FOR IMMEDIATE RELEASE

BAXTER REPORTS SECOND-QUARTER 2023 RESULTS

- *Second-quarter revenues increased 3% on a reported basis and 4% on a constant currency basis, ahead of the company's previously issued guidance[1]*
- *Second-quarter U.S. GAAP earnings (loss) per share (EPS) (including discontinued operations) of ($0.28); adjusted EPS (including discontinued operations) of $0.66*
- *Second-quarter U.S. GAAP EPS from continuing operations of ($0.39); adjusted EPS from continuing operations of $0.55*

DEERFIELD, Ill., JULY 27, 2023 – Baxter International Inc. (NYSE:BAX), a global medtech leader, today reported results for the second quarter of 2023.

"Baxter's second-quarter performance reflects ongoing solid demand for our diverse, durable portfolio of medically essential products," said José (Joe) E. Almeida, chairman, president and chief executive officer. "We are making progress across the transformational actions we announced at the start of 2023. These initiatives are focused on enhancing strategic clarity, increasing market responsiveness and accelerating innovation, in an effort to drive greater value for our stakeholders."

Second-Quarter Financial Results

Worldwide sales from continuing operations in the second quarter totaled approximately $3.71 billion and sales from discontinued operations totaled $142 million in the quarter. This performance represented an increase of 3% on a reported basis and 4% on a constant currency basis, both for continuing operations and in the aggregate. Discontinued operations include Baxter's BioPharma Solutions (BPS) business, which is currently expected to be divested in the second half of 2023, subject to the satisfaction of customary closing conditions, as announced on May 8, 2023. See "Recent Highlights" later in this release for more information about the pending BPS divestiture.

[1] See tables to the press release for reconciliations of non-GAAP measures used in this press release to the corresponding U.S. GAAP measures.

U.S. sales from continuing operations in the second quarter totaled approximately $1.75 billion and discontinued operations totaled $64 million in the quarter, an increase of 3% on a reported basis, both for continuing operations and in the aggregate. International sales from continuing operations in the second quarter totaled approximately $1.96 billion and discontinued operations totaled $78 million in the quarter, representing increases of 3% on a reported basis and 5% on a constant currency basis for continuing operations, and 3% on a reported basis and 4% on a constant currency basis in the aggregate.

Sales performance in the quarter came in ahead of Baxter's previously announced second-quarter 2023 guidance, driven by overall positive demand for Baxter products, reflecting ongoing recovery in patient and procedure volumes, alongside generally stabilizing macroeconomic conditions and an ongoing abatement in recent supply chain challenges. Sales growth in the second quarter was driven primarily by high single-digit growth at constant currency rates in Front Line Care, Surgical Solutions, Medication Delivery, and Clinical Nutrition; and mid-single-digit growth at constant currency rates in Acute Therapies and Advanced Surgery. Second-quarter performance was partially offset by a low single-digit decline in Patient Support Systems, primarily resulting from lower rental revenues, as well as lower sales in BPS (reported in discontinued operations) due to a reduction in COVID vaccine manufacturing revenues.

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

For the second quarter, total net income attributable to Baxter was ($141 million), or ($0.28) per diluted share, a decline of 156% from the prior-year period on a U.S. GAAP (Generally Accepted Accounting Principles) basis. Total U.S. GAAP diluted EPS includes ($0.39) from continuing operations and $0.11 from discontinued operations. These results include special items totaling $476 million after tax, which were primarily related to business optimization costs and intangible amortization, among other factors. On an adjusted basis, total net income attributable to Baxter was $335 million, or $0.66 per diluted share, a 24% decline for the quarter as compared to the prior-year period. Total adjusted diluted EPS includes $0.55 from continuing operations and $0.11 from discontinued operations. Adjusted diluted EPS for the quarter exceeded Baxter's previously announced second-quarter 2023 guidance, driven by better-than-expected sales performance and operational efficiencies.

Kidney Care Spinoff Update

As announced Jan. 6, 2023, Baxter is preparing to spin off its Renal Care and Acute Therapies global businesses (Kidney Care) into an independent, publicly traded company. The new company is poised to launch with a leading product portfolio, geographically diverse footprint, extensive commercial operations, and robust service capabilities supporting its therapies, which are delivered in homes, clinics, and intensive care units (ICUs) worldwide. As a standalone entity, the company should benefit from heightened management focus and the ability to pursue its unique investment priorities, emerging better positioned to accelerate growth and innovation and create incremental value for its patients, clinicians, investors, and other stakeholder communities.

In May, Chris Toth was named as the inaugural chief executive officer of the planned spinoff company. Mr. Toth most recently served as chief executive officer of Varian, a Siemens Healthineers company. He joined Baxter in June and will serve as executive vice president and group president, Kidney Care, until completion of the proposed spinoff.

Earlier this week, Baxter also announced that the new company will be named Vantive, with the logo and full visual identity to be unveiled at a later date. Until separation, the relevant businesses will continue to operate as Baxter.

Beyond these critical milestones, the underlying work of the spinoff continues. The new company's operating model and organizational design are being finalized, and progress is ongoing across legal, regulatory, supply chain, and numerous other key operational channels. The spinoff, which remains subject to the satisfaction of customary conditions, is currently expected to occur by July 2024 or earlier.

Recent Highlights[2]

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

- Signed a definitive agreement to divest its BioPharma Solutions (BPS) business to Advent International, one of the largest and most experienced global private equity investors, and

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

Warburg Pincus, a leading global growth investor. The pending divestiture of BPS will further streamline Baxter's strategic focus and represents an important milestone in Baxter's ongoing business transformation. Baxter plans to deploy net after-tax proceeds of the transaction for debt repayment, consistent with the company's stated capital allocation priorities. The transaction is currently expected to close in the second half of 2023, subject to receipt of customary regulatory approvals and satisfaction of other closing conditions.

- Launched its next-generation Hillrom **Progressa+** ICU bed in the U.S. **Progressa+** offers new technology and features to help address complex critical care needs, including in-bed pulmonary therapies designed to aid in the reduction of pulmonary complications, improved protection of the patient's skin to help prevent pressure injuries, and support for early mobility protocols. Baxter plans to launch **Progressa+** in additional global markets over the next 18 months.
- Announced the FDA Premarket Approval (PMA) and subsequent U.S. launch of its **PERCLOT** Absorbable Hemostatic Powder. **PERCLOT** is a passive, absorbable hemostatic powder that is ready to use and designed for patients with intact coagulation to address mild bleeding. This represents Baxter's first passive hemostat in the U.S. market, broadening Baxter's portfolio to include a full range of active and passive solutions.

Annual Corporate Responsibility Report

In June, Baxter released its 2022 Corporate Responsibility Report, featuring performance updates on the company's 2030 Corporate Responsibility Commitment and Goals. The report reflects Baxter's first year of integration with Hillrom, demonstrating how the combined team has united in support of a shared commitment to "Empower our Patients," "Protect our Planet," and "Champion our People and Communities."

Building on more than three decades of reporting environmental performance, Baxter has announced plans to further enhance its transparency and disclosures by reporting against the framework established by the Task Force on Climate-Related Financial Disclosures (TCFD) in a standalone publication later this year.

2023 Financial Outlook and Assumptions

For Full-Year 2023

The Company's current expectation is that the pending sale of BPS is likely to close towards the end of the third quarter. However, as the ultimate timing is uncertain, and to provide comparability to prior guidance, it is providing a financial outlook that also contemplates a scenario in which the transaction does not close in 2023. Under either scenario, BPS is reflected as a discontinued operation, consistent with its presentation throughout this release and the accompanying tables. Adjusted diluted earnings per share amounts referred to below exclude special items.

Scenario 1: BPS Remains a Part of Baxter Through Full-Year 2023

- Under this scenario, Baxter expects full-year 2023 sales growth from continuing operations of 1% to 2% on a reported basis and approximately 2% on a constant currency basis. Under this scenario, sales growth in aggregate (including discontinued operations) would be the same as continuing operations on both a reported and constant currency basis.
- Under this scenario, Baxter expects full-year 2023 adjusted earnings on an aggregate basis (including discontinued operations) of $2.92 to $3.00 per diluted share and adjusted earnings from continuing operations of $2.49 to $2.57 per diluted share.

Scenario 2: The Pending BPS Sale is Completed on September 30, 2023

- Under this scenario, there is no change to sales growth for continuing operations and sales growth in aggregate (including discontinued operations) would be approximately flat to 1% on a reported basis and approximately 1% on a constant currency basis, reflecting the absence of BPS sales in the fourth quarter.
- Under this scenario, Baxter expects full-year 2023 adjusted earnings of $2.87 to $2.95 per diluted share in the aggregate (including discontinued operations) and adjusted earnings from continuing operations of $2.54 to $2.62 per diluted share. Baxter's full-year 2023 adjusted earnings per diluted share outlook in the aggregate reflects a $0.10 per share negative impact from the absence of BPS earnings in the fourth quarter. The company's outlook for adjusted earnings per diluted share in the aggregate and for continuing

operations both reflect a net benefit of approximately $0.05, primarily due to reduced interest expense after giving effect to anticipated debt repayment plans.

For Third-Quarter 2023

- The company expects third-quarter sales growth from continuing operations of approximately 2% on a reported basis and 1% on a constant currency basis.
- The company expects third-quarter adjusted earnings in aggregate (including discontinued operations) of $0.78 to $0.80 per diluted share and adjusted earnings from continuing operations of $0.65 to $0.67 per diluted share.

Second-Quarter 2023 Earnings Conference Call

A webcast of Baxter's second-quarter 2023 conference call for investors can be accessed live from a link on the company's website at www.baxter.com beginning at 7:30 a.m. CDT on July 27, 2023. Please see www.baxter.com for more information regarding this and future investor events and webcasts.

About Baxter

Every day, millions of patients, caregivers and healthcare providers rely on Baxter's leading portfolio of diagnostic, critical care, kidney care, nutrition, hospital and surgical products used across patient homes, hospitals, physician offices and other sites of care. For more than 90 years, we've been operating at the critical intersection where innovations that save and sustain lives meet the healthcare providers who make it happen. With products, digital health solutions and therapies available in more than 100 countries, Baxter's employees worldwide are now building upon the company's rich heritage of medical breakthroughs to advance the next generation of transformative healthcare innovations. To learn more, visit www.baxter.com and follow us on Twitter, LinkedIn and Facebook.

Non-GAAP Financial Measures

Net sales growth rates on a constant currency basis are non-GAAP financial measures that provide information on the percentage change in net sales growth as if foreign currency exchange rates had remained constant between the prior and current periods.

Other non-GAAP financial measures included in this release and the accompanying tables (including within the tables that provide the company's detailed reconciliations to the corresponding U.S. GAAP financial measures) are: adjusted gross margin, adjusted selling, general, and administrative expenses, adjusted research and development expenses, adjusted other operating income, net, adjusted operating income, adjusted income before income taxes, adjusted income tax expense, adjusted income (loss) from continuing operations, adjusted income from discontinued operations, net of tax, adjusted net income, adjusted net income attributable to Baxter stockholders,

adjusted diluted earnings per share from continuing operations, adjusted diluted earnings per share from discontinued operations and adjusted diluted earnings per share. Those non-GAAP financial measures exclude the impact of special items. For the quarters and six months ended June 30, 2023 and 2022, special items for one or more periods included intangible asset amortization, business optimization items, acquisition and integration items, divestiture-related costs, expenses related to European medical devices regulation, product-related items, a pension curtailment gain, non-marketable investment impairments and tax matters. These items are excluded because they are highly variable or unusual and of a size that may substantially impact the company's reported operations for a period. Additionally, intangible asset amortization is excluded as a special item to facilitate an evaluation of current and past operating performance and is consistent with how management and the company's Board of Directors assess performance.

This release and the accompanying tables also include free cash flow, a non-GAAP financial measure that Baxter defines as operating cash flow less capital expenditures. Free cash flow is used by management and the company's Board of Directors to evaluate the cash generated from Baxter's operating activities each period after deducting its capital spending.

This release also includes forecasts of certain of the aforementioned non-GAAP measures on a forward-looking basis as part of the company's financial outlook for upcoming periods. Non-GAAP financial measures may enhance an understanding of the company's operations and may facilitate an analysis of those operations, particularly in evaluating performance from one period to another. Management believes that non-GAAP financial measures, when used in conjunction with the results presented in accordance with U.S. GAAP and the company's reconciliations to corresponding U.S. GAAP financial measures (which are included in the tables accompanying this release), may enhance an investor's overall understanding of the company's past financial performance and prospects for the future. Accordingly, management uses these non-GAAP measures internally in financial planning, to monitor business unit performance, and, in some cases, for purposes of determining incentive compensation. This information should be considered in addition to, and not as substitutes for, information prepared in accordance with U.S. GAAP.

Forward-Looking Statements

This release includes forward-looking statements concerning the company's financial results (including the outlook for third-quarter and full-year 2023) and business development and regulatory activities (including anticipated cost savings). These forward-looking statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: the company's ability to execute and complete strategic initiatives, asset dispositions and other transactions, including the proposed spinoff of the company's Renal Care and Acute Therapies product categories; the company's plans to simplify the company's operating model and manufacturing footprint and the pending sale of the company's BioPharma Solutions product category, the timing for such transactions, the ability to satisfy any applicable conditions and the expected proceeds, consideration and benefits; failure to accurately forecast or achieve the company's short- and long-term financial improvement performance and goals (including with respect to the company's strategic actions); the company's ability to execute on its capital allocation plans, including the company's debt repayment plans, the timing and amount of any dividends, share repurchases and acquisition proceeds and the capital structure of the public company that the company expects to form as a result of the proposed spinoff (and the resulting capital structure for the remaining company); the impact of global economic

conditions (including, among other things, inflation levels, interest rates, financial market volatility, banking crises, the potential for a recession, the ongoing war in Ukraine, the related economic sanctions being imposed globally in response to the conflict and potential trade wars) and continuing public health crises, pandemics and epidemics, such as the COVID-19 pandemic, or the anticipation of any of the foregoing, on the company's operations and on the company's employees, customers and suppliers, including foreign governments in countries in which the company operates; downgrades to the company's credit ratings or ratings outlooks, and the related impact on the company's funding costs and liquidity; product development risks, including satisfactory clinical performance and obtaining and maintaining required regulatory approvals (including as a result of evolving regulatory requirements), the ability to manufacture at appropriate scale, and the general unpredictability associated with the product development cycle; product quality or patient safety issues leading to product recalls, withdrawals, launch delays, warning letters, import bans, sanctions, seizures, litigation, or declining sales, including the focus on evaluating product portfolios for the potential presence or formation of nitrosamines; future actions of (or failures to act or delays in acting by) FDA, the European Medicines Agency or any other regulatory body or government authority (including the SEC, Department of Justice, the Federal Trade Commission, Centers for Medicare & Medicaid Services or the Attorney General of any State) that could delay, limit or suspend product development, manufacturing, sale or reimbursement or result in seizures, recalls, injunctions, monetary sanctions or criminal or civil liabilities, including the lifting of the warning letters at the company's Ahmedabad facility; demand for and market acceptance risks for and competitive pressures related to new and existing products (including challenges with the company's ability to accurately predict changing consumer preferences and future expenditures, which have led to and may continue to lead to increased inventory levels, and needs and advances in technology and the resulting impact on customer inventory levels), and the impact of those products on quality and patient safety concerns; breaches, including by cyber-attack, data leakage, unauthorized access or theft, or failures of or vulnerabilities in the company's information technology systems or products; the continuity, availability and pricing of acceptable raw materials and component parts (and the company's ability to pass some or all of these costs to the company's customers through recent price increases or otherwise), and the related continuity of the company's manufacturing and distribution and those of the company's suppliers; inability to create additional production capacity in a timely manner or the occurrence of other manufacturing, sterilization or supply difficulties (including as a result of natural disaster, public health crises and epidemics/pandemics, regulatory actions or otherwise); the company's ability to finance and develop new products or enhancements on commercially acceptable terms or at all; loss of key employees, the occurrence of labor disruptions or the inability to identify and recruit new employees; failures with respect to the company's quality, compliance or ethics programs; future actions of third parties, including third-party payers and the company's customers and distributors (including group purchasing organizations and integrated delivery networks), the impact of healthcare reform and its implementation, suspension, repeal, replacement, amendment, modification and other similar actions undertaken by the United States or foreign governments; the outcome of pending or future litigation, including the ethylene oxide or other claims; the impact of competitive products and pricing, including generic competition, drug reimportation and disruptive technologies; global regulatory, trade and tax policies (including with respect to climate change and other sustainability matters); the ability to protect or enforce the company's owned or in-licensed patent or other proprietary rights (including trademarks, copyrights, trade secrets and know-how) or patents of third

parties preventing or restricting the company's manufacture, sale or use of affected products or technology; the impact of any goodwill or other intangible asset impairments on the company's operating results; fluctuations in foreign exchange and interest rates; any changes in law concerning the taxation of income (whether with respect to current or future tax reform); actions by tax authorities in connection with ongoing tax audits; and other risks identified in Baxter's most recent filings on Form 10-K and Form 10-Q and other SEC filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements unless otherwise required by the federal securities laws.

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