

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

	Three Months Ended September 30,		
	2021	2020	Change
NET SALES	\$ 3,226	\$ 2,972	9 %
COST OF SALES	1,905	1,777	7 %
GROSS MARGIN	1,321	1,195	11 %
<i>% of Net Sales</i>	40.9 %	40.2 %	0.7 pts
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	680	601	13 %
<i>% of Net Sales</i>	21.1 %	20.2 %	0.9 pts
RESEARCH AND DEVELOPMENT EXPENSES	129	123	5 %
<i>% of Net Sales</i>	4.0 %	4.1 %	(0.1 pts)
OTHER OPERATING EXPENSE (INCOME), NET	(1)	1	NM
OPERATING INCOME	513	470	9 %
<i>% of Net Sales</i>	15.9 %	15.8 %	0.1 pts
INTEREST EXPENSE, NET	50	39	28 %
OTHER EXPENSE, NET	12	16	(25)%
INCOME BEFORE INCOME TAXES	451	415	9 %
INCOME TAX (BENEFIT) EXPENSE	(1)	56	(102)%
<i>% of Income Before Income Taxes</i>	(0.2)%	13.5 %	13.7 pts
NET INCOME	452	359	26 %
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	2	3	(33)%
NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ 450	\$ 356	26 %
EARNINGS PER SHARE			
Basic	\$ 0.90	\$ 0.70	29 %
Diluted	\$ 0.89	\$ 0.69	29 %
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	500	511	
Diluted	506	518	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 652	\$ 570	14 %
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 608	\$ 515	18 %
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 516	\$ 431	20 %
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 1.02	\$ 0.83	23 %

¹ Refer to page 9 for a description of the adjustments and a reconciliation to U.S. GAAP measures.

NM - Not Meaningful

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

The company's U.S. GAAP results for the three months ended September 30, 2021 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 Expense (Income), Net	Operating Income	Interest Expense, net	Income Before Income Taxes	Income Tax (Benefit) Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$1,321	\$ 680	\$ 129	\$ (1)	\$ 513	\$ 50	\$ 451	\$ (1)	\$ 452	\$ 450	\$ 0.89
Reported percent of net sales (or percent of income before income taxes for income tax benefit)	40.9 %	21.1 %	4.0 %	0.0 %	15.9 %	1.5 %	14.0 %	(0.2)%	14.0 %	13.9 %	
Intangible asset amortization ¹	68	—	—	—	68	—	68	15	53	53	0.10
Business optimization items ²	20	(16)	—	—	36	—	36	8	28	28	0.06
Acquisition and integration expenses ³	1	(21)	—	1	21	(18)	39	8	31	31	0.06
European medical devices regulation ⁴	11	—	—	—	11	—	11	2	9	9	0.02
Investigation and related costs ⁵	—	(3)	—	—	3	—	3	—	3	3	0.01
Tax matter ⁶	—	—	—	—	—	—	—	58	(58)	(58)	(0.11)
Adjusted	\$1,421	\$ 640	\$ 129	\$ —	\$ 652	\$ 32	\$ 608	\$ 90	\$ 518	\$ 516	\$ 1.02
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	44.0 %	19.8 %	4.0 %	0.0 %	20.2 %	1.0 %	18.8 %	14.8 %	16.1 %	16.0 %	

The company's U.S. GAAP results for the three months ended September 30, 2020 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 Expense (Income), Net	Operating Income	Income Before Income Taxes	Income Tax (Benefit) Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$1,195	\$ 601	\$ 123	\$ 1	\$ 470	\$ 415	\$ 56	\$ 359	\$ 356	\$ 0.69
Reported percent of net sales (or percent of income before income taxes for income tax expense)	40.2 %	20.2 %	4.1 %	0.0 %	15.8 %	14.0 %	13.5 %	12.1 %	12.0 %	
Intangible asset amortization ¹	57	—	—	—	57	57	15	42	42	0.08
Business optimization items ²	6	(25)	(1)	—	32	32	8	24	24	0.05
Acquisition and integration expenses ³	—	—	—	(1)	1	1	—	1	1	0.00
European medical devices regulation ⁴	8	—	—	—	8	8	2	6	6	0.01
Investigation and related costs ⁵	—	(2)	—	—	2	2	—	2	2	0.00
Adjusted	\$1,266	\$ 574	\$ 122	\$ —	\$ 570	\$ 515	\$ 81	\$ 434	\$ 431	\$ 0.83
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.6 %	19.3 %	4.1 %	0.0 %	19.2 %	17.3 %	15.7 %	14.6 %	14.5 %	

¹ The company's results in 2021 and 2020 included intangible asset amortization expense of \$68 million (\$53 million, or \$0.10 per diluted share, on an after-tax basis) and \$57 million (\$42 million, or \$0.08 per diluted share, on an after-tax basis), respectively.

² The company's results in 2021 and 2020 included charges of \$36 million (\$28 million, or \$0.06 per diluted share, on an after-tax basis) and \$32 million (\$24 million, or \$0.05 per diluted share, on an after-tax basis), respectively, associated with its programs to optimize its organization and cost structure on a global basis.

³ The company's results in 2021 included \$39 million (\$31 million, or \$0.06 per diluted share, on an after-tax basis) of acquisition, integration and related financing expenses for the proposed acquisition of Hill-Rom Holdings, Inc. (Hillrom) and the acquisition of the rights to **Caelyx** and **Doxil** for specified territories outside of the U.S. that was partially offset by the change in the estimated fair value of contingent consideration liabilities. The company's results in 2020 included \$1 million (\$1 million, or \$0.00 per diluted share, on an after-tax basis) of acquisition and integration expenses related to the change in the estimated fair value of contingent consideration liabilities.

⁴ The company's results in 2021 and 2020 included costs of \$11 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) and \$8 million (\$6 million, or \$0.01 per diluted share, on an after-tax basis) related to updating its quality systems and product labeling to comply with the new medical device reporting regulation and other requirements of the European Union's regulations for medical devices that become effective in stages beginning in 2021.

⁵ The company's results in 2021 and 2020 included costs of \$3 million (\$3 million, or \$0.01 per diluted share, on an after-tax basis) and \$2 million (\$2 million, or \$0.00 per diluted share, on an after-tax basis) for investigation and related costs. In 2021, this item primarily included charges related to matters associated with the company's investigation of foreign exchange gains and losses. In 2020, this item primarily included professional fees related to those matters.

⁶ The company's results in 2021 included an income tax benefit of \$58 million, or \$0.11 per diluted share, related to a tax-deductible foreign statutory loss on an investment in a foreign subsidiary.

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

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

	Nine Months Ended September 30,		
	2021	2020	Change
NET SALES	\$ 9,270	\$ 8,492	9 %
COST OF SALES	5,571	5,096	9 %
GROSS MARGIN	3,699	3,396	9 %
<i>% of Net Sales</i>	39.9 %	40.0 %	(0.1 pts)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,982	1,819	9 %
<i>% of Net Sales</i>	21.4 %	21.4 %	0.0 pts
RESEARCH AND DEVELOPMENT EXPENSES	396	386	3 %
<i>% of Net Sales</i>	4.3 %	4.5 %	(0.2 pts)
OTHER OPERATING INCOME, NET	(6)	(19)	(68)%
OPERATING INCOME	1,327	1,210	10 %
<i>% of Net Sales</i>	14.3 %	14.2 %	0.1 pts
INTEREST EXPENSE, NET	118	96	23 %
OTHER EXPENSE, NET	15	32	(53)%
INCOME BEFORE INCOME TAXES	1,194	1,082	10 %
INCOME TAX EXPENSE	141	143	(1)%
<i>% of Income Before Income Taxes</i>	11.8 %	13.2 %	(1.4 pts)
NET INCOME	1,053	939	12 %
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	7	5	40 %
NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ 1,046	\$ 934	12 %
EARNINGS PER SHARE			
Basic	\$ 2.08	\$ 1.83	14 %
Diluted	\$ 2.06	\$ 1.81	14 %
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	503	509	
Diluted	509	517	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 1,686	\$ 1,534	10 %
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 1,571	\$ 1,406	12 %
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 1,311	\$ 1,185	11 %
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 2.58	\$ 2.29	13 %

¹ Refer to page 11 for a description of the adjustments and a reconciliation to U.S. GAAP measures.

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

The company's U.S. GAAP results for the nine months ended September 30, 2021 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	Interest Expense, net	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$3,699	\$ 1,982	\$ 396	\$ (6)	\$ 1,327	\$ 118	\$ 1,194	\$ 141	\$1,053	\$ 1,046	\$ 2.06
Reported percent of net sales (or percent of income before income taxes for income tax expense)	39.9 %	21.4 %	4.3 %	(0.1)%	14.3 %	1.3 %	12.9 %	11.8 %	11.4 %	11.3 %	
Intangible asset amortization ¹	199	—	—	—	199	—	199	41	158	158	0.31
Business optimization items ²	51	(30)	—	—	81	—	81	18	63	63	0.12
Acquisition and integration expenses ³	1	(23)	—	6	18	(18)	36	7	29	29	0.06
European medical devices regulation ⁴	30	—	—	—	30	—	30	7	23	23	0.05
Investigation and related costs ⁵	—	(31)	—	—	31	—	31	3	28	28	0.06
Tax matters ⁷	—	—	—	—	—	—	—	36	(36)	(36)	(0.07)
Adjusted	\$3,980	\$ 1,898	\$ 396	\$ —	\$ 1,686	\$ 100	\$ 1,571	\$ 253	\$1,318	\$ 1,311	\$ 2.58
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.9 %	20.5 %	4.3 %	0.0 %	18.2 %	1.1 %	16.9 %	16.1 %	14.2 %	14.1 %	

The company's U.S. GAAP results for the nine months ended September 30, 2020 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	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$ 3,396	\$ 1,819	\$ 386	\$ (19)	\$ 1,210	\$ 1,082	\$ 143	\$ 939	\$ 934	\$ 1.81
Reported percent of net sales (or percent of income before income taxes for income tax expense)	40.0 %	21.4 %	4.5 %	(0.2)%	14.2 %	12.7 %	13.2 %	11.1 %	11.0 %	
Intangible asset amortization ¹	165	—	—	—	165	165	38	127	127	0.25
Business optimization items ²	24	(53)	—	17	60	60	13	47	47	0.09
Acquisition and integration expenses ³	11	(7)	(22)	2	38	38	8	30	30	0.06
European medical devices regulation ⁴	22	—	—	—	22	22	6	16	16	0.03
Investigation and related costs ⁵	3	(18)	(1)	—	22	22	4	18	18	0.03
Intangible asset impairment ⁶	17	—	—	—	17	17	4	13	13	0.03
Adjusted	\$ 3,638	\$ 1,741	\$ 363	\$ —	\$ 1,534	\$ 1,406	\$ 216	\$ 1,190	\$ 1,185	\$ 2.29
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.8 %	20.5 %	4.3 %	0.0 %	18.1 %	16.6 %	15.4 %	14.0 %	14.0 %	

¹ The company's results in 2021 and 2020 included intangible asset amortization expense of \$199 million (\$158 million, or \$0.31 per diluted share, on an after-tax basis) and \$165 million (\$127 million, or \$0.25 per diluted share, on an after-tax basis), respectively.

² The company's results in 2021 and 2020 included charges of \$81 million (\$63 million, or \$0.12 per diluted share, on an after-tax basis) and \$77 million (\$64 million, or \$0.12 per diluted share, on an after-tax basis), respectively, associated with its programs to optimize its organization and cost structure on a global basis. Additionally, we recorded a gain of \$17 million (\$17 million, or \$0.03 per diluted share, on an after-tax basis) in 2020 for property we sold in conjunction with our business optimization initiatives.

³ The company's results in 2021 included \$36 million (\$29 million, or \$0.06 per diluted share, on an after-tax basis) of acquisition, integration and related financing expenses for the proposed acquisition of Hillrom and the acquisition of the rights to **Caelyx** and **Doxil** for specified territories outside of the U.S. that was partially offset by the change in the estimated fair value of contingent consideration liabilities. The company's results in 2020 included \$38 million (\$30 million, or \$0.06 per diluted share, on an after-tax basis) of acquisition and integration expenses related to the company's acquisitions of **Cheetah Medical** and **Seprafilm** and the purchase of in-process R&D assets, partially offset by the change in the estimated fair value of contingent consideration liabilities.

⁴ The company's results in 2021 and 2020 included costs of \$30 million (\$23 million, or \$0.05 per diluted share, on an after-tax basis) and \$22 million (\$16 million, or \$0.03 per diluted share, on an after-tax basis) related to updating its quality systems and product labeling to comply with the new medical device reporting regulation and other requirements of the European Union's regulations for medical devices that become effective in stages beginning in 2021.

⁵ The company's results in 2021 and 2020 included costs of \$31 million (\$28 million, or \$0.06 per diluted share, on an after-tax basis) and \$22 million (\$18 million, or \$0.03 per diluted share, on an after-tax basis) for investigation and related costs. In 2021, this item primarily included charges related to matters associated with the company's investigation of foreign exchange gains and losses. In 2020, this item primarily included professional fees related to those matters, as well as incremental stock compensation expense as the company extended the terms of certain stock options that were scheduled to expire in the first quarter of 2020.

- ⁶ The company's results in 2020 included a charge of \$17 million (\$13 million, or \$0.03 per diluted share, on an after-tax basis) for an asset impairment related to a developed-technology intangible asset.
- ⁷ The company's results in 2021 included a net income tax benefit of \$36 million, or \$0.07 per diluted share, related to a tax-deductible foreign statutory loss on an investment in a foreign subsidiary that was partially offset by an unfavorable court ruling for an uncertain tax position.

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

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	2020	% Growth @ Actual Rates	% Growth @ Constant Rates	2021	2020	% Growth @ Actual Rates	% Growth @ Constant Rates
Americas	\$ 1,727	\$ 1,606	8 %	7 %	\$ 4,911	\$ 4,640	6 %	5 %
EMEA	779	720	8 %	7 %	2,300	2,077	11 %	5 %
APAC	720	646	11 %	8 %	2,059	1,775	16 %	9 %
Total Baxter	\$ 3,226	\$ 2,972	9 %	7 %	\$ 9,270	\$ 8,492	9 %	6 %

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

BAXTER INTERNATIONAL INC.
Sales by Product Category
(unaudited)
(\$ in millions)

	<u>Three Months Ended</u> <u>September 30,</u>				<u>Nine Months Ended</u> <u>September 30,</u>			
	2021	2020	% Growth @ Actual Rates	% Growth @ Constant Rates	2021	2020	% Growth @ Actual Rates	% Growth @ Constant Rates
Renal Care ¹	\$ 981	\$ 955	3 %	1 %	\$ 2,867	\$ 2,744	4 %	1 %
Medication Delivery ²	747	665	12 %	11 %	2,096	1,948	8 %	5 %
Pharmaceuticals ³	589	539	9 %	7 %	1,687	1,536	10 %	4 %
Clinical Nutrition ⁴	244	234	4 %	3 %	715	667	7 %	3 %
Advanced Surgery ⁵	249	235	6 %	5 %	722	627	15 %	13 %
Acute Therapies ⁶	185	177	5 %	3 %	580	519	12 %	8 %
BioPharma Solutions ⁷	206	141	46 %	45 %	524	371	41 %	36 %
Other ⁸	25	26	(4) %	(8) %	79	80	(1) %	(3) %
Total Baxter	\$ 3,226	\$ 2,972	9 %	7 %	\$ 9,270	\$ 8,492	9 %	6 %

- ¹ Includes sales of the company's peritoneal dialysis (PD), hemodialysis (HD) and additional dialysis therapies and services.
- ² Includes sales of the company's intravenous (IV) therapies, infusion pumps, administration sets and drug reconstitution devices.
- ³ Includes sales of the company's premixed and oncology drug platforms, inhaled anesthesia and critical care products and pharmacy compounding services.
- ⁴ Includes sales of the company's parenteral nutrition (PN) therapies and related products.
- ⁵ Includes sales of the company's biological products and medical devices used in surgical procedures for hemostasis, tissue sealing and adhesion prevention.
- ⁶ Includes sales of the company's continuous renal replacement therapies (CRRT) and other organ support therapies focused in the intensive care unit (ICU).
- ⁷ Includes sales of contracted services the company provides to various pharmaceutical and biopharmaceutical companies.
- ⁸ Includes sales of other miscellaneous product and service offerings.

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

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

Three Months Ended September 30,

	2021			2020			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 222	\$ 759	\$ 981	\$ 216	\$ 739	\$ 955	3 %	3 %	3 %
Medication Delivery	490	257	747	419	246	665	17 %	4 %	12 %
Pharmaceuticals	188	401	589	209	330	539	(10) %	22 %	9 %
Clinical Nutrition	88	156	244	87	147	234	1 %	6 %	4 %
Advanced Surgery	135	114	249	138	97	235	(2) %	18 %	6 %
Acute Therapies	69	116	185	72	105	177	(4) %	10 %	5 %
BioPharma Solutions	109	97	206	84	57	141	30 %	70 %	46 %
Other	18	7	25	19	7	26	(5) %	0 %	(4) %
Total Baxter	\$ 1,319	\$ 1,907	\$ 3,226	\$ 1,244	\$ 1,728	\$ 2,972	6 %	10 %	9 %

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

Nine Months Ended September 30,

	2021			2020			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 655	\$ 2,212	\$ 2,867	\$ 629	\$ 2,115	\$ 2,744	4 %	5 %	4 %
Medication Delivery	1,345	751	2,096	1,262	686	1,948	7 %	9 %	8 %
Pharmaceuticals	550	1,137	1,687	637	899	1,536	(14)%	26 %	10 %
Clinical Nutrition	255	460	715	241	426	667	6 %	8 %	7 %
Advanced Surgery	405	317	722	369	258	627	10 %	23 %	15 %
Acute Therapies	211	369	580	204	315	519	3 %	17 %	12 %
BioPharma Solutions	218	306	524	186	185	371	17 %	65 %	41 %
Other	58	21	79	60	20	80	(3)%	5 %	(1)%
Total Baxter	\$ 3,697	\$ 5,573	\$ 9,270	\$ 3,588	\$ 4,904	\$ 8,492	3 %	14 %	9 %

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

	Nine Months Ended September 30,	
	2021	2020
Cash flows from operations – continuing operations	\$ 1,529	\$ 1,158
Cash flows from investing activities	(933)	(915)
Cash flows from financing activities	(1,031)	798
Cash flows from operations - continuing operations	\$ 1,529	\$ 1,158
Capital expenditures	(508)	(472)
Free cash flow - continuing operations	\$ 1,021	\$ 686

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

BAXTER INTERNATIONAL INC.
Reconciliation of Non-GAAP Financial Measure
Change in Net Sales Growth As Reported to Operational Sales Growth
From The Three Months Ended September 30, 2020 to The Three Months Ended September 30, 2021
(unaudited)

	Net Sales Growth As Reported	Caelyx and Doxil	FX	Operational Sales Growth*
Renal Care	3 %	0 %	(2)%	1 %
Medication Delivery	12 %	0 %	(1)%	11 %
Pharmaceuticals	9 %	(6)%	(2)%	1 %
Clinical Nutrition	4 %	0 %	(1)%	3 %
Advanced Surgery	6 %	0 %	(1)%	5 %
Acute Therapies	5 %	0 %	(2)%	3 %
BioPharma Solutions	46 %	0 %	(1)%	45 %
Other	(4)%	0 %	(4)%	(8)%
Total Baxter	9 %	(1)%	(2)%	6 %
U.S.	6 %	0 %	0 %	6 %
International	10 %	(2)%	(2)%	6 %

*Totals may not add across due to rounding

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

BAXTER INTERNATIONAL INC.
Reconciliation of Non-GAAP Financial Measure
Change in Net Sales Growth As Reported to Operational Sales Growth
From The Nine Months Ended September 30, 2020 to The Nine Months Ended September 30, 2021
(unaudited)

	Net Sales Growth As Reported	Caelyx and Doxil	FX	Operational Sales Growth*
Renal Care	4 %	0 %	(3)%	1 %
Medication Delivery	8 %	0 %	(3)%	5 %
Pharmaceuticals	10 %	(5)%	(6)%	(0)%
Clinical Nutrition	7 %	0 %	(4)%	3 %
Advanced Surgery	15 %	0 %	(2)%	13 %
Acute Therapies	12 %	0 %	(4)%	8 %
BioPharma Solutions	41 %	0 %	(5)%	36 %
Other	(1)%	0 %	(2)%	(3)%
Total Baxter	9 %	(1)%	(3)%	5 %
U.S.	3 %	0 %	0 %	3 %
International	14 %	(1)%	(6)%	6 %

*Totals may not add across due to rounding

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

BAXTER INTERNATIONAL INC.
Reconciliation of Non-GAAP Financial Measures
Projected Fourth Quarter and Full Year 2021 U.S. GAAP Sales Growth to Projected Operational Sales Growth, and
Projected Fourth Quarter and Full Year 2021 U.S. GAAP Earnings Per Share to Projected Adjusted Earnings Per
Share
(unaudited)

Sales Growth Guidance	Q4 2021*	FY 2021*
Sales Growth - U.S. GAAP	3% - 4%	7% - 8%
OUS Caelyx and Doxil	(1)%	(1)%
Foreign exchange	1%	(2)%
Sales Growth - Operational	3% - 4%	4% - 5%

*Totals may not foot due to rounding

Earnings Per Share Guidance	Q4 2021*	FY 2021*
Earnings per Diluted Share - U.S. GAAP	\$0.75 - \$0.79	\$2.82 - \$2.86
Estimated intangible asset amortization	\$0.11	\$0.42
Estimated business optimization charges	\$0.02	\$0.14
Estimated acquisition and integration expenses	\$0.10	\$0.15
Estimated investigation and related costs	\$0.00	\$0.05
Estimated European medical devices regulation	\$0.02	\$0.07
Tax matters	\$0.00	\$(0.07)
Earnings per Diluted Share - Adjusted	\$1.00 - \$1.04	\$3.58 - \$3.62

*Totals may not foot due to rounding

The company's outlook for U.S. GAAP earnings per share only includes the impact of special items that are known or expected as of the date of this release. Accordingly, actual U.S. GAAP earnings per share for the fourth quarter and full year of 2021 may differ significantly from those amounts. For example, the company's outlook does not reflect the potential impact of future business or asset acquisitions or dispositions, intangible asset impairments, restructuring actions, developments related to gain or loss contingencies, or unusual or infrequently occurring items that may occur during the remainder of 2021.