

SOTP Valuation Report With Initiating Coverage

Baxter (BAX) to Spin-Off Vantive By July 2024

Baxter International Inc

Parent: Baxter International Inc (NYSE: BAX)

Sector: Healthcare

Target Price: \$48.00

Share Price: \$37.63*

Recommendation: Buy

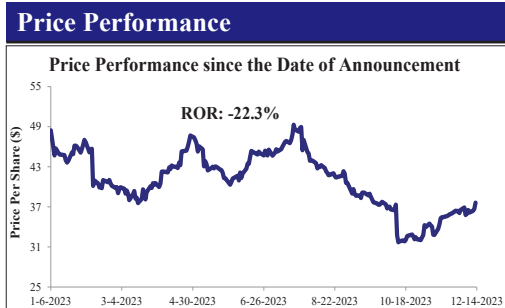
Upside: 27.6%

Spin-Off: Vantive (NYSE: TBA)

Sector: Healthcare

Fair Value: \$8.00 per share

*As of December 13, 2023



Source: Bloomberg

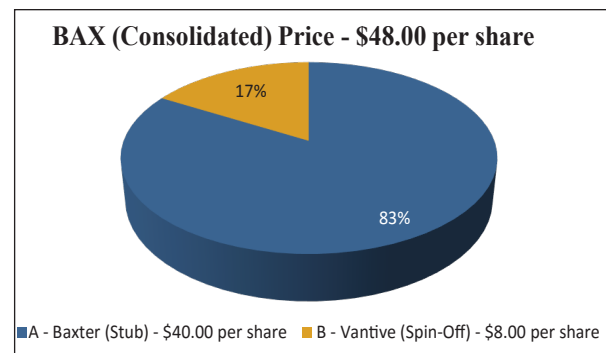
Spin-Off Details

Announced	January 6, 2023
Filing Date	TBA
Record Date	TBA
WI Trading	TBA
Spin-Off Ratio	TBA
Expected Completion	July 2024
RW Trading	TBA
Tax Status	Tax-free
Index Impact	To be assessed

On July 25, 2023, Baxter International Inc. (NYSE: BAX, \$45.74, Market Capitalization: \$23.06 billion), a global medtech leader, announced that Vantive would be the name of the company's proposed spin-off of its Renal Care and Acute Therapies businesses. Earlier on January 6, Baxter announced its intention to spin-off its Renal Care and Acute Therapies global business units into an independent, publicly traded company. Vantive is expected to launch as an independent, publicly traded company by July 2024 or earlier, subject to the satisfaction of customary conditions. Baxter's preparations are progressing for the planned spinoff of its Chronic Therapies (Peritoneal Dialysis, Hemodialysis) and Acute Therapies businesses (collectively, Baxter's Kidney Care segment) into an independent, publicly traded company. As a standalone entity, Vantive is expected to benefit from a heightened 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. Vantive's operating model and organizational design are nearly finalized, and separation progress is ongoing across the legal, regulatory, supply chain, and numerous other key operational channels. Joe Almeida is expected to continue as the Chief Executive officer of Baxter. Chris Toth, currently executive vice president and group president of the Kidney Care segment, will be appointed as the CEO of Vantive (Kidney Care company) post-spin-off.

Valuation and Recommendation

We value Baxter International (BAX) using the 2024e EV/EBITDA methodology by valuing BAX (Stub) and Vantive (Spin-Off) separately. Our intrinsic value of \$40.00 for BAX (Stub) is based on a 2024e EV/EBITDA multiple of 11.0x (~13% discount to its peer median multiple of 12.6x). Our fair value estimate for Vantive (Spin-Off) stands at \$8.00 per share based on a 2024e EV/EBITDA multiple of 10.0x (~10.0% premium to DaVita Inc and a ~20% discount to its peer median multiple of 12.7x). **We arrived at a consolidated target price of \$48.00 per share for Baxter International Inc., which implies a potential upside of 27.6% from the current market price of \$37.63 as of 12/13. We thereby assign a 'Buy' rating on the stock.**



Source: Spin-Off Research

Key Data

Ticker	BAX
Primary Exchange	NYSE
Price (\$ as of Dec 13, 2023)	37.63
52 Week Range (\$)	31.01 - 53.80
Shares Outstanding (million)	507.3
Market Cap (\$ billion)	19.1
Net Debt (\$ billion)	10.9
Enterprise Value (\$ billion)	30.0
Market Float	99.7%
FY24 Estimated P/E (x)	12.3
Dividend (\$) / Div. Yield (%)	1.15/3.08
Fiscal Year Ending	Dec 31
FY22 Revenue (\$ billion)	15.1
Index Member	NYSE Composite

* P/E is calculated on the basis of Bloomberg Consensus estimates

Top 5 Shareholders

Holding %

BlackRock	12.88
The Vanguard Group	11.89
State Street Corp	4.12
T Rowe Price Group	3.38
JPMorgan Chase & Co	3.15

Deal Overview

On January 6, 2023, Baxter International Inc., a leading global medtech company, announced its intention to spin-off its Renal Care and Acute Therapies global business units into an independent, publicly traded company. The Company has also initiated portfolio actions to improve Baxter's capital structure, which includes the recent sale of BioPharma Solutions (BPS) business in 3Q23 and the internal restructuring of reportable segments. The proposed leadership, governance, capital structure, dividends and other matters for the new kidney care company will be announced later. On 7/25, Baxter announced that Vantive would be the name of the company's proposed spinoff of its Kidney Care business [Chronic Therapies (Renal Care) and Acute Therapies businesses]. Vantive is expected to launch as an independent, publicly traded company by July 2024 or earlier, subject to the satisfaction of customary conditions.

The Baxter Board of Directors authorized the Company to proceed with the spin-off plan by distributing to Baxter shareholders the common stock of a newly formed entity holding assets and liabilities comprising the Renal Care and Acute Therapies businesses. Baxter intends for the spin-off to qualify as tax-free to Baxter and its shareholders for U.S. federal income tax purposes. Baxter expects to complete the proposed spin-off in 12 to 18 months, subject to the satisfaction of customary conditions, including final approval from the Baxter Board of Directors, the filing and effectiveness of a registration statement on Form 10, receipt of an Internal Revenue Service (IRS) ruling or related tax opinions from counsel, satisfactory completion of financing arrangements, consultations with works councils and other employee representative bodies, and any necessary regulatory approvals. Baxter will provide updates as the proposed spin-off progresses, including detailed information on the spin-off and relevant financial information, which will be included in an exhibit to a registration statement on Form 10 to be filed with the Securities and Exchange Commission. Perella Weinberg Partners LP and J.P. Morgan served as financial advisors to Baxter. Sullivan & Cromwell LLP is serving as legal advisor to Baxter.

On September 29, 2023, Baxter completed the sale of its BioPharma Solutions (BPS) business and received cash proceeds of \$3.96 billion from this transaction. This milestone serves to further streamline Baxter's strategic focus in line with the transformational initiatives outlined at the start of 2023. Advent International, a global private equity investor, acquired the BPS business, and Warburg Pincus, a global growth investor, will now operate under Simtra BioPharma Solutions.

Baxter's reportable segments were previously comprised of the following geographic segments related to its legacy Baxter business: Americas (North and South America), EMEA (Europe, Middle East and Africa) and APAC (Asia Pacific), and a global segment for Hillrom business. In 3Q23, the company implemented a new operating model to simplify and streamline operations and better align manufacturing and supply chain with commercial activities. Baxter's business comprises four segments under this new operating model: Medical Products and Therapies, Healthcare Systems and Technologies (formerly Hillrom segment), Pharmaceuticals and Kidney Care. The segments were changed during 3Q23 to align with its new operating model, and prior-period segment disclosures have been revised to reflect the new segment presentation.

Deal Rationale

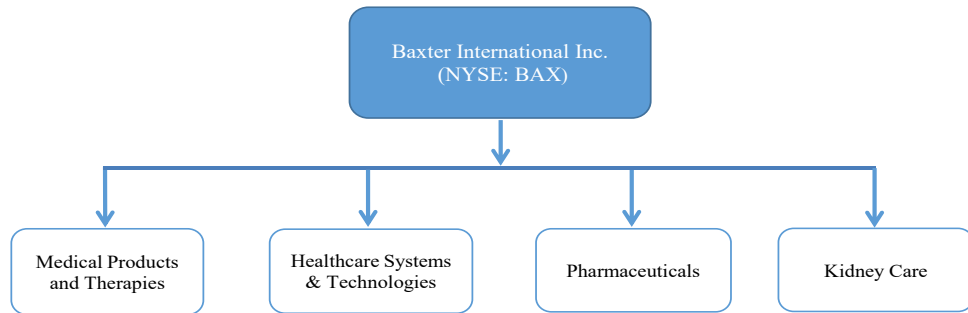
Baxter International's announced spin-off is a part of the comprehensive strategic roadmap to enhance its operational effectiveness meaningfully, drive toward improved long-term performance, accelerate innovation and create additional value for all stakeholders. As per Baxter's Chairman and CEO José (Joe) E. Almeida, the Company is at a major inflection point in its ongoing transformation journey and factoring in the dynamic healthcare landscape, so it must fundamentally rethink its profile and operating model. Baxter also pursued strategic alternatives for the BPS business, including a potential sale or other separation options. These efforts culminated in the sale of BPS business in 3Q23. BPS provides contract manufacturing services to the pharma and biotech industries with an established track record and a strong reputation for quality. The business has continued growth opportunities, but its business model had limited strategic alignment with the rest of Baxter's portfolio. The sale of the BPS division would help Baxter further streamline its focus while providing an opportunity for capital redeployment per its stated capital allocation priorities, including debt repayment. This is likely to help Baxter maintain an investment-grade credit rating (including after giving effect to the proposed reorganization and spin-off).

Post-spin-off, Baxter's Renal Care and Acute Therapies businesses (Vantive) would carry forward Baxter's nearly 70-year legacy as a pioneer and leader in kidney disease therapies. The new business would continue to serve as a trusted partner to providers and clinicians worldwide, focusing on improving outcomes for the more than one million patients it serves annually in more than 70 countries. The new kidney care company will benefit from its existing leading product portfolio, geographically diverse footprint, extensive commercial operations, and robust service capabilities that support its therapies delivered in the home, clinics, and intensive care unit (ICU). As a standalone entity with its investment priorities and enhanced management focus, the new kidney care company will be better positioned to pursue growth opportunities and invest in innovation. The business will operate in market segments totaling approximately \$15 billion that collectively are estimated to grow between 3% to 4% on a compound annual basis over the next three years.

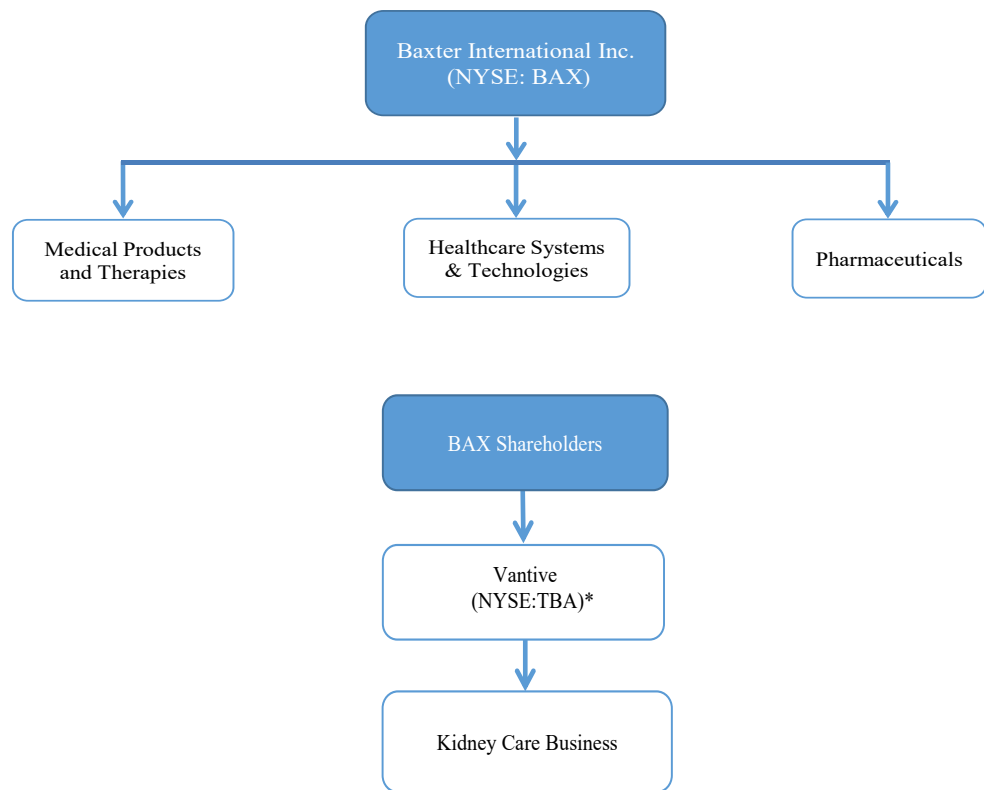
Following the proposed operating model redesign and spin-off, Baxter is expected to emerge as stronger hospital solutions and connected care company. As an individual unit, Baxter will be better positioned to make strategic investments to accelerate its vision, delivering differentiated value to all stakeholders with its unique combination of products, therapies and connected care platforms. By increasing R&D investments in higher-growth and more strategic opportunities, Baxter will drive innovation to help accelerate sales growth, better serve patients and customers, and provide new employee opportunities. The Company will also be able to expand investments in marketing, sales, and business development while optimizing its manufacturing network and systems to improve its margin profile and create value. This simplified structure should create a more resilient supply chain and greater alignment with the Company's manufacturing footprint, better positioning the organization to deliver against Baxter's businesses' operational and investment priorities. Post reorganization and the proposed spin-off of the new kidney care company, Baxter's market-leading businesses will continue to compete in large and growing segments, which total more than \$100 billion in size and, taken together, are expected to grow approximately 3% on a compound annual basis over the next three years. Baxter will continue to be led by CEO Joe Almeida.

Organization Structure

Pre Spin-Off



Post Spin-Off



Source: Spin-Off Research

*assuming listing is on NYSE

Company Description

Baxter International (Parent)

Baxter International Inc., through its subsidiaries, provides a broad portfolio of essential healthcare products, including acute and chronic dialysis therapies; sterile intravenous (IV) solutions; infusion systems and devices; parenteral nutrition therapies; inhaled anesthetics; generic injectable pharmaceuticals; surgical hemostat and sealant products, advanced surgical equipment; smart bed systems; patient monitoring and diagnostic technologies; and respiratory health devices. These products are used by hospitals, kidney dialysis centers, nursing homes, rehabilitation centers, doctors' offices, and patients at home under physician supervision. Baxter's global footprint and the critical nature of its products and services play a key role in expanding access to healthcare in emerging and developed countries. As of December 31, 2022, the Company manufactured products are sold in over 100 countries. For FY22, the Company reported net sales of \$15.1 billion.

Vantive (Spin-Off)

Vantive, or currently the Kidney Care segment of Baxter, includes sales of chronic and acute dialysis therapies and services, including peritoneal dialysis, hemodialysis, continuous renal replacement therapies (CRRT) and other organ support therapies. Chronic Therapies (formerly Renal Care) includes sales of peritoneal dialysis (PD), hemodialysis (HD) and additional dialysis therapies and services. Acute Therapies includes sales of continuous renal replacement therapies (CRRT) and other organ support therapies focused in the intensive care unit (ICU). For FY22, Vantive (Kidney Care segment) recorded revenues of \$4.4 billion. Vantive would continue to serve as a trusted partner to providers and clinicians worldwide, focusing on improving outcomes for the more than one million patients it serves annually in more than 70 countries. Vantive will operate in market segments totaling approximately \$15 billion, estimated to grow between 3% to 4% on a compound annual basis over the next three years.

Parent vs. Spin-Off Summary

	Parent	Spin-Off
	Baxter International Inc	Vantive
Overall Description		
Exchange & Ticker	NYSE: BAX	NYSE: TBA
Sector	Healthcare	Healthcare
Business	Medical Equipment & Supplies	Kidney Care & Acute Therapies
Description	Baxter International Inc., through its subsidiaries, provides a broad portfolio of essential healthcare products, including acute and chronic dialysis therapies; sterile intravenous (IV) solutions; infusion systems and devices; parenteral nutrition therapies; inhaled anesthetics; generic injectable pharmaceuticals; surgical hemostat and sealant products, advanced surgical equipment; smart bed systems; patient monitoring and diagnostic technologies; and respiratory health devices. These products are used by hospitals, kidney dialysis centers, nursing homes, rehabilitation centers, doctors' offices, and patients at home under physician supervision. As of December 31, 2022, the Company manufactured products are sold in over 100 countries. For FY22, the Company reported net sales of \$15.1 billion.	Vantive, or currently the Kidney Care segment of Baxter, includes sales of chronic and acute dialysis therapies and services, including peritoneal dialysis, hemodialysis, continuous renal replacement therapies (CRRT) and other organ support therapies. Chronic Therapies (formerly Renal Care) includes sales of peritoneal dialysis (PD), hemodialysis (HD) and additional dialysis therapies and services. Acute Therapies includes sales of continuous renal replacement therapies (CRRT) and other organ support therapies focused in the intensive care unit (ICU). For FY22, Vantive (Kidney Care segment) recorded revenues of \$4.4 billion. Vantive will operate in market segments totaling approximately \$15 billion, estimated to grow between 3% to 4% on a compound annual basis over the next three years.
Peers	Pfizer, Becton Dickinson, Abbott Laboratories, AstraZeneca PLC, Johnson & Johnson, Koninklijke Philips NV, STERIS PLC, Stryker Corp	Medtronic PLC, Boston Scientific Corp, Teleflex Inc, ICU Medical Inc, DaVita Inc
Operating Metrics - FY22		
Revenue (\$ million)	10,664.0	4,449.0
	71%	29%
Valuation		
Enterprise Value (\$ million)	26,371.4	5,357.3
% of Total	83%	17%
Relative Valuation	11.0x 2024e EV/EBITDA multiple	10.0x 2024e EV/EBITDA multiple
Other Parameters		
Index	NYSE Composite	NYSE Composite
Management Compensation	Refer Attachment 3	Refer Attachment 4

Source: Bloomberg, Company Reports

Investment Thesis

Baxter's Long-Term Outlook Improves Aided by Business Restructuring and Strategic Initiatives

Baxter International's announced spin-off is a part of the comprehensive strategic roadmap to enhance its operational effectiveness, drive improved long-term performance, accelerate innovation and create additional value for all stakeholders. The company realigned its 3Q23 segmental reporting into four global vertically integrated business segments: Medical Products and therapies, Healthcare Systems & Technologies, and Pharmaceuticals & Kidney Care. Additionally, the sale of the BioPharma Solutions business for a \$4.25 billion deal leaves room for new investments by the Company and means to pay down long-term debt. This helps Baxter further streamline its focus while providing an opportunity for capital redeployment in accordance with its stated capital allocation priorities. The transaction also helps Baxter maintain an investment-grade credit rating.

Between 2022 and 2025, Baxter is expected to generate a 3 - 5% CAGR, making it a value-oriented Company. Furthermore, the Company expects modest sales growth in FY23 driven by easier comps, improved supply and new products and anticipates an adjusted operating margin of 14.3% to 14.5%. Furthermore, Baxter expects stable top-line growth in FY24, driven by volume, price mix and cost efficiency. Overall, the company expects to continue the momentum into FY24 with a highly diversified portfolio with strong brands, a global presence and continued implementation of strategic initiatives.

Vantive Faces Near-Term Headwinds; Growth Trajectory to Improve Post FY24

The new kidney care company will benefit from its existing leading product portfolio, geographically diverse footprint, extensive commercial operations, and robust service capabilities that support its therapies delivered in the home, clinics, and intensive care unit (ICU). The business will operate in market segments totaling approximately \$15 billion that collectively are estimated to grow between 3% to 4% on a compound annual basis over the next three years. Vantive Spin-off is expected to occur around July 2024, although ahead of this, the franchise will remain a top-line drag, with renal sales expected to decline. Performance in chronic therapies continues to be impacted by VBP in China and lower patient census following the pandemic. Management mentioned that current data suggests worldwide ESKD (end-stage kidney disease) incidence will continue to increase. Although a 35% increase in diabetes prevalence is expected by 2040, global demographic data show the number of people aged >65 should increase by ~75% from today by 2040 to drive the ESKD market, which may offset a potentially lower-than-expected rate of increase in diabetes prevalence from GLP-1 and similar drugs. Regarding GLP1s, management still sees ESRD incidence growth to remain positive over the next several years. Furthermore, on the 3Q23 conference call, Baxter provided an update on recent headlines regarding GLP-1, including the Novo Nordisk October announcement about its flow study and broader speculation about the future of dialysis therapy. The company continues to follow developments closely and is eager to see the full study results, which are expected to be published in the 1H24. With this, the company anticipates a better growth trajectory in FY24 and beyond for Kidney Care.

Valuation

We value Baxter International (BAX) using the 2024e EV/EBITDA methodology by valuing BAX (Stub) and Vantive (Spin-Off) separately using the EV/EBITDA valuation methodology.

AJ Baxter International (Stub):

Baxter International Inc., through its subsidiaries, provides a broad portfolio of essential healthcare products, including acute and chronic dialysis therapies; sterile intravenous (IV) solutions; infusion systems and devices; parenteral nutrition therapies; inhaled anesthetics; generic injectable pharmaceuticals; surgical hemostat and sealant products, advanced surgical equipment; smart bed systems; patient monitoring and diagnostic technologies; and respiratory health devices. For FY23, the company expects adjusted earnings from continuing operations, before special items, of \$2.57 to \$2.60 per share. The company expects sales growth from continuing operations of 1% to 2% on a reported basis and approximately 2% on a constant currency basis.

2024e EV/EBITDA - Baxter (Stub)

(\$ million except per share data)

Adj. EBITDA	2,397
Multiple	11.0x
Baxter (Stub) - EV	26,371
Less: Net Debt	5,910
Implied Equity Value	20,461
Number of Shares (million)	507.3
Intrinsic Value per share (\$)	40.00

Source: Spin-Off Research

EV/EBITDA Valuation: Our intrinsic value of \$40.00 for BAX (Stub) is based on a 2024e EV/EBITDA multiple of 11.0x (~13% discount to its peer median multiple of 12.6x). Our valuation factors in the divestiture of Biopharma Solutions, upon which the company received cash of \$3.96 billion, which BAX plans on allocating towards debt repayment. We have anticipated FY24e adjusted EBITDA of \$2.4 billion, with Net Debt of \$5.9 billion. Risks to our target price include below-average operational performance, delay in execution of management's plans for intermediate and long-term goals, delays or failures of key pipeline products or clinical programs, and greater-than-expected impact from macro challenges.

Baxter (Stub) - Valuation comparison

Company	Ticker	Price (in USD)	Market Cap	Enterprise Value	EV/EBITDA	
					FY23e	FY24e
Pfizer Inc	PFE	\$26.66	150,533	170,218	15.1x	7.4x
Becton Dickinson & Co	BDX	\$240.47	69,834	84,820	15.4x	14.4x
Abbott Laboratories	ABT	\$107.25	186,192	194,664	19.1x	17.9x
AstraZeneca PLC	AZN	\$65.90	204,280	227,765	14.3x	12.6x
Johnson & Johnson	JNJ	\$155.79	375,030	381,440	12.1x	11.7x
Koninklijke Philips NV	PHG	\$20.96	19,465	35,571	8.7x	8.2x
STERIS PLC	STE	\$206.87	20,439	23,870	16.8x	13.6x
Stryker Corp	SYK	\$298.53	113,410	124,663	23.5x	20.9x
<i>Mean</i>					14.5x	12.3x
<i>Median</i>					15.1x	12.6x

Source: Spin-Off Research

B| Vantive (Spin-Off): Post Spin-Off, Vantive, or currently the Kidney Care segment of Baxter, will include sales of chronic and acute dialysis therapies and services, including peritoneal dialysis, hemodialysis, continuous renal replacement therapies (CRRT) and other organ support therapies. Vantive operates in a market segment totaling approximately \$15 billion, estimated to grow between 3% to 4% on a compound annual basis over the next three years.

2024e EV/EBITDA - Vantive (Spin-off)	
(\$ million except per share data)	
Adj. EBITDA	536
Multiple	10.0x
Vantive - EV	5,357
Add: Net Debt/ (Cash)	1,325
Implied Equity Value	4,032
Number of Shares (million)	507.3
Intrinsic Value per Vantive share (\$)*	8.00

Source: Spin-Off Research

EV/EBITDA Valuation: Our fair value estimate for Vantive (Spin-Off) stands at \$8.00 per share based on a 2024e EV/ EBITDA multiple of 10.0x (~10.0% premium to its closest comp of DaVita Inc of 9.1x and a ~20% discount to its peer median multiple of 12.7x). Our discount to the peer median multiple reflects the smaller scale of operations compared to ParentCo and its peers. We have anticipated an FY24e adjusted EBITDA of \$536 million, with a Net Debt of \$1.3 billion.

Vantive (Spin-Off) - Valuation comparison						
Company	Ticker	Price (in USD)	Market Cap	Enterprise Value	EV/EBITDA	
					FY23e	FY24e
Medtronic PLC	MDT	\$81.90	108,899	126,432	13.5x	12.7x
Boston Scientific Corp	BSX	\$56.48	82,742	91,332	22.3x	20.0x
Teleflex Inc	TFX SJ	\$242.63	11,402	12,670	14.8x	13.8x
ICU Medical Inc	ICUI	\$92.11	2,224	3,740	10.1x	9.7x
DaVita Inc	DVA	\$108.80	9,933	22,227	9.4x	9.1x
<i>Mean</i>					14.0x	13.0x
<i>Median</i>					13.5x	12.7x

Source: Spin-Off Research

C| Consolidated Valuation:

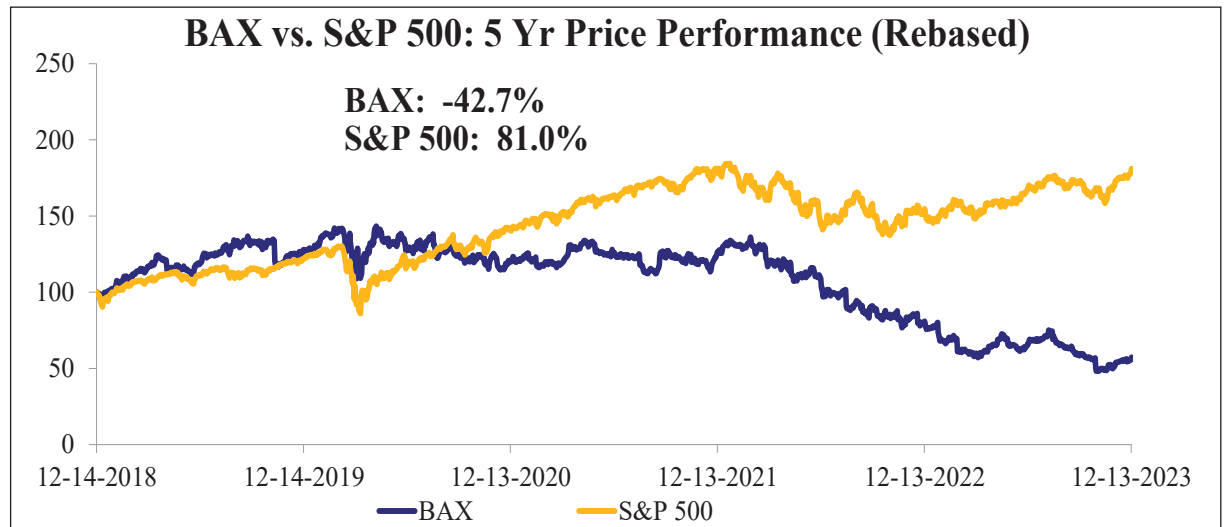
We arrived at a consolidated target price of \$48.00 per share for Baxter International Inc., which implies a potential upside of 27.6% from the current market price of \$37.63 as of 12/13. We thereby assign a 'Buy' rating on the stock.

Consolidated Valuation - Baxter (Consolidated)	in \$ per BAX share
(\$ million except per share data)	
Baxter (Stub)	40.00
Vantive	8.00
Baxter International Inc (Consolidated) (\$ per share)	48.00

Source: Spin-Off Research

Stock Price Performance

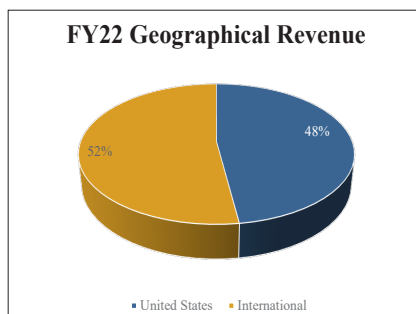
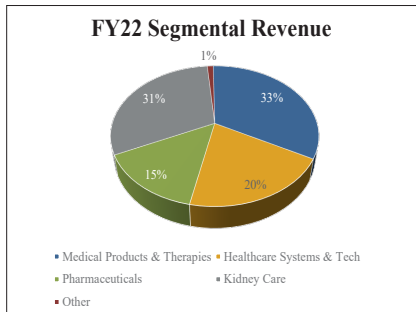
BAX has underperformed S&P 500 index by 43.1% since the announcement. The stock underperformed S&P500 index by 48.8% year to date.



	Date	BAX (% Change)	S&P 500 (% Change)
Since Announcement	01/06/23	-22.3%	20.8%
Last 1 Year	12/14/22	-28.0%	17.8%
Last 6 Months	06/14/23	-13.4%	7.6%
Year-to-date	12/30/22	-26.2%	22.6%

Source: Bloomberg

Business Overview – Baxter



Source: Company Reports

Baxter International Inc. is a global medical technology with approximately 60,000 employees worldwide who are engaged in the development, manufacture and sale of a broad range of products, digital health solutions and therapies used by hospitals, kidney dialysis centers, nursing homes, rehabilitation centers, doctors' offices and patients at home under physician supervision. Baxter's global footprint and the critical nature of its products and services, which are sold in over 100 countries, play a key role in expanding access to healthcare in emerging and developed countries.

Baxter International Inc., through its subsidiaries, provides a broad portfolio of essential healthcare products, including acute and chronic dialysis therapies, sterile intravenous (IV) solutions, infusion systems and devices, parenteral nutrition therapies, inhaled anesthetics, generic injectable pharmaceuticals, surgical hemostat and sealant products, advanced surgical equipment, smart bed systems, patient monitoring and diagnostic technologies, and respiratory health devices. These products are used by hospitals, kidney dialysis centers, nursing homes, rehabilitation centers, doctors' offices and by patients at home under physician supervision. Baxter's global footprint and the critical nature of products and services play a key role in expanding access to healthcare in emerging and developed countries. As of December 31, 2022, the Company manufactured products in over 20 countries and sold them in over 100 countries.

In January 2023, Baxter announced the strategic action of a proposed spinoff of its Renal Care and Acute Therapies product categories into an independent publicly traded company. The proposed spinoff is expected to be completed by July 2024 or earlier, subject to the satisfaction of customary conditions. During the third quarter and first nine months of 2023, The Company generated \$1.11 billion and \$3.29 billion of net sales from its Kidney Care segment, representing ~30% of its consolidated net sales in both periods. In FY22, the Company generated \$4.4 billion of combined net sales from its Renal Care and Acute Therapies product categories, representing approximately 29% of the consolidated net sales.

Recent Business Combinations and Asset Acquisitions

BioPharma Solutions Divestiture

On September 29, 2023, Baxter completed the sale of its BioPharma Solutions (BPS) business and received cash proceeds of \$3.96 billion from that transaction. This milestone serves to further streamline Baxter's strategic focus in line with the transformational initiatives outlined at the start of 2023. Advent International, a global private equity investor, acquired the BPS business, and Warburg Pincus, a global growth investor, will now operate under Simtra BioPharma Solutions.

Zosyn

On March 22, 2022, Baxter agreed with a subsidiary of Pfizer Inc. to acquire the rights to Zosyn, a premixed frozen piperacillin/tazobactam product, in the U.S. and Canada. Zosyn treats intra-abdominal infections, nosocomial pneumonia, skin and skin structure infections, female pelvic infections and community-acquired pneumonia. Under the terms of the acquisition, the Company paid the acquisition price of \$122 million and received specified intellectual property, including patent rights, in 1Q22 and receive additional intellectual property, including the product rights to Zosyn, in the first quarter of 2023.

Acquisition of Hillrom

On December 13, 2021, Baxter completed its acquisition of all outstanding equity interests of Hill-Rom Holdings, Inc. (Hillrom) for a purchase price of \$10.5 billion. Including the assumption of Hillrom's outstanding debt obligations, the transaction's enterprise value was approximately \$12.8 billion. Hillrom is a global medical technology leader, and its products and services help enable earlier diagnosis and treatment, optimize surgical efficiency, and accelerate patient recovery while simplifying clinical communication and shifting care closer to home. The Hillrom segment provides digital and connected care solutions and collaboration tools, including smart bed systems, patient monitoring and diagnostic technologies, respiratory health devices and advanced equipment for the surgical space. In FY22, the Patient Support Systems, Front Line Care and Global Surgical Solutions product categories of the Hillrom segment collectively generated net sales of \$2.9 billion.

Business Segments and Products

The Company currently manages its global operations based on four segments, consisting of the following geographic segments related to its legacy Baxter business: Americas (North and South America), EMEA (Europe, Middle East and Africa) and APAC (Asia-Pacific), and a global segment for its recently acquired Hillrom business. The Company is designing a new operating model intended to simplify and streamline its operations, and it expects that the reportable segments will be changed to align with that new operating model when it is fully implemented. The Americas, EMEA and APAC segments provide a broad portfolio of essential healthcare products, including acute and chronic dialysis therapies, sterile IV solutions, infusion systems and devices, parenteral nutrition therapies, inhaled anesthetics, generic injectable pharmaceuticals, surgical hemostat and sealant products.

In January 2023, to strengthen its ability to deliver on its vision to transform healthcare, Baxter announced the design of a new operating model intended to simplify and streamline its operations. After implementation, the simplified model was expected to be a more integrated and agile organization that could respond more effectively to changes in the macroeconomic environment while enhancing Baxter's ability to drive innovation in its product portfolio. In 3Q23, Baxter implemented this operating model intended to simplify and streamline its operations and better align the manufacturing and supply chain to its commercial activities. The business comprises four segments under this new operating model: Medical Products and Therapies, Healthcare Systems and Technologies (formerly the Hillrom segment), Pharmaceuticals and Kidney Care. The segments were changed during 3Q23 to align with the Company's new operating model, and prior period segment disclosures have been revised to reflect the new segment presentation.

Segment	Medical Products & Therapies	Healthcare Systems & Technologies	Pharmaceuticals	Kidney Care
Product Categories	Infusion Therapies & Technologies* Advanced Surgery	Care & Connectivity Solutions** Front Line Care	Injectables & Anesthesia Drug Compounding	Chronic Therapies*** Acute Therapies
*Includes former Medication Delivery and Clinical Nutrition businesses.				
**Includes former Patient Support Systems and Surgical Solutions businesses.				
***Includes former Renal Care business.				

Medical Products and Therapies

Medical Products and Therapies comprise Baxter's Medication Delivery, Clinical Nutrition and Advanced Surgery product segments. It includes the sale of sterile IV solutions, infusion systems, administration sets, parenteral nutrition therapies and surgical hemostat, sealants and adhesion prevention products. Medication Delivery included sales of intravenous (IV) therapies, infusion pumps, administration sets and drug reconstitution devices. Clinical Nutrition includes selling parenteral nutrition (PN) therapies and related products. Advanced Surgery includes sales of biological products and medical devices used in surgical procedures for hemostasis, tissue sealing and adhesion prevention. For FY22, the segment recorded revenues of \$3.8 billion.

Healthcare Systems and Technologies

The Healthcare Systems and Technologies segment includes sales of connected care solutions and collaboration tools, including smart bed systems, patient monitoring systems and diagnostic technologies, respiratory health devices and advanced equipment for the surgical space, including surgical video technologies, precision positioning devices and other accessories. The segment comprises Care & Connectivity Solutions (the Patient Support Systems & Surgical Solutions segments) and Front Line Care product segments. For FY22, the segment recorded revenues of \$2.9 billion.

Pharmaceuticals

Pharmaceuticals include sales of premixed and oncology drug platforms, inhaled anesthesia and critical care products and pharmacy compounding services. The segment is comprised of Injectables and Anesthesia and Drug Compounding product segments. For FY22, the segment recorded revenues of \$2.1 billion.

Other

Other sales not allocated to a segment primarily include sales of products and services provided directly through certain manufacturing facilities and royalty income under a business development arrangement ending in early 2023 when the company acquired the related product rights.

Kidney Care business – refer Business Overview of Vantive (Spin-Off)

Financial Overview - Baxter Corp (Parent)

In \$ million (except per share data)	3Q23	3Q22	YoY%	9M23	9M22	YoY%
Net Sales	3,708	3,609	2.7%	10,928	10,761	1.6%
Operating income	-51	-2880	-98.2%	61	-2533	-102.4%
Operating income margin	-1.38%	-79.80%	7840 bps	0.6%	-23.5%	2410 bps
Adj. Operating income	565	568	-0.5%	1,493	1,683	-11.3%
Adj. Operating income margin	15.2%	15.7%	-50 bps	13.7%	15.6%	-200 bps
Net Income attributable to Baxter Shareholders	2,508	-2,937	-185.4%	2,411	-2,614	-192.2%
Diluted EPS	4.93	-5.83	-184.6%	4.76	-5.2	-191.5%
Adjusted Net Income	415	414	0.2%	1,047	1,328	-21.2%
Adj Diluted EPS	0.82	0.82	0.0%	2.07	2.61	-20.7%

Source: Company Data

3Q23

Baxter's 3Q23 consolidated revenue increased by 2.7% YoY to \$3.7 billion (up 2% on a constant currency basis). 3Q23 sales performance from continuing operations and, in the aggregate, exceeded Baxter's previously announced guidance, driven by new product launches in Pharmaceuticals, solid demand for Medical Products and therapies products, and continued improvement in product availability in Healthcare Systems & Technologies. U.S. sales from continuing operations in 3Q23 totaled ~\$1.77 billion, comparable with 3Q22 performance. International sales in the aggregate advanced 7% on a reported basis and 4% on a constant currency basis. Reported operating income improved to -\$51.0 million in 3Q23 from -\$2.9 billion a year ago, reflecting a significant operating margin increase. 3Q22's operating income included \$2.8 billion of goodwill impairments. Operating margin was -1.4%, up from -79.8% in 3Q22. Adjusted operating income, which excludes mark-to-market and one-time charges, decreased by 0.5% YoY to \$565 million, compared to \$568 million in 3Q22. The adjusted operating margin was 15.2%, down by 50 bps compared to the prior year. Diluted EPS in 3Q23 increased significantly to \$4.93 per share from -5.83 per share in 3Q22. Adjusted diluted EPS was flat at \$0.82 per share on a YoY basis. Adjusted diluted EPS for 3Q23 exceeded Baxter's previously announced third-quarter 2023 guidance, driven by better-than-expected sales performance and operational efficiencies.

9M23

In 9M23, the Company reported net sales of \$ 10.9 billion, up 1.6% YoY due to increased sales from Medical Products, Therapies and Pharmaceuticals. Increased sales resulted in operating income growth to \$61 million, significantly up from -\$2.5 billion in 3Q22, ultimately improving operating income margin to -1.4% of net sales in 9M23. The improved operating performance was mainly because 9M22's operating income included \$2.8 billion of goodwill impairments. The Company reported a net income of \$2.4 billion, up meaningfully compared to -\$2.6 billion in 9M22, mainly due to higher income from discontinued operations. Adjusted operating profit, which excludes mark-to-market and one-time charges, decreased by 11.3% to \$1.5 billion. Adjusted operating margin was 13.7%, down by 200 bps compared to the prior year. Diluted EPS increased considerably to \$4.93 per share from \$5.83 per share a year ago. Adjusted diluted EPS, which excludes one-time charges, decreased by 20.7% YoY to \$2.07.

2023 Financial Outlook

4Q23

The company expects adjusted earnings from continuing operations, before special items, of \$0.85 to \$0.88 per share. Baxter expects sales growth from continuing operations of 1% to 2% on a reported basis and approximately 1% on a constant currency basis.

FY23

The company expects adjusted earnings from continuing operations, before special items, of \$2.57 to \$2.60 per share. The company expects sales growth from continuing operations of 1% to 2% on a reported basis and approximately 2% on a constant currency basis..

Segmental Information

Medical Products and Therapies

In \$ million	3Q23	3Q22	YoY%	9M23	9M22	YoY%
Infusion Therapies and Technologies	1,003	956	4.9%	2,918	2,829	3.1%
Advanced Surgery	255	247	3.2%	773	738	4.7%
Total Revenue	1,258	1,203	4.6%	3,691	3,567	3.5%
Operating Income	245	257	-4.7%	706	703	0.4%
Operating Margin	19.48%	21.36%	-190 bps	19.1%	19.7%	-60 bps
Adjusted EBITDA	746	774	-3.6%	1,442	1,608	-10.3%
Adjusted EBITDA margin	27.0%	26.5%	50 bps	26.0%	26.9%	-90 bps

Source: Company Data

3Q23

Medical Products and Therapies net sales were \$1.3 billion, up 4.6% YoY. Infusion Therapies and Technologies net sales increased 4.9% YoY, while Advanced Surgery net sales increased 3.2% YoY in 3Q23. Infusion Therapies and Technologies' sales performance in the third quarter and first nine months reflected strong demand for infusion systems and administration sets and growth in IV solutions and international nutrition compounding, partially offset by lower sales of parenteral nutrition products in the U.S. The increase in Advanced Surgery net sales was driven by continued recovery in surgical procedures, partially offset by temporary supply constraints, the exit of a product distribution arrangement and a comparison against prior year periods that benefited from competitor supply constraints. Operating income was \$243 million, down 4.7% YoY. Consequently, operating income margin declined by 190 bps to 19.5% in 3Q23. Segment operating income decreased in 3Q23 compared to the prior year period due to higher SG&A and R&D expenses, partially offset by the gross profit from higher sales.

9M23

In 9M23, Medical Products and Therapies' net sales were \$3.7 billion, up 3.5% YoY. Infusion Therapies and Technologies net sales increased 3.1% YoY, while Advanced Surgery net sales increased 4.7% YoY in 9M23. Operating income was \$706 million, up 0.4% YoY, mainly driven by higher sales, productivity improvements and lower amortization, which offset the impact of generic competition and investments in growth drivers. Foreign currency exchange rates adversely impacted sales growth by 1% YoY in 9M23 as compared to the prior year period. However, the operating income margin declined by 60 bps to 19.1% in 9M23. The increase in segment operating income in 9M23 reflected the gross profit from higher sales, partially offset by increases in SG&A and R&D expenses.

Healthcare Systems and Technologies

In \$ million	3Q23	3Q22	YoY%	9M23	9M22	YoY%
Care and Connectivity Solutions	443	456	-2.9%	1,307	1,350	-3.2%
Front Line Care	301	279	7.9%	911	855	6.5%
Total Revenue	744	735	1.2%	2,218	2,205	0.6%
Operating Income	115	108	6.5%	327	367	-10.9%
Operating Margin	15.46%	14.69%	80 bps	14.7%	16.6%	-190 bps

Source: Company Data

3Q23

Healthcare Systems and Technologies net sales were \$744 million, up 1.2% YoY. Care and Connectivity Solutions net sales decreased 2.9% YoY and Front Line Care net sales increased 7.9% YoY in 3Q23. The increase in Care and Connectivity Solutions was driven by lower demand for hospital beds due to current capital spending constraints at certain customers and lower rental revenues, partially offset by international demand and sales generated from recent product launches in the U.S. Front Line Care net sales increase was driven by increased demand for physical assessment tools, respiratory health products and cardiology products. Operating income was \$115 million, up 6.5% YoY. Consequently, operating income margin was up by 80 bps to 15.5% in 3Q23. The jump in segment operating income in 3Q23 was primarily due to increased sales and improved gross margins, primarily driven by a favorable product mix and improved component availability.

9M23

In 9M23, Healthcare Systems and Technologies net sales were \$2.2 billion, up 0.6% YoY. Care and Connectivity Solutions net sales decreased 3.2% YoY and Front Line Care net sales increased 6.5% YoY in 9M23. Performance in the current year periods benefited from backlog reductions due to improved availability of component parts used in certain products. Operating income was \$327 million, down 10.9% YoY. However, the operating income margin deteriorated by 190 bps to 14.7% in 9M23. The decrease in segment operating income in the first nine months of 2023 resulted from a lower gross margin, primarily driven by raw material inflation.

Pharmaceuticals

In \$ million	3Q23	3Q22	YoY%	9M23	9M22	YoY%
Injectables and Anesthesia	351	325	8.0%	987	961	2.7%
Drug Compounding	229	200	14.5%	665	613	8.5%
Total Revenue	580	525	10.5%	1,652	1,574	5.0%
Operating Income	108	82	31.7%	284	295	-3.7%
Operating Margin	18.62%	15.62%	300 bps	17.2%	18.7%	-160 bps

Source: Company Data

3Q23

Pharmaceuticals net sales were \$580 million, up 10.5% YoY. Operating income was \$108 million, up 31.7% YoY. Injectables and anesthesia net sales increased 8.0% YoY, and Drug Compounding net sales increased 14.5% YoY in 3Q23. Injectables and Anesthesia growth were driven by recent launches of Zosyn, following the transfer of the related product rights earlier this year, Bendamustine and Norepinephrine, partially offset by lower sales of Suprane, an inhaled anesthesia product. For Drug Compounding, increased net sales were driven by increased demand for international pharmacy compounding services. Consequently, operating income margin was up by 300 bps to 18.6% in 3Q23. The increase in segment operating income in the third quarter of 2023 was primarily due to the gross profit from higher sales driven by recent product launches.

9M23

In 9M23, Pharmaceuticals net sales were \$1.7 billion, up 5.0% YoY. Operating income was \$284 million, down 3.7% YoY. Injectables and anesthesia net sales increased 2.7% YoY, and Drug Compounding net sales increased 8.5% YoY in 9M23. Foreign currency exchange rates adversely impacted sales growth for 9M23 as compared to the prior year period. Consequently, the operating income margin declined by 160 bps to 17.2% in 9M23. The decrease in segment operating income in the first nine months of 2023 was due to a lower gross margin, primarily driven by raw materials inflation and increased R&D expense, partially offset by income from recent product launches.

In \$ million	3Q23	3Q22	YoY%	9M23	9M22	YoY%
Revenue	17	46	-63.0%	73	129	-43.4%
Operating Income	6.0	17.0	-64.7%	19.0	52.0	-63.5%
Operating Margin	35.29%	36.96%	-170 bps	26.0%	40.3%	-1430 bps

Source: Company Data

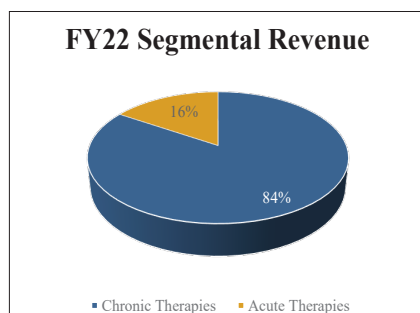
3Q23

For 3Q23, the Other segment reported sales of \$17 million compared to \$46 million in the prior year period. These other sales primarily represent ancillary revenues earned by certain manufacturing facilities from contract manufacturing activities and royalty income under a business development arrangement. The decreases in the current year, as compared to the prior year periods, reflect lower contract manufacturing volume and the termination of the royalty arrangement following the acquisition of the rights to the underlying product. For 3Q23, the company generated operating income of \$6 million compared to \$17 million in 3Q22. The decreases in the current year as compared to the prior year periods reflect lower contract manufacturing volume and the termination of the royalty arrangement following the acquisition of the rights to the underlying product. Operating income margin was 35.3%, compared to 37.0% in the prior year.

9M23

For 9M23, the Other segment reported net sales of \$73 million compared to \$129 million in 9M22. Similarly, the segment generated operating income of \$19 million compared to \$52 million in 9M22. Operating income margin was 26.0%, compared to 40.3% in the prior year.

Business & Financial Overview - Vantive



Source: Company Reports

Vantive, or currently the Kidney Care segment of Baxter, includes sales of chronic and acute dialysis therapies and services, including peritoneal dialysis, hemodialysis, continuous renal replacement therapies (CRRT) and other organ support therapies. Chronic Therapies (formerly Renal Care) includes sales of peritoneal dialysis (PD), hemodialysis (HD) and additional dialysis therapies and services. Acute Therapies includes sales of continuous renal replacement therapies (CRRT) and other organ support therapies focused in the intensive care unit (ICU). For FY22, Vantive (Kidney Care segment) recorded revenues of \$4.4 billion.

In \$ million	3Q23	3Q22	YoY%	9M23	9M22	YoY%
Chronic Therapies	921	934	-1.4%	2,730	2,744	-0.5%
Acute Therapies	188	166	13.3%	564	542	4.1%
Total Revenue	1,109	1,100	0.8%	3,294	3,286	0.2%
Operating Income	96	103	-6.8%	208	307	-32.2%
Operating Margin	8.66%	9.36%	-70 bps	6.3%	9.3%	-300 bps

Source: Company Data

3Q23

Kidney Care net sales were \$1.1 billion, up 10.1% YoY. Chronic Therapies sales decreased 1.4% YoY, and Acute Therapies net sales increased 13.3% YoY in 3Q23. The decline in sales of Chronic Therapies was primarily due to patient growth in PD, pricing initiatives and recent government tender awards in EMEA, partially offset by lower sales in China, primarily due to government-based procurement initiatives and the impact of COVID-19 on that country's renal patient population, and the termination of a distribution agreement in the U.S. For Acute Therapies, the growth in sales was driven by strong demand for CRRT offerings. Consequently, operating income was up 24.1% YoY. Operating income was \$96 million, up 24.1% YoY. The increase in segment operating income in the third quarter of 2023 reflected lower operating expenses that were almost entirely offset by lower gross margins, primarily driven by raw materials inflation.

9M23

In 9M23, Kidney Care net sales were \$3.3 billion, up 0.2% YoY. Operating income was \$208 million, down 32.2% YoY. Chronic Therapies sales decreased 0.5% YoY, and Acute Therapies net sales increased 4.1% YoY in 9M23. Foreign currency exchange rates adversely impacted sales growth in 9M23 as compared to the prior year period. Consequently, the operating income margin deteriorated by 300 bps to 6.3% in 9M23. The decrease in operating income in the first nine months of 2023 was primarily due to lower gross margins, partially offset by lower operating expenses.

Competition

Baxter International (Stub)

Company Name	Ticker	Revenue (\$ million)	Company Description
Pfizer Inc	PFE	1,00,330	Pfizer Inc. operates as a pharmaceutical company. The Company offers medicines, vaccines, medical devices, and consumer healthcare products for oncology, inflammation, cardiovascular, and other therapeutic areas. Pfizer serves customers worldwide.
Johnson & Johnson	JNJ	79,990	Johnson & Johnson manufactures health care products and provides related services for the consumer, pharmaceutical, and medical devices and diagnostics markets. The Company sells products such as skin and hair care products, acetaminophen products, pharmaceuticals, diagnostic equipment, and surgical equipment in countries located around the world.
AstraZeneca PLC	AZN	44,351	AstraZeneca PLC operates as a holding company. The Company, through its subsidiaries, researches, manufactures, and sells pharmaceutical and medical products. AstraZeneca focuses its operations on eight therapeutic areas, including gastrointestinal, oncology, cardiovascular, respiratory, centralnervous system, pain control, anaesthesia, and infection.
Abbott Laboratories	ABT	43,653	Abbott Laboratories discovers, develops, manufactures, and sells a broad and diversified line of health care products and services. The Company's products include pharmaceuticals, nutritional, diagnostics, and vascular products. Abbott markets its products worldwide through affiliates and distributors.
Becton Dickinson & Co	BDX	18,870	Becton, Dickinson and Company operates as a medical technology company. The Company offers solutions that help advance medical research and genomics, enhance the diagnosis of infectious disease and cancer, improve medication management, and promote infection prevention. Becton, Dickinson and Company serves clients worldwide.
Koninklijke Philips NV	PHG	18,777	Koninklijke Philips NV is a health technology company focused on improving people's health across the health continuum from healthy living and prevention, to diagnosis, treatment, and home care. The Company offers products and services in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care.
Stryker Corp	SYK	18,449	Stryker Corporation develops, manufactures, and markets specialty surgical and medical products. The Company's products include implants, biologics, surgical, neurologic, ear, nose and throat, and interventional pain equipment, endoscopic, surgical navigation, communications, and digital imaging systems, as well as patient handling and emergency medical equipment.
STERIS PLC	STE	4,585	STERIS Public Limited Company operates as a provider of infection prevention and other procedural products and services. The Company offers sterilizers and washers, surgical tables, lights, and equipment management systems, and endoscopy accessories. STERIS serves healthcare, pharmaceutical, and medical device industries.

Source: Company Reports

Competition

Vantive (Spin-Off)

Company Name	Ticker	Revenue (\$ million)	Company Description
Medtronic PLC	MDT	31,686	Medtronic, PLC develops therapeutic and diagnostic medical products. The Company's principal products include those for bradycardia pacing, tachyarrhythmia management, atrial fibrillation management, heart failure management, heart valve replacement, malignant and non-malignant pain, and movement disorders. Medtronic's products are sold worldwide.
Boston Scientific Corp	BSX	12,682	Boston Scientific Corporation develops, manufactures, and markets minimally invasive medical devices. The Company's products are used in interventional cardiology, cardiac rhythm management, peripheral interventions, electrophysiology, neurovascular intervention, endoscopy, urology, gynecology, and neuromodulation.
DaVita Inc	DVA	11,610	DaVita Inc. provides a variety of health care services. The Company provides kidney dialysis services for patients suffering from chronic kidney failure. DaVita serves patients worldwide.
Teleflex Inc	TFX	2,791	Teleflex Incorporated is a global provider of medical technology products. The Company primarily develops, manufactures, and supplies single-use medical devices used by hospitals and healthcare providers for common diagnostic and therapeutic procedures in critical care and surgical applications.
ICU Medical Inc	ICUI	2,280	ICU Medical, Inc. develops, manufactures, and sells disposable medical connection systems for use in intravenous (IV) therapy applications. The Company's products are designed to prevent accidental disconnection of IV lines and to protect healthcare workers and their patients from the spread of infectious disease such as Hepatitis B and Human Immunodeficiency Virus (HIV).

Source: Company Reports

Attachment 1

Income Statement - Baxter

(in \$ million, except per share data)	FY20	FY21	FY22	9M23
Net sales	11,673.00	12,784.00	15,113.00	10,928.00
Cost of sales	7,086.00	7,679.00	9,716.00	7,425.00
Gross margin	4,587.00	5,105.00	5,397.00	3,503.00
Selling, general and administrative expenses	2,469.00	2,867.00	3,887.00	2,961.00
Research and development expenses	521.00	534.00	605.00	495.00
Goodwill impairments	-	-	2,812.00	-
Other operating expense (income), net	(19.00)	(6.00)	36.00	(14.00)
Operating income (loss)	1,616.00	1,710.00	(1,943.00)	61.00
Interest expense, net	134.00	192.00	395.00	369.00
Other (income) expense, net	190.00	41.00	15.00	33.00
Loss from continuing operations before income taxes	1,292.00	1,477.00	(2,353.00)	(341.00)
Income tax benefit	182.00	182.00	68.00	(199.00)
Income (loss) from continuing operations	1,110.00	1,295.00	(2,421.00)	(142.00)
Income from discontinued operations, net of tax	-	-	-	2,559.00
Net income (loss)	1,110.00	1,295.00	(2,421.00)	2,417.00
Net income attributable to noncontrolling interests	8.00	11.00	12.00	6.00
Net income (loss) attributable to Baxter stockholders	1,102.00	1,284.00	(2,433.00)	2,411.00
Income (loss) from continuing operations per common share				
Basic	2.17	2.56	(4.83)	(0.29)
Diluted	2.13	2.53	(4.83)	(0.29)
Weighted-average number of shares outstanding				
Basic	509.0	502.0	504.0	506.0
Diluted	517.0	508.0	504.0	506.0

Source: Company Data

Attachment 2

Balance Sheet - Baxter

Financial Year Ending December 31st (in \$ million)	FY20	FY21	FY22	9M23
ASSETS				
Current assets:				
Cash and cash equivalents	3,730.00	2,951.00	1,718.00	5,788.00
Accounts receivable, net of allowances	2,007.00	2,629.00	2,571.00	2,512.00
Inventories	1,916.00	2,453.00	2,679.00	2,873.00
Prepaid expenses and other current assets	758.00	839.00	857.00	861.00
Current assets of discontinued operations			186.00	-
Total current assets	8,411.00	8,872.00	8,011.00	12,034.00
Goodwill	3,217.00	9,836.00	6,452.00	6,407.00
Other intangible assets, net	1,671.00	7,792.00	6,793.00	6,230.00
Operating lease right-of-use assets	603.00	630.00	541.00	519.00
Other non-current assets	1,395.00	1,213.00	1,109.00	1,188.00
Non-current assets of discontinued operations			686.00	-
Total assets	20,019.00	33,521.00	28,287.00	30,656.00
Liabilities And Stockholders' Equity				
Current liabilities:				
Short-term debt	-	301.00	299.00	514.00
Current maturities of long-term debt and finance lease obligations	406.00	210.00	1,105.00	1,912.00
Accounts payable	1,043.00	1,246.00	1,110.00	1,246.00
Accrued expenses and other current liabilities	1,884.00	2,479.00	2,170.00	2,537.00
Current liabilities of discontinued operations			61.00	-
Total current liabilities	3,333.00	4,236.00	4,745.00	6,209.00
Long-term debt and finance lease obligations, less current portion	5,786.00	17,149.00	15,232.00	14,067.00
Operating lease liabilities	501.00	522.00	447.00	436.00
Other non-current liabilities	1,673.00	2,493.00	1,848.00	1,778.00
Non-current liabilities of discontinued operations			120.00	-
Total liabilities	11,293.00	24,400.00	22,392.00	22,490.00
Common stock, \$1 par value, authorized 2,000,000,000 shares, issued 683,494,944 shares in 2023 and 2022	683.00	683.00	683.00	683.00
Common stock in treasury, at cost, 176,198,622 shares in 2023 and 179,062,594 shares in 2022	(11,051.00)	(11,488.00)	(11,389.00)	(11,249.00)
Additional contributed capital	6,043.00	6,197.00	6,322.00	6,368.00
Retained earnings	16,328.00	17,065.00	14,050.00	16,015.00
Accumulated other comprehensive income (loss)	(3,314.00)	(3,380.00)	(3,833.00)	(3,716.00)
Total Baxter stockholders' equity	8,689.00	9,077.00	5,833.00	8,101.00
Noncontrolling interests	37.00	44.00	62.00	65.00
Total equity	8,726.00	9,121.00	5,895.00	8,166.00
Total Liabilities And Stockholders' Equity	20,019.00	33,521.00	28,287.00	30,656.00

Source: Company Data

Attachment 3

Management – Baxter

José E. Almeida

Chairman, President and Chief Executive Officer

José (Joe) E. Almeida is chairman, president and chief executive officer of Baxter International Inc. Almeida assumed his current responsibilities at Baxter in January 2016. Before joining Baxter, Almeida served as chairman, president and CEO of Covidien plc from 2012 to 2015 and president and CEO from 2011 to 2012. Before this, he held a range of senior leadership roles at Covidien and its predecessor organization, Tyco Healthcare, including president, Medical Devices and president, International. A career healthcare veteran, Almeida also held leadership and management roles at multiple companies across the industry, including Wilson Greatbatch Technologies, American Home Products' Acufex Microsurgical division, and Johnson & Johnson's Professional Products division. He began his career as a management consultant at Andersen Consulting (Accenture). Almeida is a member of the Bank of America Board of Directors and the Northwestern University Board of Trustees. A native of Brazil, he received a Bachelor of Science degree in mechanical engineering from Instituto Mauá de Tecnologia. For FY22, Mr. Almeida received annual compensation of \$13.59 million, with a base salary of \$1.3 million.

Joel Grade

Executive Vice President and Chief Financial Officer

Joel Grade is executive vice president and chief financial officer. Joel joined Baxter in 2023 following a 25-year career with Sysco, the world's global food service leader. He most recently served as Sysco's executive vice president of corporate development. His previous roles included executive vice president and chief financial officer, senior vice president of finance and chief accounting officer, and senior vice president of food service operations. Joel earned his bachelor's degree in accounting and finance with a specialization in international business from the University of Wisconsin-Madison and a master's degree in business administration in finance, strategy and marketing from Northwestern University's Kellogg School of Management.

James Borzi

Senior Vice President and Chief Supply Chain Officer

Mr. Borzi joined Baxter in August 2020 from G.E. Healthcare, where he served as Vice President and Chief Supply Chain Officer from 2019 to 2020. Before joining G.E. Healthcare, he spent five years with Becton Dickinson (B.D.) in various manufacturing operations leadership roles; his last role with B.D. was as Executive Vice President of Global Operations and Chief Supply Chain Officer. Earlier in his career, he was Senior Vice President of Operations and Technology at Hydro Aluminum and Executive Vice President of Worldwide Operations at Lennox International. Prior to that, he was the Chief Operating Officer at AEES Inc. and Senior Vice President of Americas Operations at Alcoa Corporation.

Attachment 4

Management – Vantive

Chris Toth**Executive Vice President and Group President, Kidney Care**

Chris Toth is the executive vice president and group president of Kidney Care and will be appointed as the CEO of Vantive (Kidney Care company) post-spin-off. Mr Toth assumed his responsibilities at Baxter in June 2023. He has been selected as the chief executive officer of the company's proposed spinoff of its Kidney Care business into an independent, publicly traded company. Before joining Baxter, he served as chief executive officer of Varian, a Siemens Healthineers Company. Before this, he held numerous executive leadership roles across a two-decade career with Varian, including president and chief operating officer, president of Varian Oncology Systems, and president of Global Commercial and Field Operations. Mr Toth received a bachelor's degree in Business Administration with a concentration in Marketing from the Lundquist College of Business at the University of Oregon. He is also a member of the U.S.-India Strategic Partnership Forum Board (USISPF) and President Biden's Advisory Council for Doing Business in Africa (PACDBIA).

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