

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

	<u>Three Months Ended June 30,</u>		
	<u>2021</u>	<u>2020</u>	<u>Change</u>
NET SALES	\$ 3,098	\$ 2,718	14%
COST OF SALES	1,865	1,680	11%
GROSS MARGIN	1,233	1,038	19%
<i>% of Net Sales</i>	39.8 %	38.2 %	1.6 pts
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	675	590	14%
<i>% of Net Sales</i>	21.8 %	21.7 %	0.1 pts
RESEARCH AND DEVELOPMENT EXPENSES	139	117	19%
<i>% of Net Sales</i>	4.5 %	4.3 %	0.2 pts
OTHER OPERATING INCOME, NET	(5)	—	NM
OPERATING INCOME	424	331	28%
<i>% of Net Sales</i>	13.7 %	12.2 %	1.5pts
INTEREST EXPENSE, NET	34	36	(6)%
OTHER (INCOME) EXPENSE, NET	(2)	6	NM
INCOME BEFORE INCOME TAXES	392	289	36%
INCOME TAX EXPENSE	91	42	117%
<i>% of Income Before Income Taxes</i>	23.2 %	14.5 %	8.7 pts
NET INCOME	301	247	22%
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	3	1	200%
NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ 298	\$ 246	21%
EARNINGS PER SHARE			
Basic	\$ 0.59	\$ 0.48	23%
Diluted	\$ 0.59	\$ 0.48	23%
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	503	509	
Diluted	509	517	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 533	\$ 436	22%
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 501	\$ 394	27%
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 409	\$ 329	24%
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 0.80	\$ 0.64	25%

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 June 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	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$ 1,233	\$ 675	\$ 139	\$ (5)	\$ 424	\$ 392	\$ 91	\$ 301	\$ 298	\$ 0.59
Reported percent of net sales (or percent of income before income taxes for income tax expense)	39.8 %	21.8 %	4.5 %	(0.2)%	13.7 %	12.7 %	23.2 %	9.7 %	9.6 %	
Intangible asset amortization ¹	67	—	—	—	67	67	14	53	53	0.10
Business optimization items ²	10	(8)	—	—	18	18	3	15	15	0.03
Acquisition and integration expenses ³	—	(1)	—	5	(4)	(4)	(1)	(3)	(3)	(0.01)
European medical devices regulation ⁴	11	—	—	—	11	11	3	8	8	0.02
Investigation and related costs ⁵	—	(17)	—	—	17	17	1	16	16	0.03
Tax matter ⁷	—	—	—	—	—	—	(22)	22	22	0.04
Adjusted	\$ 1,321	\$ 649	\$ 139	\$ —	\$ 533	\$ 501	\$ 89	\$ 412	\$ 409	\$ 0.80
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.6 %	20.9 %	4.5 %	0.0 %	17.2 %	16.2 %	17.8 %	13.3 %	13.2 %	

The company's U.S. GAAP results for the three months ended June 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 Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$1,038	\$ 590	\$ 117	\$ —	\$ 331	\$ 289	\$ 42	\$ 247	\$ 246	\$ 0.48
Reported percent of net sales (or percent of income before income taxes for income tax expense)	38.2 %	21.7 %	4.3 %	0.0 %	12.2 %	10.6 %	14.5 %	9.1 %	9.1 %	
Intangible asset amortization ¹	56	—	—	—	56	56	12	44	44	0.09
Business optimization items ²	8	(7)	2	—	13	13	2	11	11	0.02
Acquisition and integration expenses ³	4	(4)	(1)	—	9	9	2	7	7	0.01
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
Intangible asset impairment ⁶	17	—	—	—	17	17	4	13	13	0.03
Adjusted	\$1,131	\$ 577	\$ 118	\$ —	\$ 436	\$ 394	\$ 64	\$ 330	\$ 329	\$ 0.64
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	41.6 %	21.2 %	4.3 %	0.0 %	16.0 %	14.5 %	16.2 %	12.1 %	12.1 %	

¹ The company's results in 2021 and 2020 included intangible asset amortization expense of \$67 million (\$53 million, or \$0.10 per diluted share, on an after-tax basis) and \$56 million (\$44 million, or \$0.09 per diluted share, on an after-tax basis), respectively.

² The company's results in 2021 and 2020 included charges of \$18 million (\$15 million, or \$0.03 per diluted share, on an after-tax basis) and \$13 million (\$11 million, or \$0.02 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 \$4 million (\$3 million, or \$0.01 per diluted share, on an after-tax basis) of benefits from the change in fair value of contingent consideration liabilities that was partially offset by integration expenses related to the acquisition of the rights to **Caelyx** and **Doxil** for specified territories outside of the U.S. The company's results in 2020 included \$9 million (\$7 million, or \$0.01 per diluted share, on an after-tax basis) of acquisition and integration expenses. This included acquisition and integration expenses related to the company's acquisitions of **Cheetah Medical** and **Seprafilim** and the purchase of an in-process R&D asset.

⁴ The company's results in 2021 and 2020 included costs of \$11 million (\$8 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 \$17 million (\$16 million, or \$0.03 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 2020 included a charge \$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 charge of \$22 million, or \$0.04 per diluted share, related to 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.
Consolidated Statements of Income
(unaudited)
(in millions, except per share and percentage data)

	<u>Six Months Ended June 30,</u>		
	<u>2021</u>	<u>2020</u>	<u>Change</u>
NET SALES	\$ 6,044	\$ 5,520	9%
COST OF SALES	3,666	3,319	10%
GROSS MARGIN	2,378	2,201	8%
<i>% of Net Sales</i>	39.3 %	39.9 %	(0.6 pts)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,302	1,218	7%
<i>% of Net Sales</i>	21.5 %	22.1 %	(0.6 pts)
RESEARCH AND DEVELOPMENT EXPENSES	267	263	2%
<i>% of Net Sales</i>	4.4 %	4.8 %	(0.4 pts)
OTHER OPERATING INCOME, NET	(5)	(20)	(75)%
OPERATING INCOME	814	740	10%
<i>% of Net Sales</i>	13.5 %	13.4 %	0.1 pts
INTEREST EXPENSE, NET	68	57	19%
OTHER EXPENSE, NET	3	16	(81)%
INCOME BEFORE INCOME TAXES	743	667	11%
INCOME TAX EXPENSE	142	87	63%
<i>% of Income Before Income Taxes</i>	19.1 %	13.0 %	6.1 pts
NET INCOME	601	580	4%
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	5	2	150%
NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS	\$ 596	\$ 578	3%
EARNINGS PER SHARE			
Basic	\$ 1.18	\$ 1.14	4%
Diluted	\$ 1.17	\$ 1.12	4%
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic	504	508	
Diluted	510	517	
ADJUSTED OPERATING INCOME (excluding special items)¹	\$ 1,034	\$ 964	7%
ADJUSTED INCOME BEFORE INCOME TAXES (excluding special items)¹	\$ 963	\$ 891	8%
ADJUSTED NET INCOME ATTRIBUTABLE TO BAXTER STOCKHOLDERS (excluding special items)¹	\$ 795	\$ 754	5%
ADJUSTED DILUTED EPS (excluding special items)¹	\$ 1.56	\$ 1.46	7%

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 six months ended June 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	Income Before Income Taxes	Income Tax Expense	Net Income	Net Income Attributable to Baxter Stockholders	Diluted Earnings Per Share
Reported	\$ 2,378	\$ 1,302	\$ 267	\$ (5)	\$ 814	\$ 743	\$ 142	\$ 601	\$ 596	\$ 1.17
Reported percent of net sales (or percent of income before income taxes for income tax expense)	39.3 %	21.5 %	4.4 %	(0.1)%	13.5 %	12.3 %	19.1 %	9.9 %	9.9 %	
Intangible asset amortization ¹	131	—	—	—	131	131	26	105	105	0.21
Business optimization items ²	31	(14)	—	—	45	45	10	35	35	0.07
Acquisition and integration expenses ³	—	(2)	—	5	(3)	(3)	(1)	(2)	(2)	(0.00)
European medical devices regulation ⁴	19	—	—	—	19	19	5	14	14	0.03
Investigation and related costs ⁵	—	(28)	—	—	28	28	3	25	25	0.05
Tax matter ⁷	—	—	—	—	—	—	(22)	22	22	0.04
Adjusted	\$ 2,559	\$ 1,258	\$ 267	\$ —	\$ 1,034	\$ 963	\$ 163	\$ 800	\$ 795	\$ 1.56
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	42.3 %	20.8 %	4.4 %	0.0 %	17.1 %	15.9 %	16.9 %	13.2 %	13.2 %	

The company's U.S. GAAP results for the six months ended June 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	\$ 2,201	\$ 1,218	\$ 263	\$ (20)	\$ 740	\$ 667	\$ 87	\$ 580	\$ 578	\$ 1.12
Reported percent of net sales (or percent of income before income taxes for income tax expense)	39.9 %	22.1 %	4.8 %	(0.4)%	13.4 %	12.1 %	13.0 %	10.5 %	10.5 %	
Intangible asset amortization ¹	108	—	—	—	108	108	23	85	85	0.16
Business optimization items ²	18	(28)	1	17	28	28	5	23	23	0.04
Acquisition and integration expenses ³	11	(7)	(22)	3	37	37	8	29	29	0.06
European medical devices regulation ⁴	14	—	—	—	14	14	4	10	10	0.02
Investigation and related costs ⁵	3	(16)	(1)	—	20	20	4	16	16	0.03
Intangible asset impairment ⁶	17	—	—	—	17	17	4	13	13	0.03
Adjusted	\$ 2,372	\$ 1,167	\$ 241	\$ —	\$ 964	\$ 891	\$ 135	\$ 756	\$ 754	\$ 1.46
Adjusted percent of net sales (or adjusted percent of income before income taxes for income tax expense)	43.0 %	21.1 %	4.4 %	0.0 %	17.5 %	16.1 %	15.2 %	13.7 %	13.7 %	

¹ The company's results in 2021 and 2020 included intangible asset amortization expense of \$131 million (\$105 million, or \$0.21 per diluted share, on an after-tax basis) and \$108 million (\$85 million, or \$0.16 per diluted share, on an after-tax basis), respectively.

² The company's results in 2021 and 2020 included charges of \$45 million (\$35 million, or \$0.07 per diluted share, on an after-tax basis) and \$45 million (\$40 million, or \$0.07 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 \$3 million (\$2 million, or \$0.00 per diluted share, on an after-tax basis) of benefits from the change in fair value of contingent consideration liabilities that was partially offset by integration expenses related to the acquisition of the rights to **Caelyx** and **Doxil** for specified territories outside of the U.S. The company's results in 2020 included \$37 million (\$29 million, or \$0.06 per diluted share, on an after-tax basis) of acquisition and integration expenses. This included 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 \$19 million (\$14 million, or \$0.03 per diluted share, on an after-tax basis) and \$14 million (\$10 million, or \$0.02 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 \$28 million (\$25 million, or \$0.05 per diluted share, on an after-tax basis) and \$20 million (\$16 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 it 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 charge of \$22 million, or \$0.04 per diluted share, related to 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)

	<u>Three Months Ended June 30,</u>				<u>Six Months Ended June 30,</u>			
	<u>2021</u>	<u>2020</u>	<u>% Growth @ Actual Rates</u>	<u>% Growth @ Constant Rates</u>	<u>2021</u>	<u>2020</u>	<u>% Growth @ Actual Rates</u>	<u>% Growth @ Constant Rates</u>
Americas	\$ 1,624	\$ 1,469	11 %	8 %	\$ 3,184	\$ 3,034	5 %	4 %
EMEA	783	669	17 %	8 %	1,521	1,357	12 %	4 %
APAC	691	580	19 %	10 %	1,339	1,129	19 %	9 %
Total Baxter	\$ 3,098	\$ 2,718	14 %	9 %	\$ 6,044	\$ 5,520	9 %	5 %

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)

	Three Months Ended June 30,			Six Months Ended June 30,				
	2021	2020	% Growth @ Actual Rates	% Growth @ Constant Rates	2021	2020	% Growth @ Actual Rates	% Growth @ Constant Rates
Renal Care ¹	\$ 964	\$ 919	5 %	(0)%	\$ 1,886	\$ 1,789	5 %	1 %
Medication Delivery ²	697	605	15 %	12 %	1,349	1,283	5 %	3 %
Pharmaceuticals ³	546	481	14 %	5 %	1,098	997	10 %	3 %
Clinical Nutrition ⁴	237	216	10 %	3 %	471	433	9 %	3 %
Advanced Surgery ⁵	256	168	52 %	48 %	473	392	21 %	17 %
Acute Therapies ⁶	188	186	1 %	(4)%	395	342	15 %	10 %
BioPharma Solutions ⁷	183	116	58 %	49%	318	230	38 %	30 %
Other ⁸	27	27	0 %	4%	54	54	0 %	0 %
Total Baxter	\$ 3,098	\$ 2,718	14 %	9%	\$6,044	\$ 5,520	9 %	5 %

- 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 June 30,

	2021			2020			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 217	\$ 747	\$ 964	\$ 209	\$ 710	\$ 919	4%	5%	5%
Medication Delivery	444	253	697	394	211	605	13%	20%	15%
Pharmaceuticals	162	384	546	208	273	481	(22)%	41%	14%
Clinical Nutrition	84	153	237	75	141	216	12%	9%	10%
Advanced Surgery	144	112	256	94	74	168	53%	51%	52%
Acute Therapies	61	127	188	72	114	186	(15)%	11%	1%
BioPharma Solutions	65	118	183	54	62	116	20%	90%	58%
Other	21	6	27	21	6	27	0%	0%	0%
Total Baxter	\$ 1,198	\$ 1,900	\$ 3,098	\$ 1,127	\$ 1,591	\$ 2,718	6%	19%	14%

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

Six Months Ended June 30,

	2021			2020			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Renal Care	\$ 433	\$ 1,453	\$ 1,886	\$ 413	\$ 1,376	\$ 1,789	5%	6%	5%
Medication Delivery	855	494	1,349	843	440	1,283	1%	12%	5%
Pharmaceuticals	362	736	1,098	428	569	997	(15)%	29%	10%
Clinical Nutrition	167	304	471	154	279	433	8%	9%	9%
Advanced Surgery	270	203	473	231	161	392	17%	26%	21%
Acute Therapies	142	253	395	132	210	342	8%	20%	15%
BioPharma Solutions	109	209	318	102	128	230	7%	63%	38%
Other	40	14	54	41	13	54	(2)%	8%	0%
Total Baxter	\$ 2,378	\$ 3,666	\$ 6,044	\$ 2,344	\$ 3,176	\$ 5,520	1%	15%	9%

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

	<u>Six Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cash flows from operations – continuing operations	\$ 854	\$ 648
Cash flows from investing activities	(726)	(758)
Cash flows from financing activities	(707)	909
Cash flows from operations - continuing operations	\$ 854	\$ 648
Capital expenditures	(329)	(316)
Free cash flow - continuing operations	\$ 525	\$ 332

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 June 30, 2020 to The Three Months Ended June 30, 2021
(unaudited)

	Net Sales Growth As Reported	Caelyx and Doxil	FX	Operational Sales Growth*
Renal Care	5 %	0 %	(5) %	(0) %
Medication Delivery	15 %	0 %	(3) %	12 %
Pharmaceuticals	14 %	(6) %	(9) %	(0) %
Clinical Nutrition	10 %	0 %	(7) %	3 %
Advanced Surgery	52 %	0 %	(4) %	48 %
Acute Therapies	1 %	0 %	(5) %	(4) %
BioPharma Solutions	58 %	0 %	(9) %	49 %
Other	0 %	0 %	4 %	4 %
Total Baxter	14 %	(1)%	(5) %	8 %
U.S.	6 %	0 %	0 %	6 %
International	19 %	(2)%	(9)%	8 %

*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 Six Months Ended June 30, 2020 to The Six Months Ended June 30, 2021
(unaudited)

	Net Sales Growth As Reported	Caelyx and Doxil	FX	Operational Sales Growth*
Renal Care	5 %	0 %	(4) %	1 %
Medication Delivery	5 %	0 %	(2) %	3 %
Pharmaceuticals	10 %	(4) %	(7) %	(1) %
Clinical Nutrition	9 %	0 %	(6) %	3 %
Advanced Surgery	21 %	0 %	(4) %	17 %
Acute Therapies	15 %	0 %	(5) %	10 %
BioPharma Solutions	38 %	0 %	(8) %	30 %
Other	0 %	0 %	0 %	0 %
Total Baxter	9 %	(1) %	(4) %	4 %
U.S.	1 %	0 %	0 %	1 %
International	15 %	(1) %	(8) %	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 Third Quarter and Full Year 2021 U.S. GAAP Sales Growth to Projected Operational Sales Growth, and
 Projected Third Quarter and Full Year 2021 U.S. GAAP Earnings Per Share to Projected Adjusted Earnings Per Share
 (unaudited)

Sales Growth Guidance	Q3 2021*	FY 2021*
Sales Growth - U.S. GAAP	9%	8%
OUS Caelyx and Doxil	(1)%	(1)%
Foreign exchange	(2)%	(3)% - (2)%
Sales Growth - Operational	6%	4% - 5%

*Totals may not foot due to rounding

Earnings Per Share Guidance	Q3 2021*	FY 2021*
Earnings per Diluted Share - U.S. GAAP	\$0.79 - \$0.81	\$2.82 - \$2.88
Estimated intangible asset amortization	\$0.11	\$0.42
Estimated business optimization charges	\$0.01	\$0.09
Estimated investigation and related costs	\$0.00	\$0.06
Estimated European medical devices regulation	\$0.02	\$0.06
Tax matter	\$0.00	\$0.04
Earnings per Diluted Share - Adjusted	\$0.93 - \$0.95	\$3.49 - \$3.55

*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 third 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.