation[2]	5	—	5	5	1	4	—	4	4	0.01	0.00	0.01
Hurricane Helene costs[3]	17	—	17	17	4	13	—	13	13	0.03	0.00	0.03
Separation-related costs[4]	1	(13)	14	14	3	11	—	11	11	0.02	0.00	0.02
Product-related items[6]	23	—	23	23	6	17	—	17	17	0.03	0.00	0.03
Acquisition and integration items[7]	—	(5)	5	5	1	4	—	4	4	0.01	0.00	0.01
Tax matters[8]	—	—	—	—	(4)	4	3	7	7	0.01	0.00	0.01
Adjusted	**$ 1,144**	**$ 639**	**$ 423**	**$ 365**	**$ 61**	**$ 304**	**$ (28)**	**$ 276**	**$ 276**	**$ 0.59**	**$ (0.05)**	**$ 0.54**
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	40.7 %	22.7 %	15.1 %	13.0 %	16.7 %	10.8 %	(1.0) %	9.8 %	9.8 %			

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

Three Months Ended June 30, 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 business.
2. 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.
3. 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.
4. 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 business.
5. The company's results of continuing operations in 2026 included business transformation costs which include expenses incurred in connection with discrete, recently 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.
6. The company's results of continuing operations in 2025 included charges related to an estimate of warranty and remediation activities arising from field corrective actions on certain of its infusion pumps 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.
7. The company’s results of continuing operations in 2025 included integration-related items comprised of Hill-Rom Holdings, Inc. (Hillrom) acquisition and integration expenses.
8. The company's results of continuing operations in 2026 included an income tax benefit related to the settlement of certain income tax audits and adjustments to its valuation allowance on U.S. deferred tax assets, partially offset by the application of intraperiod tax allocation to it adjusted results in an interim period. The company's results of continuing operations in 2025 included an income tax expenses resulting from the application of intraperiod tax allocation to our adjusted results in an interim period. 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 former 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.

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

Six Months Ended June 30, 2026

(unaudited)
(in millions, except per share and percentage data)

The company's U.S. GAAP results for the six months ended June 30, 2026 included special items which impacted the U.S. GAAP measures as follows:

	Gross Margin	Selling, General and Administrative Expenses	Research and Development Expenses	Other Operating Income, Net	Operating Income (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	**$ 1,923**	**$ 1,463**	**$ 268**	**$ (91)**	**$ 283**	**$ 1**	**$ 152**	**$ 34**	**$ 118**	**$ (7)**	**$ 111**	**$ 111**	**$ 0.23**	**$ (0.02)**	**$ 0.21**
Reported percent of net sales (or effective tax rate for income tax expense (benefit))	34.0 %	25.8 %	4.7 %	(1.6) %	5.0 %	0.0 %	2.7 %	22.4 %	2.1 %	(0.1) %	2.0 %	2.0 %			
Intangible asset amortization	189	(102)	—	—	291	—	291	69	222	—	222	222	0.43	0.00	0.43
Business optimization items[1]	14	(46)	(15)	—	75	—	75	16	59	—	59	59	0.11	0.00	0.11
European medical devices regulation[2]	8	—	—	—	8	—	8	2	6	—	6	6	0.01	0.00	0.01
Product-related items[3]	(12)	—	—	—	(12)	—	(12)	(3)	(9)	—	(9)	(9)	(0.02)	0.00	(0.02)
Hurricane Helene costs[4]	6	—	—	—	6	—	6	2	4	—	4	4	0.01	0.00	0.01
Separation-related costs[5]	3	(30)	—	—	33	—	33	8	25	—	25	25	0.05	0.00	0.05
Business transformation[6]	4	(23)	(4)	(3)	34	—	34	8	26	—	26	26	0.05	0.00	0.05
Investment impairments[7]	—	—	—	—	—	(5)	5	1	4	—	4	4	0.01	0.00	0.01
Tax Matters[11]	—	—	—	—	—	—	—	(23)	23	—	23	23	0.04	0.00	0.04
Adjusted	**$ 2,135**	**$ 1,262**	**$ 249**	**$ (94)**	**$ 718**	**$ (4)**	**$ 592**	**$ 114**	**$ 478**	**$ (7)**	**$ 471**	**$ 471**	**$ 0.92**	**$ (0.01)**	**$ 0.91**
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	37.7 %	22.3 %	4.4 %	(1.7) %	12.7 %	(0.1) %	10.5 %	19.3 %	8.4 %	(0.1) %	8.3 %	8.3 %			

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

Six Months Ended June 30, 2025

(unaudited)

(in millions, except per share and percentage data)

The company's U.S. GAAP results for the six months ended June 30, 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 (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	**$1,852**	**$ 1,421**	**$ 274**	**$ 249**	**$ (3)**	**$ 130**	**$ (56)**	**$ 186**	**$ 31**	**$ 217**	**$ 217**	**$ 0.36**	**$ 0.06**	**$ 0.42**
Reported percent of net sales (or effective tax rate for income tax expense (benefit))	34.1 %	26.1 %	5.0 %	4.6 %	(0.1) %	2.4 %	(43.1) %	3.4 %	0.6 %	4.0 %	4.0 %			
Intangible asset amortization	205	(101)	—	306	—	306	72	234	—	234	234	0.46	0.00	0.46
Business optimization items[1]	19	(41)	(2)	62	—	62	15	47	—	47	47	0.09	0.00	0.09
European medical devices regulation[2]	10	—	—	10	—	10	2	8	—	8	8	0.02	0.00	0.02
Product-related items[3]	29	—	—	29	—	29	8	21	—	21	21	0.04	0.00	0.04
Hurricane Helene Costs[4]	115	—	—	115	—	115	29	86	6	92	92	0.17	0.01	0.18
Separation-related costs[5]	1	(26)	—	27	—	27	6	21	31	52	52	0.04	0.06	0.10
Investment impairments[7]	—	—	—	—	(9)	9	2	7	—	7	7	0.01	0.00	0.01
Legal matters[8]	11	—	—	11	—	11	2	9	—	9	9	0.02	0.00	0.02
Acquisition and integration items[9]	—	(6)	—	6	(5)	11	2	9	—	9	9	0.02	0.00	0.02
Gain on Kidney Care Sale[10]	—	—	—	—	—	—	—	—	(111)	(111)	(111)	0.00	(0.22)	(0.22)
Tax matters[11]	—	—	—	—	—	—	39	(39)	50	11	11	(0.08)	0.10	0.02
Adjusted	**$2,242**	**$ 1,247**	**$ 272**	**$ 815**	**$ (17)**	**$ 710**	**$ 121**	**$ 589**	**$ 7**	**$ 596**	**$ 596**	**$ 1.15**	**$ 0.01**	**$ 1.16**
Adjusted percent of net sales (or effective tax rate for income tax expense (benefit))	41.3 %	22.9 %	5.0 %	15.0 %	(0.3) %	13.1 %	17.0 %	10.8 %	0.1 %	11.0 %	11.0 %			

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

Six Months Ended June 30, 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 business.
2. 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 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.
3. 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 results of continuing operations in 2025 included charges related to an estimate of warranty and remediation activities arising from field corrective actions on certain of its infusion pumps 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.
4. The company's results of continuing operations in 2026 and 2025 included charges related to Hurricane Helene, which consisted of remediation, air freight and other costs. The company's results of discontinued operations in 2025 included charges related to Hurricane Helene, which consisted of air freight and other costs.
5. The company's results of continuing operations in 2026 and 2025 included separation-related costs primarily related to external advisors supporting its activities related to the sale of its former Kidney Care business. The company's results of discontinued operations in 2025 included separation-related costs related to external advisors supporting its activities related to the sale of its former Kidney Care business.
6. The company's results of continuing operations in 2026 included business transformation costs which include expenses incurred in connection with discrete, recently 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.
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 2025 included charges related to matters involving alleged injury from environmental exposure.
9. The company’s results of continuing operations in 2025 included integration-related items comprised of Hillrom acquisition and integration expenses consisting of third-party consulting costs and the recognition of a noncash impairment of property, plant and equipment related to integration activities.
10. The company's results of discontinued operations in 2025 included a gain from the sale of its former Kidney Care business.
11. The company's results of continuing operations in 2026 included an income tax expense primarily related to differences arising from the use of a forecasted effective tax rate to compute income tax expense during the period, partially offset by the settlement of certain income tax audits. The company's results of continuing operations in 2025 included an income tax benefit driven by an entity classification election that it 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 former Kidney Care business to prior years.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

Operating Cash Flow to Free Cash Flow

(unaudited)
(in millions)

	Three Months Ended June 30, 2026
	2026
Cash flows from (used in) operations – continuing operations	$ 297
Cash flows from (used in) investing activities - continuing operations	(117)
Cash flows from (used in) financing activities	(31)
Cash flows from (used in) operations - continuing operations	$ 297
Capital expenditures - continuing operations	(116)
Free cash flow - continuing operations	**$ 181**

	Six Months Ended June 30,	
	2026	2025
Cash flows from (used in) operations - continuing operations	$ 510	$ 118
Cash flows from (used in) investing activities - continuing operations	(250)	(239)
Cash flows from (used in) financing activities	(42)	(3,988)
Cash flows from (used in) operations - continuing operations	$ 510	$ 118
Capital expenditures - continuing operations	(253)	(262)
Free cash flow - continuing operations	**$ 257**	**$ (144)**

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 June 30, 2025 to the Three Months Ended June 30, 2026

(unaudited)

Sales By Product Category:

	Net Sales Growth As Reported	Kidney Care MSA	FX	Organic Sales Growth*
Infusion Therapies & Platforms	6%	0%	(2)%	4%
Advanced Surgery	12%	0%	(0)%	12%
Medical Products & Therapies	**7%**	**0%**	**(2)%**	**5%**
Care & Connectivity Solutions	6%	0%	(1)%	5%
Front Line Care	2%	0%	(0)%	2%
Healthcare Systems & Technologies	**4%**	**0%**	**(0)%**	**4%**
Other	**(15)%**	**16%**	**(1)%**	**0%**
Total - Continuing Operations	**5%**	**1%**	**(1)%**	**5%**

*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

Change in Net Sales Growth As Reported to Organic Sales Growth
From the Six Months Ended June 30, 2025 to the Six Months Ended June 30, 2026

(unaudited)

Sales By Product Category:

	Net Sales Growth As Reported	Kidney Care MSA	FX	Organic Sales Growth*
Infusion Therapies & Platforms	4%	0%	(3)%	1%
Advanced Surgery	13%	0%	(2)%	11%
Medical Products & Therapies	**5%**	**0%**	**(3)%**	**2%**
Care & Connectivity Solutions	4%	0%	(1)%	3%
Front Line Care	(0)%	0%	(1)%	(1)%
Healthcare Systems & Technologies	**2%**	**0%**	**(1)%**	**1%**
Other	**(1)%**	**4%**	**(3)%**	**0%**
Total - Continuing Operations	**4%**	**0%**	**(2)%**	**2%**

*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.

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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	**3% - 4%**
Kidney Care MSA	~30 bps
Foreign Exchange	(~100 bps)
Organic sales growth	**2% - 3%**

*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	$1.95 - $2.15

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.

Second-Quarter 2026 Earnings

Baxter International Inc.

July 30, 2026